

# GOVERNMENT OF MEGHALAYA COOPERATION DEPARTMENT

## NOTIFICATION

Dated Shillong, the 25<sup>th</sup> September, 2003.

No.COD. 78/77/180- In exercise of the power conferred by Section 100 of the Meghalaya Cooperative Societies Act (Assam Act I of 1950 as adapted by Meghalaya), the Government of Meghalaya are pleased to make the following amendment to amend the Meghalaya Cooperative Rules (Assam Rules of 1953 as adapted by Meghalaya), namely:

### **THE MEGHALAYA COOPERATIVE SOCIETIES (AMENDMENT) RULES, 2003.**

1. **Short Title and Commencements – (1) These Rules may be called the Meghalaya Cooperative Societies (Amendment) Rules, 2003.**

(3) They shall come into force on the date of their publication the Official Gazette.

Amendment of Rule 5 – 2.(i) In rule 5 of the Principal Rule, in Sub-Rule (1) in the Fourth Line of first Para the words “or the person to whom Registrar’s power is delegated” shall be added after the Word “Registrar”.

(ii) In Sub-rule (1) in the first line of second para , after the word, “Registrar” the words, “or the person to whom Registrar’s power is delegated shall be added, and the words “or the Political Officer” appearing in the second line be deleted.

Amendment of Rule 6 - 3.(i) In Rule 6 of the Principal Rules, in the first line of Sub-Rule (1) the words “or the person to whom Registrar’s power is delegated” shall be added after the word “Registrar”.

(ii) In Sub-Rule (1) clause ©, the words “and the application is signed by at least 15 persons” shall be added after the word, “Rules”

(iii) In Sub-Rule (1) in Clause © the following shall substitute the provision.

“© that the proposed society has reasonable chance of success considering the local conditions and the spirit of togetherness shown by the people in the locality and may call for further information or make such enquiry as he may deem necessary”.

(iv) In the first line of second para, after the word “Registrar” the words “or the person to whom Registrar’s power is delegated shall be inserted.

(v) In the last line of Sub-Rule (2)(b), after the word “Registrar” the following words shall be inserted-  
“or the person to whom Registrar’s power is delegated”

(vi) In the first line of Sub-Rule(3), after the word “Registrar” the following shall be inserted-

"or the person to whom Registrar's power is delegated."

(vii) In Sub-Rule 4 the existing provision shall be substituted as follows :-

"The Certificate of registration together with a copy of the bye-laws as approved by the Registrar or the authorized person duly stamped with his official seal shall be sent to the applicants. Of the three remaining copies of the Registered bye-laws, one shall be retained in the Office of the Assistant Registrar or the Sub-Registrar as the case may be and one to be sent to the Registrar of Cooperative Societies with a copy of the Certificate of registration."

(viii) In the first line of sub-rule (6), after the word, "Registrar" the following shall be added-

"Or the person to whom Registrar's power is delegated."

Amendment of Rule 7- 4.(i) In Rule 7 of the Principal Rules in proviso (i) & (ii) of the Sub-Rule (1) starting from the words "provided that without the sanction of "Registrar" and also the Sub-Rule (2) shall be deleted.

Amendment of Rule 8- 5.(i) In Rule 8 of the Principal Rules in Sub-Rule (1) Clause (o) & (p) shall be substituted namely :-  
"(o) powers and functions of the Secretary and Chief Executive".  
"(p) the mode of election of Chairman, Vice Chairman and other Office Bearers."

(ii) Consequently, serial numbers of the existing provisions of Sub-Clauses (o), (p), (q), (r), (s), (t), (u) and (v) shall change to (q), (r), (s), (t), (v), (w) & (x) respectively.

(iii) The following shall substitute the proviso (b) of the Sub-Clause relating to Credit Society-

"(b) the rate of interest including penal interest and the system of calculation of interest."

Amendment of Rule 10- 6(i) In Rule of the Principal Rules in the fourth line of Sub-Rule (1) after the word "Registrar" the following word shall be inserted.

"Or the person to whom Registrar's power is delegated."

(ii) in the Sub-Rule (2), in the fourth line the word "is" appearing between the words "bye-laws" and "the society" shall be substituted by the word "if".

(iii) in Sub-Rule (3) the existing provision shall be substituted, namely: -

"When the person to whom Registrar's power is delegated registers an amendment either on the advice of the Registrar or on his own, he shall return to the Society the copy of the old bye-laws duly corrected and attested by him, together with a certificate of registration of the amendment in the form set forth in the schedule. The copy of the resolution and one copy of the proposed amendment shall

be retained by him in his office with the old bye -laws which shall be duly corrected and altered by him. Of the remaining two copies, one will be sent to the Registrar and the other copy to the Deputy Commissioner/Sub-Divisional Officer duly sealed and signed by the Assistant Registrar as a token Registration”.

(iv) in Sub-Rule (4) in the first line after word, “Registrar”; the following words shall be added – “or the person to whom Registrar’s power is delegated.”

- Amendment of Rule 11 - 7(i) in Rule 11 of the Principal Rules, in Sub-Rule (3) the existing provision shall be substituted, namely: -  
“In case of registration copy of the amendment of the bye-laws as registered shall be forwarded to the society by the Assistant Registrar together with a copy of certificate signed by him on behalf of the Registrar. Amendment of the bye-laws will be duly entered and certified by the Assistant Registrar on behalf of the Registrar in the copy of the bye-laws retained in his office. A copy each of the Certificate so signed shall be forwarded to the Registrar and the Deputy Commissioner for incorporation in their copies of the bye-laws”.
- Amendment of Rule 12 - 8. In Rule 12 of the Principal Rules in the third line of Sub Rule (1), the words, “direct such a” shall be substituted by the words, “suggest to the”  
(ii) The word “direct” appearing in the third line of the Sub Rule (2) shall be substituted by the word “request”.  
(iii) The word “suggestion” shall substitute the word “direction” appearing in the first line of Sub-Rule (4).  
(iv) In the second line of Sub-Rule (5), the word “suggestion” shall substituted the word “direction”.  
(v) In Sub-Rule (5) proviso (i) of Sub-Clause (b), the word “suggestion” shall substitute the word “direction”.
- Amendment of Rule 13 - 9.(i) In Rule 13 of the Principal Rules in the last line of the last para, the words “or of the Officer to whom Registrar’s Power in this regard is delegated” shall be added after the word, “Registrar”.
- Amendment of Rule 14 - 10. In Rule 14 of the Principal Rules the entire provisions of the Rule and its clauses and sub -clauses shall be deleted.
- Amendment of Rule 15 - 11. (i) In Rule 15 of principal Rules, in Sub-Rule (1) Sub-Clause (a) the words appearing in the last two lines shall be deleted.  
“but such fee shall not be less than eight annas or exceed two rupees”.  
(ii) In Sub-Rule (1) Sub-Clause © the following shall be inserted as the new para after the existing provision (1).  
“Provided that the individual applicants signing the promoters list must pay such share or shares as they have committed to pay”.

(iii) The entire provision of Sub-Rule (3) shall be re-serialised and the Sub-Rule (4) and (5) shall be re-numbered as (3) and (4) respectively.

Amendment of Rule 17 -

12.(i) In Rule 17 of the principal Rules the following shall substitute as the caption of the Rule.

"Promoters and members of Cooperative Societies seeking loan to furnish information as to financial position".

(ii) In the second line of Clause (a) the words "with unlimited liability" shall be deleted.

(iii) In the first line of Clause (b) the word "limited" shall be deleted.

Amendment of Rule 21 -

13. In Rule 21 of the Principal Rules in Sub-Rule (1) the following shall be inserted after the existing provision in the same para –

"provided further that if the society financial position is good and it has built up considerable surplus out of profit along with actual value of share the society will refund to the ceased member an amount as may be decided by the Managing Committee which should not be more than the share value, as incentive".

Amendment of Rule 23 -

14(i) In Rule 23 of the Principal Rules the existing provision of the Clause (a)(i) shall be substituted.

"(a)(i) The Chairman or in his absence, the Vice Chairman of a society shall preside over the meetings of its General Assembly. If both the Chairman and Vice Chairman are absent or are unwilling to act as Chairman, the members present and entitled to vote shall elect one from amongst themselves to preside over the meeting"

Amendment of Rule 27 -

15.(i) In Rule 27 of the Principal Rules the existing caption shall be substituted as follows :-

"Election and retirement of Directors in a Primary Society, except a Non-Agricultural Credit Society".

(ii) The existing provision of Clause (i) shall be substituted as follows:-

"(i) The Directors of a Primary Society other than a Non-Agricultural Credit Society shall retire after two years but shall be eligible for re-election for another term".

(iii) In clause (ii) the words "annual" appearing in the second line shall be substituted by the word "biennial".

(iv) The following shall be inserted as the new Clause(iii) of the Rule.

"(iii) The biennial General Meeting to elect new Directors of a Society in place of those who have retired should be held within three months from the date on which the biennial General Meeting falls due".

Amendment of Rule 30 -

16(i) In Rule 30 of the Principal Rules the existing caption shall be substituted as follows:-

- “Qualification of members of Administrative Council, Board of Directors of Managing Committee”(ii) In the third line of the Rule after the words “Administrative Council”, the words “Board of Directors” shall be added.
- Amendment of Rule 31 - 17(i) In Rule 31 of the Principal Rules the caption shall be constituted by the following :-
- “Disqualification for membership of Administrative Council, Board of Directors and Managing Body”.
- (ii) The following shall substitute para one of the provision of the Rule :-
- “A member shall not be eligible for being chosen or for being appointed as a member of the Administrative Council Board of Directors or Managing Body of a Society or another Society to which the Society is affiliated is such member”.
- Amendment of Rule 32 - 18(i) In Rule 32 of the Principal Rules the caption shall be substituted by the following:-
- “Cessation of membership of Administrative Council, Board of Directors and Managing Body”.
- Amendment of Rule 33 - 19(i) In Rule 33 of the Principal Rules in Sub-Rule (1) the following words shall be inserted in the last line after the word “purpose” and after giving coma–
- “Provided that sufficient valid ground exist for such removal”.
- Amendment of Rule 34 - 20 (i) In Rule 34 of the Principal Rules in the third line of first para of the provision, after the word “Managing Body” the words “or Board of Directors” shall be inserted.
- (ii) In the second line of Clause (i) of the Rule, after the words “Administrative Council” the words, “or the Board of Directors” shall be inserted.
- Amendment of Rule 35 - 21(i) In Rule 35 of the Principal Rules caption shall be substituted by the following -
- “Powers of Administrative Council or Board of Directors, Managing Committee and Executive Committee”.
- (ii) The words “Board of Directors and” shall be added after the word “or” in the first line of the Rule.
- (iii) In the second line of Clause (ix) of the Rule, words “the Board of Directors or” shall be inserted after the word “or”.
- Amendment of Rule 36 - 22(i) In Rule 36 of the Principal Rules the caption shall be substituted by the following :-
- “Duties of the Administrative Council, Board of Directors and the Managing Body”.
- (ii) In the first line of first para the words “Board of Directors” shall be inserted after the words “Administrative Council” after putting coma.

- (iii) The following new provision shall substitute the serial (11) of the Rule -  
“(11) to convene the annual as well as biennial meeting of the General Assembly in due time”.
- Amendment of Rule 37 - 23. In Rule 37 of the Principal Rules in the third line of Sub Rule (2) after the words “Administrative Council” the words, “Board of Directors” shall be inserted.
- Amendment of Rule 38 - 24. In Rule 38 of the Principal Rules the words “Board of Directors” shall be inserted after the words “Administrative Council” in the second line of the first para, in the first line of Clause (vi) and (vii) respectively of the rule.
- Amendment of Rule 39 - 25. In Rule 39 of the Principal Rules in the third line after the words “Administrative Council”, words “Board of Directors” shall be inserted.
- Amendment of Rule 41 - 26.(i) In Rule 41 of the Principal Rules in the first and second lines of Sub-Rule (1) the words “Board of Directors” shall be inserted after the words “Administrative Council”.
- (ii) The words “Board of Directors” shall also be inserted in the Sub-Rule (1)(ii) after the words “Administrative Council”, after a coma.
- Amendment of Rule 44 - 27. In Rule 44 of the Principal Rules the entire provision shall be deleted.
- Amendment of Rule 45 - 28. In Rule 45 of the Principal Rules the words “five rupees” shall substitute the words “two rupees” appearing in the third line of para one
- Amendment of Rule 46 - 29. (i) In Rule 46 of the Principal Rules in the third line, the words “five rupees” shall substitute the words “two rupees”  
(ii) In the fifth line, the words “four annas” shall be substituted by the words “fifty paise”.
- (iii) In the last line of the Rule, words “rupees five” shall substitute the words “rupees two”.
- Amendment of Rule 48 - 30. The Rule 48 of the Principal Rules shall be rescinded.
- Amendment of Rule 49 - 31(i) In Rule 49 of the Principal Rules the words “limited liability” appearing in the second line shall be deleted.  
(ii) The words “or a Central Cooperative Bank” appearing in the first line of Clause (a) shall be deleted.
- Amendment of Rule 50 - 32.(i) In Rule 50 of the Principal Rules the following shall be inserted in the last line of the Sub-Rule (1) after the word “prescribed”.  
“by the Reserve Bank of India/National Bank for Agriculture and Rural Development”.  
(ii)The words “with limited liability” appearing in the first line of Sub-Rule (2) shall be deleted.
- Amendment of Rule 51 - 33.(i) In Rule 51 of the Principal Rules the following shall substitute the entire provision.

"Any Cooperative Society accepting loans and deposits as provided in the foregoing rules shall keep the maximum fluid resources against the loans and deposits held by it according to the guidelines issued by the Reserve Bank of India from time to time".

- Amendment of Rule 52 - 34. The Rule 52 of the Principal Rules shall be rescinded.
- Amendment of Rule 53 - 35. The Rule 53 of the Principal Rules shall be rescinded.
- Amendment of Rule 54 - 36. In Rule 54 of the Principal Rules the following words shall be inserted in the last line of Clause (b) after the word "less".
- "or as may be fixed in accordance with the directive of National Bank for Agriculture and Rural Development"
- Amendment of Rule 57 - 37. The Rule 57 of the Principal Rules shall be rescinded.
- Amendment of Rule 59 - 38(i) In Rule 59 of the Principal Rules the following shall substitute the entire provision of Sub-Rule (2) & (2)(ii) –
- "(2)(1) The fund shall be administered by a committee appointed by the State Government composed of –
- (a) The Registrar (Ex-Officio).
  - (b) The Deputy Registrar or Assistant Registrar of Cooperative Societies (Ex-Officio).
  - © A reputed Cooperator.
  - (d) A representative of the Apex Bank.
  - (e) A representative of Consumer and Marketing Societies.
  - (f) A representative of other types of Cooperative Societies.
- (ii) The Registrar shall be the Chairman with the Deputy Registrar or Assistant Registrar of Cooperative Societies as the Secretary and Treasurer of the Committee. The Registrar shall frame rules for the detailed procedure of working and disposal of the fund"
- (ii) The following shall substitute as the new Sub-Rule (4) and (5) –
- "(4) The State Government may also contribute such sum as may be necessary annually out of the budgetary provision".
- "(5) The undistributed surplus funds of dissolved Societies may also be credited to the fund with the approval of the Government".
- (iii) The existing Sub-Rule (4) and (5) shall be renumbered as Sub-Rule (6) and (7) respectively.
- (iv) The following new provision shall substitute the Sub-Rule.
- (5) renumbered as Sub-Rule (7) –
- "(7) The fund shall be utilized for any one of the following purposes –

(a) The education, training and motivation of members of Cooperative Societies in Cooperative Principles and Practice;

(b) All kinds of promotional activities/initiatives for improvement and development of Cooperative Societies”.

Amendment of Rule 61 - 39. (i) In Rule 61 of the Principal Rules Clause (b) shall be deleted.  
(ii) The Clause © & (d) shall be renumbered as Clause (b) & © respectively.

Amendment of Rule 64 - 40. In Rule 64 of the Principal Rules the following words appearing in the second line of the Rule shall be deleted -  
“with unlimited liability and without shares”.

Amendment of Rule 69 - 41. In Rule 69 of the Principal Rules the entire existing provision shall be substituted as follows :-  
“Unless the Registrar directs otherwise for any Society or class of Societies, the annual statutory audit of a Cooperative Society as provided in section 55, shall be conducted and the audit report in respect of the accounts of the previous Cooperative Year shall be submitted within six months from the date of the close of the Cooperative Year”.

Amendment of Rule 70 - 42. In Rule 70 of the Principal Rules the following shall be inserted as new provision at the end of the Sub-Rule (4) –  
“provided that if any officer or employees of a Cooperative Society does not co-operate with the Audit Officer and fails to provide necessary assistance to him, the matter will be reported by him to the Registrar who shall take action against the erring person as deems necessary as per the law. If the person holds as an elected office, he may even be debarred from contesting fresh election”.

Amendment of Rule 73 - 43. In Rule 73 of the Principal Rules the entire provision of the Rule and Sub-Rule under it shall be substituted as follows:-  
“(1) For the purpose of audit of a registered Society the Cooperative Year shall begin on 1<sup>st</sup> April and end on the 31<sup>st</sup> March each year and a physical stock taking shall be done by every appropriate Society to ascertain the actual value of stock as it stands as on 31<sup>st</sup> March.  
(2) Every registered Society shall be assessed audit fees at the rates as may be fixed by the Registrar with the approval of the State Government and such fees shall be collected at the time of audit for the year to which the audit relates:  
(3) Audit fees of a registered Society shall be assessed on the net working capital of the society as it stood at the close of the previous year which shall include (a) share capital, (b) deposits, (c) borrowings, (d) undistributed profits and all other funds of the Society utilised in the business of the Society.

(4) The Registrar may at his discretion for reasons to be recorded in writing remit wholly or in part audit fees payable by any registered Society under these Rules”.

Amendment of Rule 74 - 44 (i) In Rule 74 of the Principal Rules the words “under the appropriate head of account” shall substitute the words “XXXI-Cooperation-I-Audit Fees” appearing in the last line of Sub-Rule (3).

(ii) The words “Deputy Registrar, the Assistant Registrar of Cooperative Societies or the Sub-Registrar of Cooperative Societies as the case may be” shall substitute the words “the Regional Auditor” appearing in the last line of Sub-Rule (4), in the first and fifth line of Sub-Rule (5) and in the first line of Sub-Rule (6) and (7).

(iii) The following shall be inserted as the new Sub-Rule (8) and (9).

“(8) The Registrar of Cooperative Societies or the Officer authorised by him in this behalf shall record copies of the “Return of Audit Fees” received by him for each Sub-Division and shall maintain a Register in Form 2 annexed in these Rules in the same manner as prescribed in Rule 74(7). He shall be responsible for the due and correct collection of audit fees through out Meghalaya.

(9) The Registrar of Cooperative Societies shall be responsible for reconciling the statement showing the receipts of audit fees received from the Accountant General, Meghalaya, in case of any discrepancy in the figures in the “Register of Collection of Audit Fees” and in the figures shown by the Accountant General”

Amendment of Rule 75 - 45. The Rule 75 of the Principal Rules shall be rescinded.

Amendment of Rule 76 - 46. In Rule 76 of the Principal Rules the words “Besides, the Government of Meghalaya audit staff” appearing in third and fourth lines shall be deleted.

Amendment of Rule 77 - 47 In Rule 77 of the Principal Rules the following shall be inserted as new Sub-Rule -

(1)after the existing provision of Clause (iv).

“(1) The Registrar may with the approval of the Government change the principles and standards of audit classification if such change is considered necessary for the healthy growth of Cooperative Societies”.

Amendment of Rule 80 - 48.(i) In Rule 80 of the Principal Rules the existing Provision of Clause (i) shall be substituted as follows: -

“(i) is a regular employees of the Bank and has received training in Cooperative Training Institution or Banking Institution adequate for supervising and inspecting a Society”.

(ii) The Clause (ii) shall be deleted.

- Amendment of Rule 81 - (i) In Rule 81 of the Principal Rules, in the second line the words, "for debts or any other demands" shall be substituted by the words, "any demand other than debts".
- Amendment of Rule 82 - 48.(i) In Rule 82 of the Principal Rules the existing caption shall be substituted as follows :-  
"Arbitration of disputes".
- (ii) The following new provisions shall substitute the existing provisions of Sub-Rule (1), (2), (3) and (4) –
- "(1) When a dispute is referred to the Registrar under Section 63 of the Act, he shall decide the dispute himself or authorize any other officer to decide the same.
- (2) In case of a dispute relating to recovery of loan, the Registrar shall refer the dispute to the Tribunal constituted by the State Government under Section 64 of the Act".
- Amendment of Rule 83 - 51. The Rule 83 of the Principal Rules shall be rescinded.
- Amendment of Rule 84 - 52. The Rule 84 of the Principal Rules shall be rescinded.
- Amendment of Rule 85 - 53. The Rule 85 of the Principal Rules shall be rescinded.
- Amendment of Rule 91 - 54. In Rule 91 of the Principal Rules in the third line of Sub-Rule(4) after the word "jurisdiction".
- The words "or the officer invested with Bakijai Powers by the Revenue Department" shall be inserted.
- Amendment of Rule 93 - 55. In Rule 93 of the Principal Rules the words "four annas" appearing in the last line shall be substituted by the words "fifty paise".
- Amendment of Rule 98 - 56. In Rule 98 of the Principal Rules the words "the District, Sub-Divisional and Political Officers " appearing in the second line of Sub-Rule(2), the first line of Sub-Rule (3) and seventh line of Sub-Rule (9) shall be substituted by the words "Deputy Commissioner or Sub-Divisional Officer".
- Amendment of Rule 99 - 57. In Rule 99 of the Principal Rules the following shall be inserted as new Sub-Rule (4) after the existing provision of Sub-Rule (3) –
- "(4) Any sum that remain thereafter may be transferred to the Cooperative Development Fund for utilization in the manner as prescribed in the Cooperative Development Fund Rules".
- Amendment of Rule 100 - 58. In Rule 100 of the Principal Rules the following shall be inserted as new provision by adding to the Rule as last para -
- "Provided further that in those liquidation cases of Societies where the Liquidator cannot submit the required report for the compelling reasons such as, non availability of records of the liquidated Societies or members are not traceable or no transaction has taken place in the Society, the Registrar shall on his own summarily order the closure of the liquidation proceedings of the Societies".

- Amendment of Rule 102 - 59. In Rule 102 of the Principal Rules the words, "Rupees five hundred" shall substitute the words "Rupees fifty" appearing in the fourth line of Sub-Rule (2)(a) and words, "Rupees one hundred" shall substitute the words "Rupees twenty five" appearing in the second line of Sub-Rule (2)(b).
- Amendment of Rule 103. 60. In Rule 103 of the Principal Rules the words "arbitration Suit" shall substitute the word "disputes" appearing in the first line of Clause (iii).
- Amendment of Rule 104 - 61. In Rule 104 of the Principal Rules the words "five hundred rupees" shall substitute the words, "fifty rupees" appearing in the fourth line.

Sd/-  
R. V. Suchiang,  
Secretary to the Government of Meghalaya,  
Cooperation Department.

Memo No. COD. 78/77/180-A,

Dated Shillong, the 25<sup>th</sup> September, 2003.

1. P.S. to Chief Minister, Meghalaya for favour of information of the Chief Minister.
2. P.S. to Minister Cooperation for favour of information of the Minister.
3. P.S. to Chief Secretary, Meghalaya for favour of information of the Chief Secretary.
4. Commissioner & Secretary to the Government of Meghalaya, Cooperation Department.
5. Secretary to the Government of Meghalaya, Cooperation Department.
6. Registrar of Cooperative Societies, Meghalaya, Shillong.
7. Law (B) Department.
8. The Director, Printing and Stationery, Government of Meghalaya, Shillong for favour of publication in the next issue of the Meghalaya Gazette and to furnish to this Department with 250 spare copies.
9. All Assistant Registrar of Cooperative Societies, Meghalaya.

By Order etc.

Sd/-  
Joint Secretary to the Government of Meghalaya,  
Cooperation Department.