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CO-OPERATION DEPARTMENT

NOTIFICATION

The 11th January 2010

S.R.O. No. 19/2010—Whereas the draft of certain rules further to amend the Orissa Co-operative Societies Rules, 1965, was published as required by sub-section (1) of section 134 of the Orissa Co-operative Societies Act, 1962 (Orissa Act 2 of 1963), in the extraordinary issue No.852 of the *Orissa Gazette*, dated the 27th June, 2009 under the notification of the Government of Orissa in the Cooperation Department No.7685/Coop., dated the 19th June, 2009, bearing S.R.O. No.217/2009 inviting objections and suggestions from all persons likely to be affected thereby till the expiry of a period of thirty days from the date of publication of the said notification in the *Orissa Gazette*;

AND, WHEREAS, objections and suggestions received in respect of the said draft within the period so specified have been duly considered by the State Government;

NOW, THEREFORE, in exercise of the powers conferred by section 134 of the said Act, the State Government do hereby make the following rules, further to amend the Orissa Co-operative Societies Rules, 1965, namely;—

1. (1) These rules may be called The Orissa Co-operative Societies (Amendment) Rules, 2010.

(2) They shall come into force on the date of their publication in the *Orissa Gazette*.

2. In the Orissa Co-operative Societies Rules, 1965(hereinafter referred to as the said rules), in rule 2, –

(i) after clause (k), the following clause shall be inserted, namely :—

“(k-1) “Orissa State Co-operative Bank Ltd.” shall have the same meaning as assigned to State Co-operative Bank in the Reserve Bank of India Act, 1934.”

(ii) for clause (l), the following clause shall be substituted, namely :—

“(l) Principal Officer” for the purpose of these rules shall mean the Registrar or any person appointed under section 3 of the Act to assist him”; and
 (iii) in clause (m), for the words “Auditor General”, the word “Registrar” shall be substituted.

3. In the said rules, after rule 6-A, the following rule shall be inserted, namely: —

“6-B Primary Agricultural Credit Co-operative Society, Service Co-operative Society and Farmers’ Service Co-operative Society in whatever name called shall be registered for operating in the area other than the area specified under rule 6-A, to provide,-

(a) agricultural and its allied credit,

(b) agricultural inputs ; and

(c) facilities for collection, storage, marketing and processing of agricultural produces to its members for economic development of the members of the concerned society.

4. In the said rules, in rule 16,-

(i) in sub-rule (1), after clause (b), the following clause shall be inserted, namely: —

“(b-1) any Self Help Group”;

(ii) in sub-rule (2), after clause (iv), the following clause shall be inserted; namely: —

“(v) in case of Self Help Group(s), the application for membership shall be signed by the head of the concerned Group and accompanied by resolution(s) authorising the said head of the Group for making such application and commitment for enrollment as member by the majority of members of concerned Self Help Group alongwith other information and documents as required under the Act, rules and byelaws of the society. Any change in head of Self Help Group, shall be intimated to the society within seven days of such change”.

5. In the said rules, in rule 19, in sub-rule (1), the following proviso to clause (vi) shall be inserted, namely:—

“Provided that the Co-operative credit society (s) may not affiliate or enroll as member of the State Co-operative Union and the Co-operative Credit Societies already in affiliation may, on application, disaffiliate from membership subject to payment of dues of the Union, if any”.

6. In the said rules, in rule 20;-

(i) the following proviso to sub-rule (2) shall be inserted, namely :—

“Provided that the obligation in clause (x) of sub-rule (3) shall be applicable only to the member(s) of the societies mentioned in sub-section (2) of section 19 of the Act ; and

(ii) in sub-rule (3), after clause (ix), the following clause shall be inserted, namely: —

“(x) to deposit such amount for such period as may be specified by the Registrar”.

7. In the said rules, in rule 26, for sub-rule (1), the following sub-rule shall be substituted, namely ;—

“(1) General Body in relation to a Society shall consist of all members excluding the nominal members in the case of Primary Society and the President and Vice-president or representative or head as the case may be, of member societies, self help group, individual members, deemed members as per provisions of sub-sec(1-a) of Section -16 of the Act, the Government nominees and the heads of the local authorities or other body corporate, if any, in the case of Central or Apex Societies”.

8. In the said rules, in rule 27, in sub-rule (1), the comma and the words “if such an appointment is provided in the byelaws” shall be omitted.

9. In the said rules, in rule 43, in sub-rule (2), in clause (ii) for the words “all types of”, the word “member” shall be substituted.

10. In the said rules, in rule 45, in sub-rule (1), after the words “every Society” and before the words “shall remit the sum”, the words “other than a Co-operative Credit Society” shall be inserted.

11. In the said rules, after proviso to rule 46, the following proviso shall be inserted, namely:—

“Provided further that in case of Primary Agricultural Credit Co-operative Society, Large-sized Adivasi Multipurpose Co-operative Society, Service Co-operative Society, Farmers’ Service Co-operative Society, the dividend shall be paid as per guidelines laid down by the Registrar in consultation with the National Bank”.

12. In the said rules, in rule 48, -

(i) for sub-rule (1), the following sub-rule shall be substituted, namely :—

“(1) The funds of a society not utilized in its business operations may be invested in the manner specified under section 57”; and

(ii) sub-rule (2) shall be deleted.

13. In the said rules, in rule 49,-

(i) the following proviso to sub-rule(3) shall be inserted, namely: —

“Provided that the Primary Agricultural Co-operative Society, Large-sized Adivasi Multipurpose Co-operative Society, Service Co-operative Society and Farmers’ Service Co-operative Society shall receive deposits only from the members of the concerned society”;

(ii) in sub-rule (4), for the figure ‘62’, the figure “50” shall be substituted; and

(iii) the following proviso to sub-rule (4) shall be added, namely :—

“Provided that the PACS, LAMPS, SCS, FSCS shall accept saving Bank deposits only from the members”.

14. In the said rules, after rule 50, the following rule with the marginal heading shall be inserted, namely:—

“50-A Reduction of share of State Government in Co-operative Credit Society : —

- (1) Every Co-operative Credit Society where the Government have subscribed to its Share Capital, shall assess the amount of Share Capital of Government to the total paid up Share Capital every year and make a provision not exceeding 25% of its net profit for redemption of its Share Capital.
- (2) The Registrar on the direction of the State Government may ask any Co-operative Credit Society for refund of Share Capital contributed by Government and the concerned society shall consider the same within two months.
- (3) A Co-operative Credit Society may refund any portion of share capital of the Government at any time *Suo Motu*.
- (4) The value of share so refunded shall be deemed the sum actually paid by the State Government”.

15. In the said rules, in rule 53;-

(i) sub-rule (7) shall be substituted by the following, namely : —

“(7) No loan shall be made by a Society other than Primary Agricultural Credit Co-operative Society, Large Sized Adivasi Multi Purpose Co-operative Society, Service Co-operative Society and Farmers’ Service Co-operative Society to any person other than a member provided that with the prior sanction of the Registrar, a Society other than PACS, LAMPCS, SCS and FSCS may make deposit with another Society which is not a Member subject to such condition as the Registrar may specify”; and

(ii) sub-rule “(8)” shall be deleted.

16. In the said rules, in rule 57,-(i) after the words “departmental auditors” the words “or the Chartered Accountant, as the case may be,” shall be inserted, and (ii) the following proviso to the said rule 57 shall be added namely :-

“Provided that the audit of Orissa State Co-operative Bank and Central Co-operative Banks shall be caused by any of the Chartered Accountant from the panel approved by the National Bank “.

17. In the said rules, in rule 58, in sub-rules (3) and (4), after the word ‘Auditor’ the words “or the Chartered Accountant, as the case may be”, shall respectively be inserted.

18. In the said rules, in rule 58-A: —

(i) in sub-rule(1),

(a) after the word ‘Auditor’ the words “or Chartered Accountant, as the case may be”, shall be inserted; and

(ii) in sub-rule(2), after the words “and the society”, the words “or the financing Bank” shall be inserted.

19. In the said rules, in rules 59,61 and 62, after the word “Auditor” wherever it occurs, the words “or Chartered Accountant, as the case may be” shall be inserted.

20. In the said rules, in rule 74, in sub-rule (1), for the word ‘Registrar’, the word “Co-operative Tribunal” shall be substituted.

21. In the said rules, in rules 98,99,101, 125,132,134, 140 and 141, for the words “Auditor General” wherever they occur, the word ‘Registrar’ shall be substituted.

22. In the said rules, in rule 139, in sub-rule (3), after the word figure, and comma “under section 105 of the Act”, the words and comma “the Registrar,” shall be inserted.

23. In the said rules, in rule 126,130,138, 141 and 142, the word ‘Schedule’ wherever occurs, shall be substituted by the word and figure “Schedule-1”.

[No.338-II-Legal-05/09/Coop.]

By order of the Governor

U. P. SINGH

Commissioner-cum-Secretary to Government