



ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು
ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

ಭಾಗ - IV-A	ಬೆಂಗಳೂರು, ಬುಧವಾರ, ಜುಲೈ ೧೦, ೨೦೧೩ (ಅಷಾಢ ೧೯, ಶಕ ವರ್ಷ ೧೯೩೫)	ನಂ. ೮೯೮
Part - IV-A	Bangalore, Wednesday, July 10, 2013 (Ashadha 19, Shaka Varsha 1935)	No. 898

CO-OPERATION SECRETARIAT NOTIFICATION

No: CO 14 CLM 2013, Bengaluru, dated: 10.07.2013

Whereas the draft of the Karnataka Cooperative Societies (Amendment) Rules, 2013 was published as required by sub-section (1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No. 11 of 1959) in notification No.CO 14 CLM 2013, dated: 20.04.2013 in part IV-A of the Karnataka Gazette dated: 20.04.2013 inviting objections and suggestions from all persons likely to be affected thereby within thirty days from the date of its publication in Official Gazette.

And whereas the said Gazette was made available to public on 20.04.2013.

And whereas objections and suggestions received in this behalf by the State Government, have been considered.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No. 11 of 1959) the Government of Karnataka hereby makes the following rules, namely:-

RULES

1. Title and commencement.- (1) These rules may be called Karnataka Cooperative Societies (Amendment) Rules, 2013.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. Substitution of the word "committee":- In the Karnataka Cooperative Societies Rules, 1960 (hereinafter referred to as the said rules), for the word 'committee' wherever it occurs, the word 'board' shall be substituted.

3. Amendment of rule 2.- In rule 2 of the said rules after clause (i), the following shall be inserted, namely:-

"(i-1) 'District Election Officer' means an officer appointed by the cooperative election commission as the district election officer for the district;

(i-2) 'Returning Officer' means any officer of the State Government or a Local Authority appointed as returning officer by the cooperative election commission and includes an Assistant returning officer performing any of the functions of the returning officer".

4. Amendment of rule 3.- In rule 3 of the said rules, the existing rule shall be renumbered as rule "3A" and before the said rule so renumbered, the following shall be inserted, namely:-

"3. Formalities for registration- (1) A group of persons not less than ten persons intending to form a cooperative society may join together and elect a chief promoter among themselves, and a few promoters to assist him and authorise him to take further steps for registration of the society. Such group of persons shall decide the name and area of operation of the proposed society, adopt the bye-laws of the proposed society and also resolve to authorise the chief promoter to collect the required share capital from the persons intending to become the members of the proposed society.

(2) The chief promoter shall approach the jurisdictional Registrar along with a list of persons who have joined together to form the proposed cooperative society, a copy of the proceedings of the meeting of the said group of persons containing their names, addresses and signatures, two copies of the bye-laws of the proposed society and a copy of the project report to show the proposed society has reasonable chances of success and is going to be a viable organisation.

(3) The Registrar on being satisfied that, the proposed society has reasonable chances of success and is going to be economically viable may permit the chief promoter to collect such amount of share capital from such number of persons intending to become the members of the proposed society within such period as he may specify.

(4) After getting permission from the Registrar, the chief promoter shall get a few receipts book printed in the name of the proposed society and collect the share capital from the persons intending to become the members of the proposed society. He shall issue receipts to the proposed members for the amount collected with his signature under his name and designation. The money so collected shall be deposited within seven days from the date of collection, in an account opened by the chief promoter in the name of proposed society, in a scheduled or a cooperative bank.. He shall maintain a cash book, receipt book, voucher book and other accounts for the money collected and remitted to the bank. However, he shall be competent to retain such money as may be necessary and sufficient to incur incidental expenses like printing, stationery, typing, postage, etc.,

(5) After collecting the share capital to the extent permitted by the Registrar from the specified number of persons, the chief promoter shall convene a meeting of the promoters of the proposed society and place the details of the particulars of receipts and expenditure incurred and the names of the proposed members from whom share capital is collected. After getting a resolution passed in the promoters meeting, he shall submit a proposal to the Registrar for the registration of the society in the prescribed application along with five copies of the bye-laws of the proposed society and the list of proposed members with their names and addresses. If there is any change in the promoters list, it can be ratified by the registering authority. The application shall be signed by each one of the applicants who is an individual and by a person duly authorised on behalf of any cooperative society which is an applicant and shall be accompanied by the prescribed fee."

5. Amendment of rule 5.- In rule 5 of the said rules, in sub-rule (1),after clause (q), the following shall be inserted, namely:-

"(r) the services to be provided to the members;

(s) the minimum services or facilities which a member shall utilize in a year;

(t) the minimum number of meetings which a member shall attend during the last five years;

- (u) the obligations, rights and duties of the directors and the members;
- (v) the constitution of the representative general body, the number of representatives, the mode of election of the representatives;
- (w) the powers, functions and duties of the general body;
- (x) the manner of convening general meetings and quorum thereof;
- (y) the manner of convening board meetings, its quorum, venue;
- (z) the frequency and number of board meetings in a year;
- (aa) the travelling allowance, daily allowance or such other allowances or fees admissible to the directors, for attending meetings or for performing any other function as a director or office-bearer;
- (ab) the conditions and restrictions of the Chief Executive;
- (ac) the principal place and other places of the business of a co-operative society;
- (ad) the education and training programmes for the members, the directors and the employees;
- (ae) the filling up of casual vacancy through co-option;
- (af) the submission of returns to the Registrar;
- (ag) the submission of receipts and payments, income and expenditure, profit and loss accounts and the balance sheet as on the end of the co-operative year along with other statements and schedules required for the audit to the auditors;
- (ah) constitution of various funds as required under the Act and Rules.
- (ai) constitution of sub-committees by the board."

6. Amendment of rule 6.- In rule 6 of the said rules.-

(a) in sub-rule (2) for the words, "unless notice of the proposed amendment" the words," unless notice of clear fifteen days with the text of the existing bye-law, the text of the proposed amendment and reasons therefor" shall be substituted;

(b) sub-rule (6) shall be omitted.

7. Amendment of rule 12.- In rule 12 of the said rules, in sub-rule (1), for the words and figure "or is removed under rule 7", the words and figures "or incurs disqualification and ceases to be a member under section 17" shall be substituted.

8. Amendment of rule 12A.- In rule 12A of the said rules, in sub-rule (2), for the words "three thousand", the words, "one thousand", shall be substituted.

9. Substitution of rule 12B.- For rule 12B of the said rules, the following shall be substituted, namely:-

"12B Election for representatives of general body.- The process of election in a co-operative society having representative general body consists of two phases one, the election of the representatives to the representative general body, known as representative election in the first phase and then the election of directors to the board known as general election in the next phase. The Co-operative Election Commission, shall appoint a Returning Officer for conducting the general election and as many Assistant Returning Officers as are required for conducting representative elections in respect of a co-operative society having representative general body.

12C. Number of representatives on the representative general body.-
(1) Where,-

(i) the area of operation of a cooperative society having representative general body in case of rural area extends to a taluk or in the case of a city

corporation and above to a assembly constituency but less than the State, or

(ii) the number of members exceeds one thousand, the minimum number of representatives to be elected, shall be two hundred and maximum number of representatives shall be one thousand. The number of representatives elected from each area or constituency, shall be as specified in the bye-laws.

(2) Where the area of operation of a cooperative society having representative general body extends to the whole of the State of Karnataka, the minimum number of representatives to be elected shall be two from each Taluka. In respect of a city corporation, there shall be minimum two representatives for each assembly constituency of the city corporation. If the membership in a taluk or an assembly constituency within a City Corporation is less than fifty, such area shall be attached to the neighboring taluk or assembly constituency having least number of members as provided in the bye-laws”.

10. Amendment of rule 13:- In rule 13 of the said rules, for sub-rule(2), the following shall be substituted; namely:-

“(2) The bye-laws of such a society may specify the number or proportion of the directors to be elected as members of the board of the society to represent each such group on the board and may specify further that such directors may be elected-

- (a) by all the members of the society, constituting a single electoral college; or
- (b) by different smaller groups of members of the society to which such directors belong, constituting more than one electoral college:

Provided, that the number of directors to be elected from each electoral college at the general election of the board of such co-operative society shall be as nearly as possible in proportion to the number of the members in the respective electoral college.

(3) However, if the bye-laws of a society do not provide for such electoral colleges as specified in sub rule 2(b) when the elections to the board of directors of the society are due, the co-operative election commission is competent to determine such electoral college and notify the same and conduct such elections of the society as per the notification issued”.

11. Insertion of new rules 13B, 13C, 13D, 13E, and 13F.- After rule 13 A of the said rules, the following shall be inserted, namely:-

“13B Co-operative Election Commission (CEC):- (1) The Co-operative Election Commission may formulate guidelines for preparation of the electoral rolls and for the conduct of elections of all co-operative societies in the state.

(2) Every cooperative society shall furnish such documents and information which the Co-operative Election Commission may require from time to time.

(3) The salary and allowances of the Cooperative Election Commissioner shall be as under-

- (a) if he is in service, he shall continue to draw the pay and allowances applicable as per his service conditions,
- (b) if he is not in service, he shall be paid a salary equal to the salary of a judge of the High Court, after reducing the pension amount from the total emoluments drawn.
- (c) The conditions of service relating to the payment of travelling allowance, house rent allowance, conveyance facilities, sumptuary allowance, medical facilities, leave facilities and such other conditions of service, for the time being, applicable to a judge of a High Court under Chapter IV of the High Court Judges (condition of service) Act 1954 and the Rules made thereunder shall be as far as may be applicable to the Co-operative Election Commissioner. However, he shall also be entitled to get any additional facilities like provision for rent free accommodation, as may be

provided by the co-operative election commission. He shall be competent to sanction his own leave.

(4) The salary and allowances of the Secretary of the Co-operative Election Commission shall be as under-

(a) if he is in service, he shall continue to draw the pay and allowances applicable as per his service conditions.

(b) if he is not in service, he shall be paid a salary drawn with basic pay at the last stage of the pay scale applicable to an Additional Registrar of Co-operative Societies from time to time after reducing the pension amount from the total emoluments drawn.

(c) the conditions of service relating to the payment of travelling allowance, house rent allowance, conveyance allowance, medical allowance and leave facilities as applicable to an Additional Registrar of Co-operative Societies from time to time shall be applicable to the Secretary of the Commission. The Co-operative Election Commissioner shall be competent to sanction leave to the Secretary of the Commission.

(5) The term of office of the Secretary of Cooperative Election Commission, is for a period of three years from the date of assuming office as the Secretary of the Cooperative Election Commission.

(6) The salaries, allowances, retirement benefits and the terms and conditions of service (including conduct, discipline and control) of the officers and other employees of the Co-operative Election commission shall be such as those applicable to the Corresponding category of employees of the State Government.

13C. Conduct of general elections to board.- (1) Subject to the Superintendence, control and direction of the Co-operative Election Commission, The District Election Officer of every district, shall co-ordinate and supervise all work in connection with the preparation of the electoral rolls and the conduct of all elections to the cooperative societies whose registered offices are situated within the district. The District Election Officer shall also exercise such powers and perform such other functions pertaining to the said preparation of electoral rolls and the conduct of elections as may be entrusted to him by the Co-operative Election Commission.

(2) The District Election Officer along with the officers and employees of the Government deputed to assist the Co-operative Election Commission shall be deemed to be on deputation to the Co-operative Election Commission from the date of the announcement of the calendar of events of election by the commission until the completion of the process of election and the declaration of the results thereon.

13D. Preparation of electoral rolls and calendar of events.- (1) The District Election Officer shall, after due verification, send a consolidated list of all cooperative societies in the district where elections are due at least 120 days before the date of expiry of the term of office of the boards to the Co-operative Election Commission indicating therein the following particulars:-

- (a) the name and address of the society;
- (b) number of elected directors of the board;
- (c) the date of expiry of the term of office of the board;
- (d) the proposed places where the elections are to be held or other particulars as required by the Co-operative Election Commission.

(2) The Co-operative Election Commission shall, on receipt of such reports from the District Election Officer of the district, containing the list of cooperative societies where elections are due, publish the calendar of events for the preparation of electoral rolls and the conduct of elections of the boards of the

cooperative societies in the district indicating the name and address of each society and the date and place of election;

(3) The co-operative election commission shall take steps,-

(a) for publication of draft eligible electoral list, a list of defaulters, a list of members whose repayments will fall due before the date fixed for publication of final electoral roll at least forty five days before the date of general election calling for objections, if any, and calling upon the defaulter members to repay the amounts due to the co-operative societies at least fifteen days before the date of general election.

(b) for publication of final eligible voters list on or before fifteen clear days prior to the date of election

Provided that the draft list of eligible members and delegates with right to vote, the list of defaulters and the list of other members and delegates who are not eligible to vote as also the final list of electoral rolls and the election calendar shall be announced on the notice board of the concerned cooperative society and its branches, if any, the local office of the department of cooperation, website if any of the cooperative society and such other prominent places having access to the members and delegates of the cooperative society.

(4) It shall be the duty of every society to furnish correct information required by the District Election Officer to enable him to prepare the electoral rolls, as directed by the Co-operative Election Commission or the District Election Officer from time to time.

(5) The chief executive of every cooperative society shall prepare (i) a draft list of the eligible members or representatives and delegates with right to vote, (ii) a list of members whose repayments will fall due before the date fixed for publication of final electoral roll (iii) a list of defaulters (iv) a list of other members or representatives and delegates who are not eligible to vote at a general election indicating the reasons for ineligibility memberwise on the basis of entries in the updated membership register specifying,-

(a) the name of the member or representative, the admission number, the name of the parent or husband and the address of such member or representative in the case of an individual member;

(b) the admission number, the name of the society, the name of the delegate proposed to represent the society in the case of a member society;

and submit the said lists to the District Election Officer along with the related books, records and documents and any other information as the District Election Officer may require, at least sixty days before the date of election

(6) The Co-operative Election Commission shall call upon the chief executive of the cooperative society to obtain from the member society, the name of an authorized member of the board of such society as a delegate, together with the resolution of the board of the said society and the specimen signature along with the photograph of the delegate duly attested and bearing the seal of the society and furnish all such information under sub-rule(5)”

(7) The final electoral roll shall consist of the following,-

(a) all the individual members with right to vote in respect of a primary cooperative society; or

(b) all the individual members and the delegates of the members societies with right to vote in respect of a secondary cooperative society; or

(c) all the delegates of the member societies with right to vote in respect of a federal and an apex society.

(8) The copy of such electoral roll in respect of each society shall be kept open for inspection in the office of such society as also in the office of the District Election Officer.

(9) The election calendar of events for general election of directors of the board shall provide for,-

- (a) date of notification inviting nomination;
- (b) last date for receipt of nomination;
- (c) date and time for scrutiny of nomination;
- (d) date and time for publication of list of validly nominated candidates;
- (e) date and time for withdrawal of nomination papers;
- (f) Date and time for publication list of contesting candidates;
- (g) Date and time for allotment of symbols and publication of contesting candidates with symbols;
- (h) Date and time of poll;
- (i) Date and time of counting and declaration of results.

13E. Returning Officer.- (1) For every election of the representatives in respect of a Co-operative society having representative general body, or for every general election of the board of every cooperative society or for every election of the office-bearers of every cooperative society or for an election to fill a casual vacancy in the office of a representative or a director or an office-bearer of every co-operative society, the Co-operative Election Commission shall appoint a returning officer and one or more assistant returning officers as may be required.

(2) The following are the functions of the returning officer,-

- (i) Subject to the approval of the Co-operative Election Commission, the returning officer shall prepare and publish the complete time schedule for holding election;
- (ii) The returning officer may, in consultation with the District Election Officer, provide for sufficient number of polling stations in such manner as the CEC may direct.
- (iii) The returning officer appointed under sub-rule **(1)**, shall publish a calendar of events for the purpose of conduct of elections of the directors, at least fifteen clear days before the date of election. The notice of the election under the signature of the returning officer or the assistant returning officer along with the calendar of events shall be sent to all the eligible members in the following modes, namely:-
 - (a) by ordinary post; or
 - (b) by e-mail; or
 - (c) by local delivery under proper receipt; and
 - (d) by publication in the newspaper having wide circulation in the area of operation.
- (iv) The notice of election along with the calendar of events shall also be published on the notice board of the society and its branches, if any, the office of the returning officer and the office of the District Election Officer. The notice of election shall contain the following further information regarding –
 - (a) the number of vacancies to be filled by election;
 - (b) the area or the constituency (specified in the byelaws) from which the directors are to be elected;
 - (c) the qualifications, if any, specified in the Act, rules or the byelaws for being elected as a member of the board;

- (v) The Chief Executive of every cooperative society shall render necessary assistance to the returning officer in this behalf.
- (vi) It shall be the general duty of the returning officer at any election to do the following amongst other acts and things as may be necessary for effectively conducting the election in the manner provided by these rules-
 - (a) issue notice inviting the nominations,
 - (b) receive and scrutinise the nomination papers,
 - (c) allot symbols to the contesting candidates,
 - (d) publish list of candidates eligible to contest,
 - (e) make arrangement for polling station/s
 - (f) make arrangements for despatch of the polling personnel to the polling stations,
 - (g) make arrangement for ballot box,
 - (h) make arrangement for printing of ballot papers,
 - (i) compile results of different polling stations where necessary,
 - (j) declare the result of an election and issue election certificate thereof.
- (vii) The Returning Officer shall receive papers from the polling personnel in connection with the election,
- (viii) The Returning Officer may also take assistance of the Assistant Returning Officers and polling personnel as may be required in the discharge of his duties with the approval of the Co-operative Election Commission;
- (ix) The returning officer shall liaise with the district administration for maintenance of law and order during election of any cooperative society within his jurisdiction;
- (x) The returning officer shall send report or returns to the Co-operative Election Commission, Karnataka as may be directed by the commission from time to time;
- (xi) All the relevant electoral records should be preserved in the custody of the concerned society with proper acknowledgement, but in exceptional cases such documents are required to be kept in the sub-divisional office if the commission or returning officer or assistant returning officer orders to that effect;
- (xii) The returning officer shall keep in his custody all documents which he may receive from the assistant returning officers or which may be prepared by himself in connection with election of any cooperative society within his jurisdiction for such period as may be directed by the Co-operative Election Commission;
- (xiii) The returning officer shall perform such other functions as may be entrusted to him by the Co-operative Election Commission from time to time.

13F. Appointment of Presiding Officers and Polling Personnel.-(1) The District Election Officer, shall appoint a presiding officer for each polling station and such polling officer or officers as he thinks necessary.

(2) A polling officer shall, if so directed by the presiding officer, perform all or any of the functions of a presiding officer, under these rules.

(3) If the presiding officer, owing to illness or other unavoidable cause, is obliged to absent himself from the polling station, his functions shall be performed by such polling officer as has been previously authorised by the returning officer to perform such functions during any such absence.

(4) It shall be the general duty of the presiding officer at a polling station to maintain order there at and to see that the poll is fairly taken.

(5) It shall be the duty of the polling officer at a polling station to assist the presiding officer for such station in the performance of his functions.

(6) Every assistant returning officer shall, subject to the control of the returning officer, be competent to perform all or any of the functions of the returning officer as may be assigned to him by the returning officer or by the Co-operative Election Commission.

(7) Under the supervision and control of the returning officers or the assistant returning officers, the presiding officer and the polling officers shall take poll on the day of election and immediately after close of the poll, they shall count the votes cast by the members or representatives/delegates and prepare the reports / returns as may be directed. They shall also submit the documents or materials relating to the election to the concerned returning officer or the assistant returning officer.”

12. Substitution of rule 14, 14A, 14B, 14C, 14D and 14E.- For rule 14,14A, 14B, 14C, 14D and 14E of the said rules, the following shall be substituted, namely:-

“14. Notification of General Election.- (1) The District Election Officer shall with the approval of the CEC notify in **Form XI** the intended election referred to in Section 39AA.

(2) The District Election Officer shall in such notification specify.

- (i) the last date for making nominations which shall be the seventh clear day before the date of election.
- (ii) the date for the scrutiny of nominations, which shall be the day immediately following the last date for making nominations.
- (iii) the last date for the withdrawal of candidatures, which shall be the fifth clear day before the date of election.
- (iv) the date on which the poll shall, if necessary, be taken and the hours during which the poll shall be taken; and
- (v) the date before which the election shall be completed.

(3) (a) On the issue of the notification under sub-rule (1), the returning officer shall give a public notice of the intended election in Form XII by displaying it on the notice board in his office and in the office of the cooperative society and at such other places as he deems necessary, inviting nominations for such election.

(b) in the said notice, the returning officer shall specify among other things the last date for receipt of nominations, the place at which nominations are to be delivered, date of scrutiny of nominations, the last date for withdrawal of candidature, the date on which a poll shall, if necessary be taken and the hours of poll and the date before which elections shall be completed which shall conform to the dates notified in that behalf by the District Election Officer under sub-rule (2).

14A. Presentation of nomination paper.- (1) On or before the date appointed for making nominations, each candidate shall in person deliver to the returning officer at the place specified in this behalf, a nomination paper duly completed in Form-XIII and signed by the candidate and another member with

right to vote as proposer. Such nomination shall also contain a declaration signed by the candidate expressing his willingness to stand as a candidate for election to the board of the society from a general constituency or a constituency reserved for SCs or STs or Women or Backward Classes.

Provided that no member/delegate shall be a candidate for more than one constituency and that no member/delegate shall propose more than one candidate from the same constituency.

Provided further that a nomination paper filed on behalf of a cooperative society shall be accompanied by a resolution of the board of that society and shall be signed by the candidate himself / herself.

(2) If a,-

- (i) seat is reserved for the backward classes, scheduled castes, or scheduled tribes, a candidate shall not be deemed to be qualified to be chosen to fill that seat unless his nomination paper contains a declaration by him specifying the particular class, caste or tribe of which he is a member and the said class, caste or tribe is a backward class, scheduled caste, or scheduled tribe.
- (ii) seat is reserved for women, the nomination paper shall contain a declaration that the candidate is a woman.

(3) Every such nomination paper shall be accompanied by a receipt of deposit either by way of cash or by way of pay order or demand draft drawn in favour of the cooperative society as specified below:-

- i. in respect of a primary or a secondary society- Rs.2,000/-
- ii. in respect of a federal or an apex society- Rs.5,000/-

Provided that if the candidate belongs to scheduled caste, scheduled tribes, backward classes and women group or constituency, the deposit to be paid by him shall be fifty percent of the amount specified above.

(4) On the presentation of a nomination paper, the returning officer shall satisfy himself that the names and electoral roll numbers of the candidate and his proposer as entered in the nomination paper are the same as those entered in the electoral roll.

(5) The returning officer shall on receiving the nomination paper, enter on the nomination paper its serial number, date and time of receipt and immediately give an acknowledgment for having received the same and shall also inform the candidate of the date, time and place fixed for scrutiny of nominations. The returning officer shall, at the close of the time fixed for the receipt of the nomination papers, prepare and display on the notice board of the society a list of nominations received by him and also on the notice board of his office if need be.

14B. Scrutiny of Nominations.- (1) On the date fixed for scrutiny of nominations, the candidates or their proposers, may be present at such time and place as the returning officer may appoint, and the returning officer shall give them all reasonable facilities to examine the nomination papers of all the candidates which have been delivered within the time and in the manner laid down in this rule for satisfying themselves about their correctness, eligibility and completeness.

(2) The returning officer shall then examine the nomination papers and shall decide all objections which may be made to any nomination and may, either on such objection or on his own motion, after such summary enquiry as he thinks necessary, reject any nomination on any of the following grounds, namely:-

- (i) that the candidate either is not qualified or is disqualified for being elected as a director of the board / representative under the provisions of the Act, the rules and the bye-laws;
- (ii) that the signature of the candidate or the proposer on the nomination paper is not genuine.

Provided that the nomination of a candidate shall not be rejected merely on the ground of an incorrect description of his name or of the name of his proposer or of any other particulars in regard to the candidate or his proposer as entered in the electoral roll (list of the members/representatives/delegates) if the identity of the candidate or proposer, as the case may be, is established.

Provided further that the returning officer shall not reject any nomination paper on the ground of any defect which is not of a substantial character.

- (iii) that the nomination paper has been delivered or received after the date and time fixed for the receipt of the nomination.

(3) The returning officer shall endorse on each nomination paper his decision accepting or rejecting the same and if the nomination paper is rejected, shall record in writing a brief statement of his reasons for such rejection.

(4) Immediately after all the nomination papers have been scrutinized and decision accepting or rejecting the same have been recorded, the returning officer shall prepare a list containing the names in the alphabetical order in Kannada and addresses as given in the nomination papers of validly nominated candidates in Form XIV that is to say candidates whose nominations have been found valid and affix it on the notice board of his office. A copy of the said list shall also be published on the notice board of the society on the same day.

14C. Withdrawal of Candidature.- (1) Any candidate may withdraw his candidature by a notice in writing in **Form XV** signed by him and delivered in person to the returning officer at any time after the presentation of the nomination paper but before 3.00 P.M. on the day following the day on which the nomination papers have been scrutinised.

(2) On receipt of such notice under sub-rule (1), the returning officer shall note thereon the date and time at which it was delivered.

(3) No candidate who has given notice of withdrawal of his candidature under sub-rule (1) shall be allowed to cancel the said notice. A notice of withdrawal of his candidature of a candidate, once given, shall be irrevocable and final.

14D. Preparation of the list of contesting candidates.- (1) Immediately after the expiry of the period within which the candidatures may be withdrawn, the returning officer shall prepare and publish in Kannada language a list of contesting candidates, that is to say candidates who are included in the list of validly nominated candidates and who have not withdrawn their candidature within the said period, in **Form-XVI**. A copy of the said list of the contesting candidates shall be published on the notice board of the society on the same day.

Provided that the Co-operative Election Commission may direct that in any election, the list of contesting candidates may be prepared in a language other than Kannada.

(2) The said list shall contain the names in the alphabetical order in Kannada and the addresses as given in the nomination papers of the contesting candidates.

(3) Where a poll becomes necessary, the returning officer shall consider the choice of symbols expressed by the contesting candidates in their nomination papers and shall allot the symbols in accordance with rule 14E.

(4) The allotment of any symbol to a candidate shall be final.

(5) Every candidate or his proposer shall forthwith be informed of the symbol allotted to the candidate and be supplied with a specimen thereof by the returning officer.

14E. Allotment of symbols.- (1) A candidate shall choose one of the free symbols other than those symbols which are allotted to recognized political parties in the State.

Explanation:- For the purpose of this sub-rule, a recognised political party means every political party recognised by the Election Commission of India as a National Party or as a State Party in the State of Karnataka under the Election Symbols (Reservation and Allotment) Order, 1968.

(2) Where a free symbol has been chosen by only one candidate, the returning officer shall allot that symbol to that candidate and to no one else.

(3) Where the same free symbol is chosen by more than one candidate, the returning officer shall decide by lot to which of those candidates that free symbol shall be allotted and shall allot it to the candidate, to whom the lot falls and to no one else.

(4) The returning officer shall then prepare and publish a list of validly contesting candidates with symbols containing the names arranged in alphabetical order in Kannada in **Form No.XVI**.

14F. Death of a candidate before the poll.- (1) If a candidate for election to the board from any area or constituency -

(i) dies at any time after 11 a.m. on the last date for making nomination and his nomination is found valid on scrutiny; or

(ii) whose nomination has been found valid on scrutiny and who has not withdrawn his candidature dies and in either case, a report of his death is received at any time before the publication of the list of contesting candidates; or

(iii) dies as a contesting candidate and a report of his death is received before the commencement of the poll, the Returning Officer shall, upon being satisfied about the fact of the death of the candidate and with the prior approval of the Co-operative Election Commission by order announce an adjournment of the poll to a date to be announced later and send a detailed report of the facts to the Co-operative Election Commission.

Provided that no order for adjourning a poll shall be made in a case referred to in clause (a) except after the scrutiny of all the nominations including the nomination of the deceased candidate.

(2) The Co-operative Election Commission shall, on receipt of a report from the Returning Officer under sub-rule (1), invite fresh nomination for the said poll from the said area or constituency within seven days of issue of such order:

Provided that no person who has given a notice of withdrawal of his candidature before the adjournment of the poll shall be ineligible for being nominated as a candidate for election after such adjournment.

(3) Where a list of contesting candidates had been published before the adjournment of the poll under sub-rule (1), the returning officer shall again prepare and publish a fresh list of validly contesting candidates from that constituency so as to include the name of the candidate who has been validly nominated.

14G. Procedure in contested and uncontested election.- (1) If the number of contesting candidates in any area or constituency is more than the number of seats to be filled from that area or constituency, a poll shall be taken.

(2) If the number of such candidates in any constituency is equal to the number of seats to be filled from that area or constituency, the returning officer shall forthwith declare all such candidates to be duly elected to fill these seats in **Form XIX** as may be appropriate.

(3) If the number of such candidates is less than the number of seats to be filled from that constituency or place, the returning officer shall declare all such candidates to be duly elected after withdrawal is over in **Form XIX** as may be appropriate and the District Election Officer shall, with the approval of the Co-operative Election Commission, call upon the society to elect a person or persons to fill the remaining seat or seats. After such election to fill the casual vacancy is over, the returning officer shall forthwith declare all such candidates duly elected to fill those casual vacancy seats in **Form XX**.

14H. Adjournment of poll in emergencies.-(1) If at an election, the proceedings at any polling station or at the place fixed for the poll are interrupted or obstructed by any riot or open violence, or if at an election it is not possible to take the poll at any polling station or such place on account of any natural calamity, or any other sufficient cause, the returning officer having jurisdiction over such polling station, or place, shall, with the prior approval of the Co-operative Election Commission, announce an adjournment of the poll from that polling station or place to a date to be announced later, and where the poll is so adjourned by a presiding officer, he shall forthwith inform the returning officer concerned.

Provided that a report or certificate shall be obtained from the police or Tahsildar to the effect that the poll has been interrupted or obstructed by riot or open violence.

(2) Whenever a poll is adjourned under sub-rule (1), the returning officer shall immediately report the circumstances to the CEC, and shall, as soon as may be, with the previous approval of the Co-operative Election Commission, appoint the day on which the poll from that polling station or place shall recommence, and fix the polling station or place at which and the hours during which the poll from that polling station or place shall be taken. The returning officer shall not count the votes cast at such election to the board until such adjourned poll from that polling station or place shall have been completed.

(3) In every such case as aforesaid; the Returning Officer shall announce in such manner as the Co-operative Election Commission may direct the date, place and hours of polling fixed under sub-rule (2).

(4) If the poll at any polling station is adjourned under sub-rule (1), the Returning Officer shall provide the presiding officer of the polling station at which such adjourned poll is held, with the sealed pocket containing the marked copy of the electoral roll and a new ballot box.

(5) The provisions of rules 14 L to 14 O and 14 Q to 14 X shall apply in relation to the conduct of adjourned poll as they apply in relation to the poll before it was so adjourned.

14I. Fresh poll in the case of destruction, etc., of ballot boxes.-(1) If at any election,

(i) any ballot box used at a polling station or at a place fixed for the poll is unlawfully taken out of the custody of the Presiding Officer or the Returning Officer, or is accidentally or intentionally destroyed or lost, or is damaged or tampered with, to such an extent, that the result of the poll at that polling station or place cannot be ascertained; or

(ii) any such error or irregularity in procedure as is likely to vitiate the poll is committed at a polling station or at a place fixed for the poll; the

Returning Officer shall forthwith report the matter to the Co-operative Election Commission.

Provided that a report or certificate shall be obtained from the police or Tahsildar to the effect that the polling cannot be continued or counting of votes is rendered impossible.

(2) Thereupon the Co-operative Election Commission shall, after taking all material circumstances into account, either-

- (i) declare the poll at that polling station or place to be void, appoint a day, and fix the hours, for taking a fresh poll at that polling station or place and notify the day so appointed and the hours so fixed on the notice board of the returning officer or the assistant returning officer if any, and on the notice board of the society, or
- (ii) if satisfied that the result of a fresh poll at that polling station or place will not, in any way, affect the result of the election or that the error or irregularity in procedure is not material, issue such directions to the Returning Officer as it may deem proper for the further conduct and completion of the election.

(3) The provisions of these rules shall apply to every such fresh poll as they apply to the original poll.

14J. Adjournment of poll or countermanding of election on the ground of booth capturing. - (1) If at any election,-

- (i) booth capturing has taken place at a polling station or at a place fixed for the poll (hereinafter in this clause referred to as a place) in such a manner that the result of the poll at that polling station or place cannot be ascertained; or
- (ii) booth capturing takes place in any place for counting of votes in such a manner that the result of the counting at that place cannot be ascertained, the returning officer shall forthwith report the matter to the Co-operative Election Commission.

Provided that a report or certificate shall be obtained from the police or Tahsildar to the effect that the result of the poll cannot be ascertained due to booth capturing which has taken place at that polling station or place.

(2) The Co-operative Election Commission shall, on the receipt of a report from the returning officer under sub-rule (1) and after taking all material circumstances into account, either,-

- (i) declare that the poll at that polling station or place be void, appoint a day, and fix the hours, for taking fresh poll at that polling station or place and notify the date so appointed and hours so fixed on the notice board of the returning officer or the assistant returning officer if any, and on the notice board of the society, or
- (ii) if satisfied that in view of the large number of polling stations or places involved in booth capturing, the result of the election is likely to be affected, or that booth capturing had affected counting of votes in such a manner as to affect the result of the election, countermand the election.

Explanation In this rule, the term "booth capturing" includes, among other things, all or any of the following activities, namely:-

- (a) seizure of a polling station or a place fixed for the poll by any person or persons, making polling authorities surrender the ballot papers and doing of any other act which affects the orderly conduct of elections;
- (b) taking possession of a polling station or a place fixed for the poll by any person or persons and allowing only his or their own supporters to exercise

their right to vote and prevent others from free exercise of their right to vote;

- (c) Coercing or intimidating or threatening directly or indirectly any member by any person or persons and preventing him from going to the polling station or a place fixed for the poll to cast his vote;
- (d) seizure of a place for counting of votes by any person or persons, making the counting authorities surrender the ballot papers or voting machines and the doing of anything which affects the orderly counting of votes;

14K. Manner of voting.- At every election where a poll is taken, votes shall be given by ballot and all the members or representatives or delegates voting at an election shall do so in person at the polling station and no votes shall be received by proxy.

14L. Ballot paper and ballot box.- (1) Every ballot paper shall have a counterfoil in Form XVII.

(2) Serial number of the ballot paper and its counterfoil shall be printed on the left hand side on the back of the ballot paper.

(3) If two or more candidates bear the same name, they shall be distinguished by the addition of their residence or occupation or in some other manner.

(4) The ballot paper shall contain the names of the contesting candidates arranged in alphabetical order in Kannada typewritten, cyclostyled or printed, according to convenience. The ballot paper shall also bear the seal of the returning officer or presiding officer with his initials on its reverse. Further, the ballot paper shall contain a column for the voter to inscribe mark "x" against the name or names of the candidates to whom he wants to vote.

(5) For the purpose of printing of ballot papers, the returning officer/ Assistant returning officer shall choose any capable press.

(6) The returning officer/assistant returning officer shall arrange the ballot box/ boxes locally. The ballot box shall be made of tin or any other metal.

14M. Arrangement at polling stations.- (1) Outside each polling station there shall be displayed prominently.

- (a) a notice specifying the polling area and the particulars of the voters (members / representatives / delegates) entitled to vote at the polling station ; and
- (b) a copy of the list of contesting candidates.

(2) At each polling station, there shall be set up one or more voting compartments in which the voters can record their votes screened from observation.

(3) The returning officer shall provide at each polling station a sufficient number of ballot boxes, copies of the electoral roll, ballot papers, instruments for stamping the distinguishing mark on the ballot papers and articles necessary for the voters to mark the ballot papers, and such other materials as are necessary for the conduct of the poll.

(4) Canvassing or soliciting of votes during the conduct of election shall be strictly prohibited within one hundred meters from the polling station or the place of polling.

14N. Admission to the polling stations.- The presiding officer shall regulate the number of voters to be admitted at any one time inside the polling station and shall exclude there from all persons other than-

- (a) polling officers;
- (b) public servants on duty in connection with the election;
- (c) persons authorized by the District Election Officer and the Co-operative Election Commission;

- (d) candidates or their authorized agents;
- (e) a child in arms accompanying a member;
- (f) a person accompanying a blind or infirm voter who cannot move without help;
- (g) such other persons as the returning officer or the presiding officer may employ for the purpose of election.

14O. Identification of voters.-(1) A register shall be kept at the place of election and every voter shall before affixing his signature in the register kept for the purpose produce identity card issued under Rule 13 and then sign in the register and proceed to secure the identification slip.

(2) As each voter enters the polling station, the presiding officer or the polling officer authorized by him in this behalf shall check the voter's name and other particulars with the relevant entry in the electoral roll and then call out the serial number, name and other particulars of the elector.

(3) In deciding the right of a person to obtain a ballot paper, the presiding officer or the polling officer, as the case may be, shall overlook merely clerical or typing or printing errors in an entry in the electoral roll if he is satisfied that such person is identical with the voter whom such entry relates.

14P. Preparation of ballot boxes for poll.- (1) Immediately before the commencement of the poll, the presiding officer shall demonstrate to the candidates that the ballot box is empty and bears the labels.

(2) The ballot box shall then be closed, sealed and secured and placed in full view of the presiding officer and the candidates.

(3) Where a seal is used for securing a ballot box, the presiding officer shall affix his own signature on the seal and obtain thereon the signatures of such of the candidates present as are desirous of affixing the same.

(4) Every ballot box used at a polling station shall bear labels, both inside and outside, marked with,

- (a) The serial number, if any, and the name of the constituency/class.
- (b) the serial number and name of the polling station;
- (c) the serial number of the ballot box (to be filled in at the end of the poll on the label outside the ballot box only); and
- (d) the date of poll.

14Q. Issue of ballot papers to the voters.- (1) Every ballot paper before it is issued to a voter, and the counterfoil attached thereto shall be stamped on the back with such distinguishing marks as the voter may direct, and every ballot paper, before it is issued shall be signed in full on its back by the presiding officer.

(2) At the time of issuing a ballot paper to a voter, the polling officer shall,

- (a) record on its counterfoil the electoral roll number of the voter and obtain his signature or thumb impression on the said counterfoil;
- (b) mark the name of the voter in the electoral roll to indicate that a ballot paper has been issued to him, without, however, recording therein the serial number of the ballot paper issued to that voter.

Provided that no ballot paper shall be delivered to a voter unless he has put his signature or thumb impression on the counterfoil of that ballot paper.

Provided further that all the voters who have obtained identification slips by producing the identity card before the time fixed for closing the poll and who are present at the polling station shall be issued a ballot paper and allowed to vote.

14R. Maintenance of Secrecy of voting within the polling station and voting procedure.- Every elector, to whom a ballot paper has been issued, shall

maintain secrecy of voting within the polling station and for the purpose observe the voting procedure laid down by Co-operative Election Commission.

14S. Recording of votes of blind or infirm voters.- (1) If the presiding officer is satisfied that owing to blindness or other physical infirmity, a voter is unable to recognize the symbols on the ballot paper or to make a mark thereon without assistance, the presiding officer shall permit such member to take with him a companion of not less than eighteen years of age to the voting compartment for recording the vote on the ballot paper on his behalf and in accordance with his wishes, and, if necessary, for folding the ballot paper so as to conceal the vote and inserting it into the ballot box;

Provided that no person shall be permitted to act as the companion of more than one voter at any polling station on the same day;

Provided further that before any person is permitted to act as the companion of a voter on any day under this rule, the person shall be required to declare that he will keep secret, the vote recorded by him on behalf of the voter and that he has not already acted as the companion of any other voter at any polling station on that day.

(2) The presiding officer shall keep a record in this respect as provided below,-

Statement of Illiterate, Blind and Infirm Voters

Election of the directors of (name of the cooperative society)

Sl. No. of the voter	Full name of voter	Full name of Companion	Address of companion	Signature of companion

Signature of the P.O.

14T. Closing of poll.- After the polling is over,

(i) the presiding officer shall close the polling station at the hour fixed in that behalf and shall not thereafter admit any member into the polling station.

Provided that all the members present at the polling station before it is closed shall be allowed to cast their votes.

(ii) If any question arises whether a member was present at the polling station before it was closed, it shall be decided by the presiding officer and his decision shall be final.

14U. Sealing of ballot boxes after the poll.-(1) As soon as practicable after the closing of the poll, the presiding officer shall close the slit of the ballot box, seal up the slit and thereafter the ballot box shall be sealed and secured.

(2) Where it becomes necessary to use a second box by reason of the first ballot box getting full, the first ballot box shall be closed, sealed and secured before any other ballot box is put into use.

14V. Account of ballot papers.- (1) The presiding officer shall, at the close of the poll, prepare a ballot paper account in Form XVIII and enclose it in a separate cover with the words "Ballot Paper Account" superscribed thereon.

14W. Sealing of other packets.- (1) The presiding officer shall then make into separate packet-

- (a) the marked copy of the electoral roll;
- (b) the counterfoils of the used ballot papers;
- (c) the ballot paper signed in full by the presiding officer but not issued to the members;
- (d) any other ballot papers not issued to the voters;
- (e) the ballot papers cancelled for violation of voting procedure;
- (f) any other cancelled ballot papers;
- (g) any other papers directed by the CEC to be kept in a sealed packet.

(2) Each such packet shall be sealed with the seal of the presiding officer and with seal either of the candidate or of his authorized agent who may be present at the polling station and may desire to affix his seal thereon.

14X. counting of votes.-(1) After the polling is over, the presiding officer/polling officer shall close the poll and deliver the sealed ballot box to the returning officer who shall arrange for counting of votes immediately. Votes shall be counted by or under the supervision of the returning officer or the assistant returning officer. Each candidate or his authorised agent shall have a right to be present at the time of counting. But the absence of any candidate or his agent at the time of counting shall not vitiate counting or announcement of results by the returning officer. The CEC has to issue guidelines in this regard.

(2) After the counting of all ballot papers contained in all the ballot boxes used in an co-operative society has been completed, the returning officer shall make the entries in a result sheet in **Form-XXI** and announce the particulars.

14Y. Declaration of result of election and returns to CEC.-(1) After the counting is over-

- (i) the candidate who has secured the largest number of valid votes shall be declared as elected.
- (ii) If equality is found to exist between the candidates to be declared elected, the Returning Officer shall forthwith decide between these candidates, by drawing lots and the candidate in whose favour the lot falls shall be considered to have received an additional vote.

(2) After the completion of the counting of votes, the Returning Officer shall declare the result of the elections immediately and publish the list of elected candidates on the notice board of his office and also on the notice board of the society and deliver a copy of it to the Chief Executive of the society on the same day in **Form XXII**. He shall immediately thereafter record the proceedings of the election in a comprehensive report which shall form part of the election records and shall be binding on all. The returning officer shall immediately also furnish a copy of such a report together with a copy of the return of the results of polling to the chief executive of the society and send signed copies thereof to the District Election Officer and the CEC.

14Z. Grant of certificate of election to the elected candidate.-As soon as may be after a candidate has been declared to be elected by the returning officer, the returning officer shall grant to such candidate a certificate of election in **Form XXIII** and obtain from the candidate an acknowledgement of its receipt duly signed by him and immediately send the acknowledgement to the District Election Officer.

14AA. Election expenses.- All expenditures like stationary, printing, postage, xeroxing, fax, rent for the ballot boxes, indelible ink, police security and such other items of expenditure related to the election of representatives or directors of a cooperative society shall be borne by the society. Expenditure

towards preparation of electoral roll, the travelling and other allowances and also remuneration payable to the returning officer, assistant returning officer, presiding officer and other polling personnel shall also be borne by the society itself at such rates as may be fixed by the CEC from time to time.

14AB. Custody of ballot boxes and papers relating to election.- (1) All ballot boxes used at an election shall be kept in such custody as the CEC may direct.

- (2) The returning officer shall keep in safe custody.
 - (a) the packets of unused ballot papers with counterfoils attached thereto;
 - (b) the packets of unused ballot papers whether valid or rejected,
 - (c) packets of counterfoils of used ballot papers;
 - (d) the packets of the marked copy of the electoral roll; and
 - (e) the packets of the declaration by voters and the attestation of their signatures, and
 - (f) all other papers relating to election.

14AC. Production and inspection of election papers.- (1) While in the custody of the returning officer,-

- (a) the packets of unused ballot papers with counterfoil attached thereto;
- (b) the packets of used ballot papers whether valid or rejected;
- (c) packets of counterfoils of used ballot papers;
- (d) the packets of the marked copy of the electoral roll and
- (e) the packets of the declaration by voters and the attestation of their signatures.

shall not be opened and their contents shall not be inspected by or produced before, any person or authority except under the orders of a competent court.

(2) Subject to such conditions and to the payment of such fee as the CEC may direct.

- (a) all other papers relating to the election shall be open to public inspection; and
- (b) copies thereof shall on application be furnished.

(3) Copies of the returns forwarded by the returning officer shall be furnished by him on payment of a fee of two rupees for each such copy.

14AD. Disposal of election papers.- Subject to any directions to the contrary given by the CEC or by a competent Court,-

- (a) the packets of unused ballot papers shall be retained for a period of six months and shall thereafter be destroyed in such manner as the CEC may direct
- (b) the other packets, shall be retained for a period of one year and shall thereafter be destroyed.
Provided that packets containing the counterfoils of used ballot papers shall not be destroyed except with the previous approval of the CEC.
- (c) all other papers relating to the election shall be retained for such period as the CEC may direct.

14AE. Return or forfeiture of candidate's deposit.- (1) The deposit made under **rule 14A** shall either be returned to the person making it or his legal representative or be forfeited to the cooperative society;

(2) Except in cases mentioned in this rule, the deposit shall be returned as soon as practicable after the result of the election is declared.

(3) If the candidate is not shown in the list of contesting candidates or if he dies before the commencement of this poll, the deposit shall be returned as soon as practicable after the publication of the list or after the death, as the case may be.

(4) Subject to the provisions of **sub-rule (3)**, the deposit shall be forfeited if at an election where a poll has been taken the candidate is not elected and the number of valid votes polled by him does not exceed one-sixth of the total number of valid votes polled by all the candidates divided by the number of members to be elected.

Provided that in the case of a candidate belonging to backward classes, scheduled castes, the scheduled tribes or women, the deposit shall not be forfeited unless the number of valid votes polled by him/ her is less than one tenth of the total number of valid votes polled.

14AF. Report of casual vacancy in a cooperative society.- When a casual vacancy occurs in the office of a representative or director the chief executive of the cooperative society shall give notice of such vacancy within seven days from the date of its occurrence, to the CEC. The CEC shall conduct elections within sixty days from the date it being notified about the occurrence of any casual vacancy in the office of a director or representative of a cooperative society to fill up such casual vacancy in the manner provided in these rules.

14AG. Election of the office-bearers -(1) The Returning Officer appointed for the conduct of general election of directors to the board shall be the Returning Officer for the conduct of election of the office bearers also.

(2) Whenever a casual vacancy occurs in the office of the President or Vice-President or any other office-bearer, the Chief Executive shall send a communication to the CEC conveying the occurrence of such vacancy within seven days from the date of occurrence of the vacancy. The CEC shall take steps for conducting election to fill up the casual vacancy in the office of the President or Vice President or any other office-bearer as the case may be, and appoint a returning officer for the purpose of the conducting election to fillup casual vacancy.

(3) The Returning officer, appointed under sub-rule (1) or sub-rule (2), shall within fifteen days, from the date of constitution or deemed constitution of the board after a general election of the board or from the date of appointment as per sub-rule(2) convene a meeting of all the directors who are eligible to vote for electing the chairperson/President, Vice Chairperson /Vice-President and such other office-bearers as are required to be elected under the bye-laws of the cooperative society. The meeting shall be convened by giving a notice of seven clear days sent by registered post, indicating the date, time and venue of meeting.

(4) Not less than two hours before the time fixed for the meeting for the election of President or Vice-President or any other office-bearers, any member of the board who is eligible and_ desirous of being elected as the president or vice president or any other office-bearer, as the case may be, may submit his nomination by delivering the nomination paper in **Form XXIV** to the Returning Officer. Such nomination shall be proposed by another member of the board eligible to do so and seconded by a third member of the board eligible to do so.

(5) No director shall propose or second under sub-rule (4) more than one candidate for the office of the President or vice-President or any other office bearer of the society.

Provided that if any director has proposed or seconded more than one candidate for the office of the President or Vice-President or any other office-bearer of the society, the nomination which is received first shall be considered for scrutiny.

(6) The Returning Officer appointed under sub-rule (1) shall preside over the meeting of the board convened for the purpose of electing the office bearers or filling up the casual vacancy in the office of the President or Vice President or any other office-bearer as the case may be.

(7) After the commencement of the meeting, the Returning Officer shall scrutinize all such nomination papers and shall read out to the directors present at such meeting, the names of the directors who in his opinion have been duly nominated, together with those of the proposers and the seconders.

(8) Any candidate may withdraw his candidature by notice in writing duly signed by him and delivered to the Returning Officer within thirty minutes after the scrutiny of the nomination papers.

(9) The notice of withdrawal shall be given in writing by the candidate in person.

(10) No director who has given a notice of withdrawal of his candidature under sub-rule (8) shall be allowed to cancel the notice of withdrawal.

(11) The Returning Officer shall, on being satisfied as to the genuineness of the notice of withdrawal and the identity of the director delivering it under sub-rule (9) read out to the directors present at such meeting the name/names of the person/ persons withdrawing his/their candidature.

(12) After the time fixed for withdrawal is over, if for any office for which election is to be held, the number of candidates who have been validly nominated and have not withdrawn their candidature in the manner and within the time specified, does not exceed the number of candidates to be elected for that office, the Returning Officer shall forthwith make a declaration that the validly nominated candidate shall be deemed to have been elected for that office.

(13) If the number of validly nominated candidates for any office exceeds the number of candidates to be elected for that office, the Returning Officer shall proceed to take a poll by secret ballot as hereinafter provided.

(14) The votes shall be taken by secret ballot and the directors voting for and against any candidate shall record their votes in the ballot papers supplied to them.

(15) Any director present at the meeting may refrain from voting if he so chooses to do.

(16) After the voting by all the directors present and wishing to vote is over, the Returning Officer shall count the votes and declare the candidates who have secured the highest number of valid votes to have been duly elected.

(17) When an equality of valid votes is found to exist between any two or more candidates and the addition of one vote will entitle any of those candidates to be declared elected, the Returning Officer shall forthwith decide between those candidates by lot in such manner as he may determine and proceed as if the candidate on whom the lot falls has received an additional vote. He shall thereafter declare the candidate on whom the lot falls to have been duly elected.

(18) The Returning Officer shall cause a record of the minutes of the meeting which shall contain the names of all the members present. The minutes shall be signed by the Returning Officer, the chief executive as also the directors present and wishing to sign. The minutes shall be made available to any member for inspection.

(19) The Returning Officer shall immediately thereafter record the proceedings of the election in a comprehensive report which shall form part of the records of the election and shall be binding on all. The Returning Officer shall also furnish a copy of such a report together with a copy of the return of the results of the polling to the chief executive of the society and send a report to the District Election Officer and CEC.

(20) After declaration of the result of election, the Returning Officer shall hand over the ballot papers and records relating to the election of the office-bearers to the chief executive of the society in a sealed cover. These shall safely be preserved by the chief executive of the society for a period of six months from the date of election or till such time a dispute or an appeal regarding the election, if any, filed is disposed of whichever is later and shall thereafter be destroyed.

14AH. Elections to the first board after registration.—The provisions of Rules 13 B to 13 G and 14 to 14 AG shall, mutatis mutandis, apply to the election of the first board after registration of a society.

Provided that no list of defaulters as contemplated under sub-rules (3) and (5) of rule 13D is required to be published”.

14AI. Election of the office-bearers in the first board.—The provisions of Rule 14AG shall mutatis mutandis apply to the election of the office bearers of the first board of the society after registration.

14AJ. General meetings:— (1) The board of a co-operative society may, at any time, call a general meeting of its general body.

Provided that one such meeting known as annual general meeting shall be held within the twenty fifth day of September every year to transact the business stated in Section 27.

(2) The chief executive, after the board decides the date and time of the general meeting to be convened, shall convene the annual general meeting by giving a notice of at least fifteen clear days as specified in the bye-laws. However in the case of exigency, a special general meeting may be convened by giving a notice of atleast ten clear days in writing. The notice may be sent in the following modes, namely:

(a) by ordinary post; or

(b) by e-mail; or

(c) by local delivery under proper acknowledgement; and

(d) by publication in the newspaper having wide circulation in the area of operation.

(3) When a special general meeting is called by the Registrar or any person authorised by him under sub-section (3) of Section 27 or a special general meeting under sub-section (2) of Section 28, he may determine-

(i) the period of notice of such meeting which shall not be less than ten clear days, as the case may be;

(ii) the time and place of such meeting; and

(iii) the subjects to be considered in such meeting.

The Registrar or any person authorized by him may preside over such meeting.

(4) The meeting notice shall clearly state the place, date, time and agenda of the meeting. The Chief Executive shall send brief notes on each of the subjects in the agenda including a copy of the audited balance-sheet, profit and loss account, together with a brief summary of the important observations made in the auditor's report relating to the preceding year, a brief report on the follow up action taken by the board on the audit report for the preceding year and the proposal to amend the bye-laws, if any, with the text of the proposed amendment along with the notice of the meeting. However the chief executive should also make available at the office the detailed notes on all the subjects in the agenda and complete auditor's report relating to the preceding year, to the members who are desirous of such information.

(5) The quorum for the general meeting shall be the attendance of twenty percent of the total number of members with right to vote of the general body of the co-operative society. No business shall be transacted at any general meeting unless there is a quorum at the time when the business of the meeting is due to commence.

(6) If there is no quorum within an hour from the time fixed for the meeting, such meeting shall be adjourned.

Provided that a meeting which has been convened on the requisition of the members shall not be adjourned but dissolved.

(7) If at any time during the meeting when any business is being transacted sufficient number of members are not present to form the quorum, such business shall not be transacted and the chairperson or the member presiding over the meeting, on his own or on his attention being drawn to this fact, shall adjourn the

meeting and the business that remains to be transacted at this meeting, if any, shall be disposed of in the usual manner at the adjourned meeting.

(8) When the meeting is adjourned under either sub-rule (6) or sub-rule (7), the adjourned meeting shall be held on that day itself or at such place and on such date and time as may be fixed by the chairperson of the meeting within seven days from the date of adjournment. In such an adjourned meeting, no subject other than those listed in the agenda of the meeting adjourned shall be discussed and the decisions taken. Even for the adjourned meeting, there shall be the required quorum for consideration of the subjects.

(9) The business which could not be considered at the meeting so adjourned for want of quorum shall be brought before and disposed of at a meeting so fixed or at any subsequent meeting at which there is a quorum.

(10) All decisions shall be taken by a simple majority of the members present in the general meeting unless stated otherwise in the Act, the rules or the bye-laws. When there is an equality of votes for or against a decision on any subject other than election, the chairperson of the meeting shall have a second or casting vote.

(11) If for any reason, the president or the chairperson is unable to attend the meeting of the general body, the vice-president or the vice-chairperson, or in his absence, any other member of the board elected by the directors present at the meeting from among themselves shall preside over the said meeting.

(12) The chief executive shall record the minutes of the proceedings of the meeting truly and accurately as per the deliberations in the meeting in the book kept for the purpose with its pages consecutively numbered. When any member expresses dissent in the deliberations on any subject, the Chief Executive shall record the same truly and accurately. The minutes of the meeting shall contain a fair and correct summary of the deliberations thereat.

(13) The proceedings of each meeting so recorded by the chief executive shall be signed by him and the chairperson of the meeting.

(14) The chief executive shall send a certified copy of the minutes of the meeting to the Registrar and the financing bank within thirty days from the date of such meeting and publish a certified copy on the notice board of the co-operative society.

(15) The books containing the minutes of the proceedings of any meeting shall-

- (a) be kept at the registered office of the co-operative society; and
- (b) be open during business hours, to the inspection of any member of the co-operative society and a copy be made available to any member of the society who makes an application for such a copy.

14AK. Board Meetings.- (1) The board may meet as and when required for transacting the business stated in Section 28C of the Act or the rules or the byelaws.

Provided that the interval between two consecutive meetings of the board shall not exceed three months.

(2) The chief executive shall convene a meeting of the board, in consultation with the chairperson or president of the co-operative society, by giving a notice of at least seven clear days as specified in the bye-laws. In exigencies, a meeting of a board may be convened by giving a notice of at least of three clear days. The notice may be sent in the following modes, namely:

- (a) by speed post; or
- (b) by courier; or
- (c) by local delivery under proper receipt

(3) The notice shall state clearly the place, date, time and agenda of the meeting. The Chief Executive shall send detailed notes containing the pros and

cons, the provisions of law if any and the financial implications on each subject on the agenda along with such notice.

(4) The number next to fifty per cent of the strength of the board as specified in the bye-laws shall form the quorum for a meeting of the board. If there is no quorum at the time of transacting any business in any meeting of the board, no such business shall be transacted.

(5) The provisions of sub-rules (6) to (10) and (12) to (15) of rule 14AJ shall, mutatis mutandis apply to the board meetings.

(6) Normally no subject other than those listed in the agenda shall be taken up for discussion. However, if there is no sufficient time to wait for the decision on any subject in the next meeting of the board, such subject may be taken up for discussion and decision as an additional subject with the permission of the Chairperson of the meeting after giving necessary notes on such subject to all the directors and after discussion and decision on all the subjects listed on the agenda;

Provided that no subject relating to the following matters shall be taken up for discussion and decision as additional subject, namely-

- a) election of directors;
- b) election of office-bearers;
- c) filling up the post of a director by co-option;
- d) filling up the post of a casual vacancy of a director by co-option;
- e) imposition of penalties against the employees; and
- f) any subject involving financial implication;

Further provided that no additional subject is placed without relevant additional agenda notes.

(7) The board shall not take any decision which is contrary to the provisions of the Act, the Rules or the bye-laws or detrimental to the interest of the co-operative society. The directors shall be jointly and severally liable for any decision taken contrary to the provisions of the Act, the Rules or the bye-laws or any decision detrimental to the interest of the co-operative society

(8) The chief executive shall record the minutes of the proceedings of the meeting truly and accurately as per the deliberations in the meeting in the book kept for the purpose with its pages consecutively numbered. When any member expresses dissent in the deliberations on any subject, the Chief Executive shall record the same truly and accurately. The minutes of the meeting shall contain a fair and correct summary of the deliberations thereat.

(9) The proceedings of each meeting so recorded by the chief executive shall be signed by him and the chairperson of the meeting. The minutes of the meeting so recorded and signed shall be sent to all the directors within seven days from the date of the meeting.

(10) If any director has any objection relating to recording of any decision on a subject on the ground that the said decision has not been recorded as per the decision taken in the meeting or the said subject was not discussed in the meeting, he shall communicate his opinion within three days from the date of receipt of the minutes of the meetings. In the event of a majority of the directors communicating such objection on any decision, the Chief Executive shall not implement such decision but shall place the same in the next meeting of the board.

(11) If for any reason, the president or the chairperson is unable to attend the meeting of the general body, the vice-president or the vice-chairperson, or in his absence, any other member of the board elected by the directors present at the meeting from among themselves shall preside over the said meeting.

(12) Where in any meeting of the general body or board of a co-operative society, another co-operative society is to be represented, such co-operative society shall be represented in such meeting only through chairperson or president or a member of the board duly authorized by the board of such co-operative, as the case may be and where there is no board of such co-operative society, for whatever reasons, through the administrator or the special officer of such co-operative society.

14AL. Reservation in favour of S.C. / S.T.s, Women and Backward Classes on the board.- Where the board of a cooperative society is elected on area/ constituency basis, the constituencies where reservation of seats shall be provided for in favour of S.C. / S.T.s, Women and Backward Classes on the board shall be decided in the Annual General Meeting preceding the date of the general election of the board and shall be subject to such guidelines as may be issued by the CEC in this behalf. It shall be ensured that the reservation of seats shall be so rotated that all the constituencies are covered under reservation in a phased manner.

Provided that if in a constituency reserved for SC, ST, Women or Backward Classes a member belonging to that caste or class or category residing within that constituency is not available, a member from any other constituency but within the area of operation of the society may contest from that reserve constituency.

14AM. Powers and Functions of the chief executive.- In addition to the powers stated in sub-sections (4) and (5) of Section 29G, the chief executive shall have the following powers and duties-

- (1) furnish to the board periodical information necessary for apprising the operations and functioning of the society.
- (2) present the draft annual report and financial statements for approval of the board within thirty days of the closure of the cooperative year.
- (3) be responsible for the general conduct, supervision, control and management of the day to day business and affairs of the society;
- (4) be responsible for the general supervision and control over the employees of the society including the power to sanction leave, to impose any punishment or suspend them;

Provided that, where the power of keeping the employee under suspension pending enquiry or imposing any punishment is not conferred expressly on him under the bye-laws or the service regulations of the society, such suspension or punishment shall be imposed with the approval of the board”

- (5) arrange for proper maintenance and custody of cash balance, stock and other properties of the society;
- (6) pay all costs of management and working expenses out of the funds of the society; ’
- (7) issue notices for meetings of the general body, board and sub-committees if any, along with the agenda and the notes on each subject in the agenda;
- (8) remain present in all meetings of the general body, the board and sub committees, if any, and produce all the papers and information required at such meetings and sign, along with the chairperson, the minutes of such meetings;
- (9) present the annual financial statements for the previous year along with schedules, returns and other statements for audit with the approval of the board before the auditor or auditing firm within

thirty days of the closure of the cooperative year.

- (10) place before the board the reports of audit under section 63, inquiry under section 64 and inspection under section 65 along with actions that may be taken to rectify the defects or remedy the irregularities noted in the said reports;
- (11) send the reports of compliance on the rectification of the defects and remedying of the irregularities noted in the said reports after approval by the board and continue to send such rectification reports to the Director of cooperative audit or the Registrar, as the case may be, periodically till all such defects are rectified and such irregularities are remedied,
- (12) institute, defend, conduct, compound or abandon any suit or other legal proceedings by or against the society and enter into compromise or arbitration with the creditors and debtors of the society with the approval of the board.
- (13) if any director of the cooperative society is not eligible to continue in his post, under the Act, rules and bye-laws it has to be reported to the jurisdictional Registrar within thirty days.
- (14) submit such information, reports and returns concerning the affairs of the society as may be required by the Registrar from time to time:
- (15) In respect of an apex society, the chief executive
 - (h) shall have power to transfer the employees in consultation with the chairperson;
 - (i) (ii) may place an employee under suspension, where a disciplinary enquiry into the charges against him is contemplated or pending;
- (16) When the post of the Chief Executive is vacant or during his absence on leave, the current routine powers and duties of the chief executive shall, be performed by the officer next below him”.

13. Substitution of Rule 15 – For rule 15 of the said rules the following shall be substituted, namely:-

“15. Remuneration payable to the special officer- Any officer or employee of the Government or a Cooperative organization may be appointed as special officer of a cooperative society of the Act-

- (i) if he is appointed on full time basis, his pay and other allowances shall be borne by the cooperative society. The service rules applicable to him in the department or organization shall continue to govern his service as special officer of the society;
- (ii) if he is appointed as special officer in addition to his regular post, he shall be paid remuneration at the rate of ten percent of his basic pay out of the funds of the cooperative society. The service rules applicable to him in the department or organization shall continue to govern his service as special officer of the society.”

14. Amendment of Rule 17 .- In rule 17 of the said rules, after sub-rule (2), the following shall be inserted, namely:-

"Provided that in sub rule (2) the person to be appointed as Chief Executive of a District Central Co-operative Bank or the State Co-operative Bank shall satisfy the qualification and experience as prescribed by the National Bank for Agriculture and Rural Development or Reserve Bank of India".

15. Substitution of rule 18.- For rule 18 of the said rules, the following shall be substituted, namely:-

"18. Conditions of service of the employees of the cooperative societies.- Every cooperative society shall lay down in its bye-law, conditions of service of its employees. If it is not already laid down, it can be incorporated within three months from the date of commencement of these rules".

16. Substitution of rule 20.- For rule 20 of the said rules, the following shall be substituted, namely:-

"20. Cooperative Education and Training.- (1) Every cooperative society shall remit its contribution towards cooperative education fund to the account of the Karnataka State Cooperative Federation Limited, Bangalore within thirty days from the date of its annual general meeting.

(2) The cooperative education fund shall be maintained and administered by the Karnataka State Cooperative Federation Limited and shall be utilized on the advice of an advisory committee consisting of the following members, namely:-

- | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| (a) | President, Chairperson of the State Cooperative Federation | Chairperson |
| (b) | Four apex societies' president/ chairpersons i.e. Karnataka State Cooperative Apex Bank Ltd., Karnataka Cooperative Milk Federation Ltd., Karnataka State Cooperative Urban Banks Federation Ltd., and Karnataka State Credit Cooperative Societies Federation Ltd., are the members. | Member |
| (c) | The Director, Regional Institute of Cooperative Management, Bangalore. | Member |
| (d) | The Registrar of Cooperative Societies or his nominee | Member |
| (e) | The chief executive officer of the State cooperative federation. | Member Secretary |

(3) The quorum for a meeting of the advisory committee shall be five. The advisory committee shall be convened at least once in three months.

(4) The Karnataka State Cooperative Federation shall maintain this fund in a separate account and all income by way of interest or otherwise accruing from the contribution towards this fund shall be credited to this fund.

(5) No expenditure out of the cooperative education fund shall be incurred without the approval of this advisory committee. The auditor of the State Cooperative Federation shall verify the utilization of the fund and certify the same.

(6) Subject to such directions as the advisory committee may give from time to time, the fund may be utilized for any of the following purposes connected with the cooperative education, training and human resource development of the cooperative societies, namely:-

- (a) education of the members, directors including office-bearers and employees of the cooperative societies and the general public in the principles and practice of co-operation;
- (b) human resource development in the cooperative societies;
- (c) development of cooperative societies;
- (d) capacity building and business management;
- (e) professionalization;
- (f) technical upgradation;
- (g) education, training, research, man power and related infrastructure;
- (h) research and development;

- (i) development of the cooperative movement in general;
 - (j) cooperative propaganda and publicity;
 - (k) publication of the books and journals relating to the cooperative movement;
 - (l) conduct of research, case studies and education in the field of cooperative movement;
 - (m) award of prize, or honorarium for rendering meritorious service to the cause of the cooperative movement of the State.
- (7) The State Cooperative Federation shall prepare annual budgets and formulate training and education programmes for the development of cooperatives and cooperative movement particularly in matters such as financial and business management in the cooperative societies, member education, awareness building on cooperative principles and values etc., according to the overall guidelines issued by the advisory committee and be responsible for implementation of the same.
- (8) The State Cooperative Federation and the District Cooperative Unions shall submit returns to the Registrar once in a year showing the details of the training programmes conducted.
- (9) The board of every cooperative society shall also include in its annual budget provision for expenses on member and potential member education and training of its

directors and employees. It shall ensure that the members, directors and employees are well informed and trained about the theory, principles and practice of cooperation. It shall also aim at ensuring that the transparency, the levels of awareness, member participation and member control expected of any good cooperative society are reached out to the members, the directors and the employees of the cooperative society."

17. Amendment of rule 29.- Accounts and other books to be maintained by societies.- (1) A cooperative society shall maintain books of accounts and registers having regard to its objects and showing a true and accurate picture/status of all the transactions relating to its affairs particularly with reference to all receipts and payments; all income and expenditure; administration and management; business operations; every contact made with members and those having business relationship with the society; conduct of general meetings/ board meetings/sub-committee meetings and such other meetings; transaction with members and non-members; loans and advances to the members and recovery of such loans; its assets and liabilities; all purchases and sales of goods; production, processing and manufacturing; utilization of materials or labour; recruitment and promotion of employees and disciplinary action against them; raising resources and utilization of the funds; investment of funds; bank accounts; accounts and audit; distribution of profit etc., It shall maintain the original registration certificate; its byelaws with the registered amendments; the service rules with upto date amendments; its business rules / subsidiary regulations with upto date amendments; the Cooperative Societies Act and rules with upto date amendments; other law books applicable to its business and administration; etc., It shall also keep such account books and registers in connection with the business of the society as the Registrar of Cooperative Societies may from time to time, require.

Explanation:- For the purpose of this rule "Annual audit" means the audit of accounts of a cooperative society for the cooperative year to be conducted after the close of that co-operative year under Section 63. It culminates in the submission of audited financial statements along with the accompanying audit report after verification of the financial statements and the records and documents of the cooperative society.

(2) The audit under sub-section (1) of Section 63 shall include, in addition to the matters specified in sub-sections (2) and sub-sections (14) to (18) of the said section, the following particulars.-

- (a) examination of the programmes and activities and taken by the society with reference to the objectives mentioned in the bye-laws.
- (b) verification of receipts and payments / income and expenditure with reference to original receipts and vouchers about their genuinty and propriety.
- (c) verification of the balances at the credit of the depositors and creditors and of the amounts due by the society's debtors, of such proportion thereof as may be fixed by the Registrar of Cooperative Societies or the Reserve Bank of India or NABARD as the case may be;
- (d) examination of the transactions of the members of its board.
- (e) examination of the recruitment and promotion of the employees including their service conditions and disciplinary actions against them.
- (f) examination of the services provided to the members and the extent of utilization of the said services by the members / directors.
- (g) maintenance of accounts-adequacy and updating-computerization of the transactions of the society.
- (h) compliance with the transparency and other related laws to the extent applicable to the cooperative societies in the various transactions and operations of the society.
- (i) examination of the statement of accounts of the society to be prepared by the board in such form as may be stipulated by the Registrar of Cooperative Societies or the Reserve Bank of India or the NABARD as the case may be
- (j) certification of the profits actually realized or loss actually incurred;
- (k) whether, in the case of a cooperative bank, the guidelines, etc., issued by the Reserve Bank of India and NABARD have been adhered to.
- (l) any other matter that may be specified by the Registrar of Cooperative Societies or the Reserve Bank of India or the NABARD as the case may be.

Provided that the audit shall, in addition to financial audit, also include propriety audit.

(3) The board of every cooperative society shall ensure that the annual financial statements like the receipts and payments / income and expenditure, profit and loss and the balance sheet along with schedules and other statements are prepared and presented for audit before the auditor or auditing firm within thirty days of the close of the cooperative year.

Provided that the schedules and returns to be furnished to the auditor or auditing firm shall include the following.

- (a) statement of general information and working of the society;
- (b) statement of verification by the board of cash and closing stock as at the end of the cooperative year;
- (c) statement of bank reconciliation and balance confirmation;
- (d) membership and share schedule;
- (e) list of employees and members of the board;
- (f) loans and advances to the directors
- (g) loans and advances to the employees;
- (h) demand, collection and balance statement;
- (i) list of defaulter members;
- (j) list of the members having right to vote;
- (k) schedule of investments made and confirmation statement;

- (l) schedule of bad and doubtful debts;
- (m) loan confirmation statement;
- (n) investment on the assets during the year;
- (o) schedule of directors who have absented for three or more meetings of the board;
- (p) schedule of members who have not attended three or more general meetings;
- (q) schedule of members who have not complied with the requirement of the byelaws as far as obligations of membership are concerned
- (r) statement of misappropriation or embezzlement cases;
- (s) schedule of unrecovered loans and advances for one year and above;
- (t) schedule of the arbitration and execution cases;
- (u) schedule of the reserves and other funds;
- (v) schedule of the depositors if any;
- (w) schedule of the assets and properties;
- (x) schedule of the closing stock;
- (y) schedules relating to the objectives set out in the bye-laws and the extent to which they are achieved typewise societies;
- (z) schedule of loans and advances to the members.

(4) While examining the irregularities mentioned in clauses (a) & (b) of sub-section (17) of Section 63, the auditor or auditing firm shall exercise such due care, diligence and skills as intelligent and prudent person would exercise honestly in similar circumstances and incorporate the findings in the audit report.

(5) While conducting the statutory audit of a cooperative society, the auditor/auditing firm may issue, from time to time during audit, interim objections to the chief executive of the cooperative society or to the officer performing the duties of the chief executive for compliance or explaining the defects and irregularities pointed out in such objections within a period not exceeding five days. The chief executive shall return the interim objection sheets with the compliance / reply to the auditor / auditing firm within the time specified by the auditor. The auditor or auditing firm shall review the compliance report and drop such objections which, in his opinion, have been complied with satisfactorily and shall incorporate the remaining objections in the audit report.

29A. Qualification for appointment as an auditor or auditing firm.- (1) The auditor or auditing firm who shall be included in the panel of auditors may be an auditor or auditing firm as provided in the Act.

(2) None of the following persons shall be qualified for appointment as an auditor / auditing firm for a cooperative society-

- (i) an officer or employee of the cooperative society;
- (ii) a person who is a member of that co-operative society;
- (iii) a person who is indebted to the cooperative society or who has given any guarantee or provided any security in connection with the indebtedness of any third person to the cooperative society prior to or during the course of audit;
- (iv) a person or a member of his family who has a direct or indirect interest in the affairs of the cooperative society; and

(v) a person who is wilfully not complied with the provisions of the Act or the rules during the audit of accounts of any cooperative society for the previous cooperative year.

- (3) Any person not having the qualification and experience for appointment as an auditor under Section 63 and any person not included in the panel of auditors or auditing firms maintained and approved by the Director of Cooperative Audit shall not be appointed as an auditor / auditing firm for the conduct of audit of accounts of any cooperative society.
- (4) An auditor or auditing firm ceases to hold office when he
- (a) resigns; or
- (b) completes his / her term of office.
- (5) Only the person appointed as an auditor / auditing firm of a cooperative society shall sign the audit report or sign or authenticate any other document of the cooperative society required by law to be signed or authenticated by the auditor / auditing firm.
- (6) The audit report shall be read in the general meeting of a cooperative society and shall be open to inspection by any member of the cooperative society.

29B. Procedure for preparation of panel of the Auditors and Auditing firms.-

- (1) The Director of Co-operative Audit shall give a public notification in a widely circulated kannada news paper and through departmental website inviting applications from the intending Chartered Accountants and Chartered Accountants Firms possessing the requisite qualification and experience and willing to be included in the list of Auditors or Auditing Firms for taking up the audit of accounts of Co-operative Societies.
- (2) The Director of Co-operative Audit shall scrutinize the applications and prepare the list of eligible Auditors and Auditing Firms and publish the same in the Departmental Website.
- (3) The enlistment of the Auditor or Auditing Firm shall be valid till such period he withdraws his name or he is disqualified for any professional misconduct. Further, the Director of Co-operative Audit shall enlist any Auditor or Auditing Firm on an application made by the concerned in the format prescribed if applicant satisfies the required conditions.

Note:- The Director of Co-operative Audit shall categorise the societies into three groups based on working capital and total turnover and also classify the Auditors into three categories based on their experience for assigning them to respective category of societies in the following manner.

Sl. No.	Categories of Societies	Panel of Chartered Accountant and Chartered Accountant Firms and Departmental Auditors eligible for audit
1.	Group "A" Societies having more than Rs.25 crores of working capital/turnover	Chartered Accountants and Chartered Accountant Firms having minimum of ten years experience.
2.	Group "B" Societies having more than Rs.10 crores of working capital/turnover and below Rs.25 crores of working capital/ turnover.	Chartered Accountants and Chartered Accountant Firms having minimum of five years experience.

3.	Group "C" Societies having less than Rs.10 crores of working capital/turnover, grouped into district-wise lists.	Chartered Accountants and Chartered Accountant Firms having minimum of three years experience and officials of the Department of Cooperative Audit, grouped into district-wise panels.
	Auditors listed against 'A' Category Societies can Audit 'B' & 'C' Category Societies and Auditors listed against 'B' Category can take up the Audit of 'C' Category Societies.	

(5) The categorisation of Auditors and grouping of co-operative societies shall be made / updated every year after the end of financial year.

(6) The General Body of every Co-operative Society shall select Auditing Firm/Auditor (Chartered Accountant or Departmental Auditors/Officials) from the list of eligible Auditors and Auditing Firms in the respective panel of Auditors published in the Departmental Website for the audit of accounts of co-operative society. But, the same persons shall not be appointed as an Auditor and Auditing Firm of the same co-operative society for more than two years consecutively.

(7) The Auditor / Auditing Firm so appointed by the General Body shall complete the audit of accounts of the co-operative society for the previous co-operative year in accordance with the provisions of the Act and these Rules as early as possible and submit the audited financial statements and the accompanying audit report within thirty days from the date of completion of audit or before the first day of September, whichever is earlier, to the co-operative society, the Registrar of co-operative societies and the Director of Co-operative Audit and the financing agency, if any.

Provided for the audit of co-operative year 2012-13, including arrears of audit if any, the board of a co-operative society is competent to appoint the Auditor from the panel communicated by the Director of Co-operative Audit and shall get its accounts audited before 1st of September 2013.

(8) The chief executive of the society shall communicate the appointment of the Auditor or Auditing Firm within seven days from the date of the General Body Meeting, to the Auditor / Auditing Firm and Director of Co-operative Audit.

(9) When a Co-operative Societies is newly registered, the General Body of the society is in its first general meeting shall appoint the Auditor or Auditing Firm from the list of eligible Auditors and Auditing Firms in the respective panel of Auditors published in the Departmental Website.

(10) The Director of Cooperative Audit shall coordinate with the Cooperative societies and Auditors / Auditing Firms and issue such directions so as to ensure the completion of Audit as scheduled. Any problem arising in timely completion of Audit shall be referred to the Director of Cooperative Audit who shall arrange for its redressal and issue necessary direction to the concerned.

(11) The audit report shall also contain schedules and statements with particulars of :-

- a. All transactions which appear to be contrary to be provisions of the Act, the rules or the byelaws of the co-operative society;
- b. All transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India and National Bank;
- c. Schedules and statements as in rule 29(3), duly verified and certified.

(12) The Director of Cooperative Audit shall be competent to issue necessary guidelines to the Auditors or Auditing Firms for the purpose of ensuring timely completion of Audit.

(13) The Director of Co-operative Audit shall update the list of Co-operative Societies of every district as on 1st of April every year, reconcile it with that of the Registrar of Co-operative Societies of that District.

29C. Audit of a Cooperative Society which is under liquidation.– Where a society is under liquidation, the liquidator shall convene a General Body Meeting which shall appoint an Auditor or Auditing Firm out of the list of eligible Auditor or Auditing Firm published in the Departmental Website. Where it is not possible to convene the general body meeting the liquidator shall follow the procedure in Rule 33(i).

29D. Submission of the Audit Report of an Apex society to the Government.– For the purposes of sub-section (11) of section 63, the Director of Co-operative Audit shall submit a copy of the audit report of an Apex Co-operative Society to the State Government to lay before the State Legislature.

29E. Requisition for Re-audit of an account by the General body.– When the General Body of a Co-operative Society resolves to provide for re-audit of any account of the society under sub-section (12) of Section 63, it shall appoint a different Auditor or Auditing Firms out of the respective panel of Auditors for conducting such re-audit. The cost of such re-audit shall be borne by the co-operative society.

29F. Re-audit of the accounts by the order of the state Government.– When the State Government orders for the re-audit of the accounts of co-operative society, the Director of Co-operative Audit shall arrange for such re-audit by a different Auditor or Auditing Firms. The cost of such re-audit shall be borne by the co-operative society.

18. Substitution of rule 30.– For rule 30 of the said rule the following shall be substituted namely,-

"30. Remuneration payable to the auditor or auditing firm.– The remuneration payable to an Auditor or Auditing Firm for auditing the accounts of a co-operative society of any co-operative year shall be fixed by the General body of that society based on the Working Capital and Turnover as per guidelines issued by the Director of Co-operative Audit from time to time".

19. Insertion of new rule 30A:– After Rule 30, the following rule shall be inserted; namely:-

"30A Remittance of Audit Fee:– In the event of a Co-operative Society failing to pay the remuneration payable to the Government or an auditor under the provisions of Rule 30, the Director of Co-operative Audit may call upon the bank where the concerned Co-operative Society has maintained its account to remit the outstanding amount of remuneration to the Government. On receipt of such demand, the bank shall remit the sum as audit remuneration to the Government or the concerned auditor out of the amount at the credit of society. The bank shall comply with the directions issued by the Director of Co-operative Audit and shall also furnish a certificate to the Director of Co-operative Audit indicating the particulars of the remittance. Further the same procedure will be followed if any payment of remuneration is due to any Chartered Accountant and Chartered Accountant's Firms".

20. Amendment of rule 31.– In rule 31 of the said rules, for sub rule (2), the following shall be substituted, namely,-

"(2) No co-operative society shall spend any money out of the funds of the cooperative society, disputes relating to the election of any of its members referred to the Civil Court."

21. Omission of Chapter IXB.- Chapter IXB of the said rules shall be omitted.

22. Omission of rule 51.- Rule 51 of the said rules shall be omitted.

23. Amendment of rule 53.- in rule 53 of the said rules,-

(i) in sub rule (1), for the words “two months”, the words “one month” shall be substituted.

(ii) for sub rule (2), the following shall be substituted; namely:-

“(2) Any other statements, returns and information which the Registrar requires under section 27B and any other statements and returns which the Auditor or Auditing firm requires under sub section (7) of section (63) shall also be furnished to the Registrar or the Auditor as the case may be”

(iii) for sub-rule (2A) and (3), the following shall be substituted; namely :-

“(3) After the auditor or auditing firm has verified the statements of accounts along with the relevant books and records and furnished the audited financial statements along with the accompanying audit report by the first day of September of every year, the society shall publish the audited financial statements as required under the law.”

(iv) sub rule (4) shall be omitted.

By order etc....

Form XI

[See Rule 14(1)]

NOTIFICATION

No.

Date:

Whereas elections are to be held to the boards of the cooperative societies whose registered offices are situated in the district ofunder the provisions of Karnataka Cooperative Societies Act, 1959 and Karnataka Cooperative Societies Rules 1960 from the various areas or constituencies as specified in their bye-laws:

*(1) to fill the seats of the directors of the board of the primary/secondary/federal/apex cooperative societies, where the terms of office of the boards are expiring on(indicate date)....., before that date.

*(2) To fill the vacancy caused by the death / resignation / disqualification / or due to any other reason of area / constituency having become vacant / having been declared vacant.

Now therefore in pursuance of the powers vested under Rule 14(1) of Karnataka Cooperative Societies Rules, 1960, I District Election Officer of district hereby fixes the following calendar in respect of the said elections.

Sl. No.	Category of Cooperative Societies	Period of elections
1	Primaries	The returning officers shall determine the day and date of the elections and publish the calendar of events separately
2	Secondaries	
3	Federal	
4	Apex	

District Election Officer

* Score out the clause not applicable

Form XII

[See Rule 14(3)]

Notice of Election

Notice is hereby given that a general election of directors to the board..... society..... / election to fill up a casual vacancy on the board of.....

will be held on date between 9.AM and 4PM at place from area / constituency reserved for Backward Classes /Scheduled Castes/ Scheduled Tribes and Women.

Notice is also hereby given that the calendar of events for the said election shall be as under:

(a)	the last date for receipt of nomination papers from the intending candidates (Rule 14A)	On seventh clear day before the date of election. (date & time to be indicated)
(b)	the scrutiny of the nomination papers by the Returning officer (Rule 14B)	On sixth clear day before the date of election. (date & time to be indicated)
(c)	the publication of the list of validly nominated candidates by the Returning officer (Rule 14B(4))	On sixth clear day before the date of election. (date & time to be indicated)
(d)	the last date for withdrawal of nomination papers by the contesting candidates (Rule 14C)	On fifth clear day before the date of election. (date & time to be indicated)
(e)	the publication of the list of valid contesting candidates by the Returning officer (Rule 14D)	On fifth clear day before the date of election. (date & time to be indicated)
(f)	allotment of symbols by the returning officer to the candidates if required (Rule 14E)	On fifth clear day before the date of election. (date & time to be indicated)
(g)	publication of the list of validly contesting candidates with symbols (Rule 14E & 14F)	On third clear day before the date of election. (date & time to be indicated)
(h)	the date and time of poll	date-..... time- 9AM to 4PM
(i)	the date and time of the counting	immediately after the close of the polling hours on the polling day itself
(j)	declaration of the results by the returning officer	immediately after the close of the counting on the polling day itself.

(d) the number of vacancies to be filled by election;

(e) the area or the constituency (specified in the byelaws) from which the directors are to be elected;

(f) the qualifications, if any, specified in the Act, rules or the byelaws for eligibility for membership of the board;

(g) the disqualifications, specified in the Act, rules or the byelaws for being elected as a member of the board.

And

Place :

Date :

Returning Officer

Form XIII

[See Rule 14A(1)]

Nomination paper

Election of directors to the board of cooperative society ltd.,.....from area or constituency

I nominate Sri/Smt as a candidate for election of directors to the board of cooperative society ltd.,..... from area / constituency reserved for backward classes / schedule castes / schedule tribes /women.

*Candidate's Name :

His/ Her father's name/ husband's name :

Postal Address :

Name of the cooperative society of which he is a delegate:

His/ her name is entered at Sl.No in **part no.....of the electoral roll of the society for the area / constituency.

My name is and it is entered at Sl. No..... in part No..... of the electoral roll for the area / constituency.

Date :.....

Signature of the proposer

*candidate may be-

- (i) an individual member of the cooperative society; or
- (ii) a representative of a group of members of a cooperative society; or
- (iii) a delegate of a member cooperative society

**Part I-A-Individual members with right to vote of a primary cooperative society

B- Representatives with right to vote of a group of members of a primary cooperative society

Part II-A- Individual members and delegates of member societies with right to vote of a secondary cooperative society.

B- Representatives of a group of members and delegates of member societies with right to vote of a secondary cooperative society.

Part III-Delegates of member cooperative societies of a federal/apex cooperative society

DECLARATION BY THE CANDIDATE

I, the above mentioned candidate assent to the nomination and hereby declare to the best of my knowledge and belief

- (a) That I have completed..... years of age.
- (b) That I am a Woman
- (c) That I am member of class/caste/tribe which is backward class / scheduled caste / scheduled tribe. Certificate issued in my favour by the competent authority is enclosed.
- (d) That I do not have any disqualification to be elected as director to the board of the cooperative society under the Act, the rules or the bye-laws.
- (e) That I do possess the requisite qualifications for being elected as director to the board of the cooperative society under the Act, the rules or the bye-laws.
- (f) That the symbols I have chosen in the order of preference are

- (i).....
- (ii)..... and
- (iii).....

Date.....

Signature of the Candidate

(To be filled by Returning Officer)

Serial number of nomination paper.....

This nomination was delivered to me at my office at (hour) on (date) by the candidate (name)

Date.....

Returning Officer

Form XIV

[See Rule 14B(4)]

List of validly nominated candidates

Election of directors to the board of..... cooperative society..... from..... area / constituency reserved for Backward Classes/ Scheduled Castes/ Scheduled Tribes/Women.

Sl No.	Category	Name of the Candidate	Name of the father/ husband	Address of the candidate
1	2	3	4	5
	General			
	BC			
	SC/ST			
	Women			

Place :

Date :

Returning Officer

Form XV

[See Rule 14C(1)]

Notice of Withdrawal

Election of directors to the board of..... cooperative society..... from..... area / constituency reserved for Backward Classes /Scheduled Castes/ Scheduled Tribes/ Women.

To :

The Returning Officer,

I, a candidate validly nominated at the above election do hereby given that I withdraw my candidature.

Place :

Date :

Signature of the Candidate

Receipt of Notice of Withdrawal

(To be handed over to the person delivering the notice)

The notice of withdrawal of candidature bya validly nominated candidate at the election to the board of..... cooperative society from..... area / constituency was delivered to me by the candidate..... at my office (hour) on(date).

Place :

Date :

Returning Officer

Form XVI

[See Rule 14D(1) & 14E(4)]

List of Contesting Candidate/s

Election of directors to the board of..... cooperative society..... from..... area / constituency reserved for Backward Classes /Scheduled Castes/ Scheduled Tribes/ Women.

Sl No.	Name of the Candidate	Address of the Candidate	Symbol allotted
1	2	3	4

- 1.
- 2.
- 3.
- 4.

Place :

Date :

Signature of Returning Officer

Form XVII

[See Rule 14(L) (1)]

Counterfoil

Election to the directors/ representative of Coop. Society
Name of the area /constituency Serial No. of the member/
representative/delegate
Signature or thumb impression of member/representative/delegate

Perforation

Election to the directors/representative ofCoop. Society.
Name of the area /constituency

Form XVIII

[See Rule 14V]

Ballot Paper Account

Election of the directors/representative of the
(name of the Co-operative Society).

Name of the Polling Station.....

1. Ballot Papers received/Printed	SI No.	
	From	To
Total	

2. Ballot Papers unused (i.e. not issued to the voters)

(a) with the signature of the P.O. :

(b) without the signature of the P.O. :

Total (a+b)

3. Ballot papers used at the polling station

Total (1-2)=3

4. ballot papers issued but not inserted in the ballot box

a) ballot papers cancelled for violation of voting procedure :

b) ballot papers cancelled for any other reason :

Total (a+b)

5. Ballot papers to be found in the ballot box

(3-4= 5)

Signature of the Presiding Officer

Form XIX

[See Rule 14G(2)]

Declaration of Results of Election

(To be used when the seat is uncontested)

Election of directors to the board of..... cooperative society.....
from..... area / constituency reserved for Backward Classes / Scheduled
Castes/ Scheduled Tribes/ Women.

In pursuance of the provisions contained in Rule 14G of the Karnataka
Cooperative Societies Rules, 1960, I declare that :

Name
Address.....
.....

has been duly elected to fill the vacancy to the said cooperative society from the
above area / constituency.

Place :

Date :

Signature of Returning Officer

Form XX

[See Rule14G(3)]

Declaration of Results of Election

(to fill casual vacancy when the seat is uncontested)

Election of directors to the board of..... cooperative
society..... from..... area / constituency reserved for Backward
Classes /Scheduled Castes/ Scheduled Tribes/ Women.

In pursuance of the provisions contained in Rule 14G of the Karnataka
Cooperative Societies Rules, 1960, I declare that :

Name
Address.....
.....

has been duly elected to fill the vacancy caused in that cooperative society by the

Disqualification of.....

Resignation of

Death of

Election of been declared void,

Seat of area / constituency having become vacant/ having been declared vacant.

Place :

Date :

Signature of Returning Officer

Form XXI

[See Rule 14X(2)]

FINAL RESULT SHEET

Election of directors to the board of..... cooperative society..... from..... area / constituency reserved for Backward Classes /Scheduled Castes/ Scheduled Tribes/ Women.

Polling Station Number	Total voters found in the Ballot box (es)
-------------------------------	--------------------------------------------------

- 1.
- 2.
- 3.
- 4.
- 5. and so on

Total

Total Number of valid votes recorded

Candidate	Valid votes polled	No. of rejected papers	Valid votes secured
1	2	3	4

Place :

Date :

Returning Officer

Form XXII

[See Rule 14Y]

Declaration of Result of Election

(To be used when a seat is contested)

Election of directors to the board of..... cooperative society..... from..... area / constituency reserved for Backward Classes /Scheduled Castes/ Scheduled Tribes/ Women.

In pursuance of the provisions contained in Rule 14AB of the Karnataka Cooperative Societies Rules 1960, I declare that :

1. Sri/ Smt (Name)
..... (Address)
.....

has been duly elected to fill the seat from the above area / constituency.

Returning Officer

Form XXIII

[See Rule 14Z]

Certificate of Election

Election of directors to the board of..... cooperative society..... from..... area / constituency ofhereby certify that I have on day of..... 20.... Declared Sri/Smt.....

to have been duly elected by area / constituency to be the director from the said area / constituency and that in a token thereof I have granted to him/ her this Certificate of Election.

Place :

Returning Officer

Date :

Form XXIV

[See Rule 14AG (4)]

Nomination for the election of office-bearers of..... cooperative society

- 1) Office for which contesting
- 2) Name of the candidate
- 3) Serial number in the register of members
- 4) Father's or husband's name of the candidate
- 5) Address of the candidate
- 6) Name of the proposer
- 7) Serial number of the proposer in the register of members
- 8) Signature of the proposer
- 9) Name of the seconder
- 10)Serial number of the seconder in the register of members
- 11)Signature of the seconder

DECLARATION BY THE CANDIDATE

I declare that I am willing to stand for election to the office of the chairperson / vice chairperson or any other office-bearer (specify) and to the best of my knowledge and belief

(a) That I have completed..... years of age.

(b) That I am a Woman

- (c) That I am member of class/caste/tribe which is backward class / scheduled caste / scheduled tribe.
- (d) That I do not have any disqualification to be elected as director to the board of the cooperative society under the Act, the rules or the bye-laws.
- (e) That I do possess the requisite qualifications for being elected as director to the board of the cooperative society under the Act, the rules or the bye-laws.

Date.....

Signature of the Candidate

(To be filled by Returning Officer)

This nomination was delivered to me at (hour) on (date) by the candidate
..... (name)

Date.....

Place.....

Returning Officer

By order and in the name of the Governor of Karnataka

G.S. RAMANAREDDY
Officer on Special Duty & Ex-officio
Joint Secretary to Government
Co-operation Department