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THE CO-OPERATIVE SOCIETIES RULES, 1927

[14th July, 1926]

NOTIFICATION

No.5978/24: Whereas certain rules, which it was proposed to make under Section 71 of the Co-operative Societies Act, 1925 (Act VII of 1925), were published in Government Notification in the Revenue Department No.5978/24, dated 14th July 1926;

And whereas the objections and suggestions received with reference to the said rules have been considered by the Government of Province concerned;

Now, therefore, the Government of the Province concerned, in exercise of the powers conferred by Section 71 of the Co-operative Societies Act, 1925 (Act VII of 1925), and in supersession of certain Notifications, are pleased to make the following rules:

1. **Short title.** (1) These rules may be called the Co-operative Societies Rules, 1927.

   (2) **Definitions.** In these rules, unless there is anything repugnant to the subject or context,

   (i) the expression “the Act” means the Co-operative Societies Act, 1925;

   (ii) “section” means a section of the Act;

   (iii) words and expressions defined in the Act shall have the meanings assigned to them in the Act.

REGISTRATION

2. **Application for registration.** (1) Every application for the registration of a society under sub-section (1) of Section 9 shall be in the form of Schedule ‘A’ hereto annexed.

   (2) In addition to the copy of the by-laws which is required to accompany the application for registration under sub-section (3) of
Section 9 two other copies of the proposed by-laws of the society shall be forwarded therewith.

(3) In case where one of the members of the society to be registered is a registered society, a member of the Managing Committee of such registered shall be authorised by such Committee by resolution to sign the application for registration and the by-laws on its behalf, and a copy of such resolution shall be appended to the application.

3. Decision of Registrar to be communicated in case of refusal to register. If the Registrar refuses to register the society or of its by-laws under Section 10, he shall communicate to the applicants his reasons for so doing.

BY-LAWS

4. Matters in respect of which a society shall or may make by-laws

(1) The matters in respect of which every society shall make by-laws are the following:—

(a) the name and address of the society and its branches, the tribe, class, caste or occupation of its members if the membership is proposed to be so restricted, and the area for which it is to be registered;

(b) the object of the society, the purposes to which its funds are applicable, the terms of admission of members, and their rights and liabilities, the consequences of default in payment of any sum due by a member and in the case of credit societies, the conditions on which loans may be granted, and the rate of interest and the system of calculation of interest and the maximum number of members that may be admitted; and, in the case of non-credit societies, the mode of conducting business, purchase, sale, stock-taking, and other like matters;

(c) the mode of holding meetings, and, subject to the provisions of rules 5 and 6, the manner of making, altering and abrogating by-laws;
(d) the mode of appointments and removal of members of the committee and the officers, if any, and the duties and powers of the committee and officers;

(e) the manner in which capital may be raised;

(f) the mode of custody and of investment of funds, and, subject to rules 14, 17, 18 and 19, the mode of keeping of accounts; and

(g) the distribution of its profits.

(2) Every society may make by-laws in the respect of any other matters incidental to the management of its business.

5. **By-laws.** When a society has been registered, the by-laws submitted under sub-section (3) of Section 9 shall, subject to any modification approved by the Registrar, and adopted at a general meeting, having a quorum, by majority of not less than two-thirds of the members present at such meeting, become the by-laws of society.

6. **Amendment of by-laws.** By-laws may be made, altered or abrogated by a resolution passed at a general meeting of the society; provided that—

   (1) due notice of any proposal to make, alter or abrogate the by-laws is given in accordance with the by-laws;

   (2) the resolution is passed by not less than two-thirds of the members present at the general meeting at which a quorum shall be present or, at an adjournment general meeting (at which if a quorum is not present members present shall form a quorum) and a copy of the resolution is forwarded to the Registrar within a period of three months from the date of the meeting. A copy of the existing by-law or by-laws, so marked as to show the alterations proposed to be made, and three copies of the proposed amendments signed by the officers of the society, shall be attached to the copy of the resolution; and

   (3) the making, alteration or abrogation of the by-laws is approved and registered by the Registrar.
6-A. Special general meeting at the instance of Registrar. Notwithstanding anything contained in the rules or by-laws of a society as to the manner of summoning a General Meeting and a notice to be given, for the said purpose, any person authorised in this behalf by the Registrar may call a special general meeting for which a requisition has been made by the Registrar under sub-section (2) of Section 13 in such manner and at such time and place as the Registrar may direct. A special general meeting so convened shall have powers to transact all business which can be transacted at the annual general meeting under the by-laws framed by the society and such other business as is specially mentioned in the requisition made by the Registrar.

7. Loans and deposits. Every society with unlimited liability shall, from time to time, fix in a general meeting the maximum liability which it may incur in loans and in deposits from non-members. The maximum so fixed shall be subject to the sanction of the Registrar, who may at any time reduce it, for reasons to be communicated by him to the society in writing, and may prescribe a period, not being less than four months, within which the society shall comply with his orders. No such society shall receive any loan or deposit from a non-member which will make its liability to non-members exceed the limit sanctioned by the Registrar.

8. Restrictions on borrowing societies with limited liability. No society with limited liability shall incur liabilities from persons who are not members exceeding in total fifteen times the total amount of its paid-up share capital, accumulated reserve fund, and building fund, minus accumulated losses. In calculating the total amount of liabilities for the purposes of this rule, in the case of an agricultural sale society, purchase and sale society, or a multi-purpose sale society, specified by the Register by general or special order in that behalf, a sum equal to the amounts borrowed by such society from a banking society for giving advances on the security of agricultural produce shall be deducted from the amount of actual liabilities if such society and in the case of the Provincial Co-operative Bank Ltd., a sum equal to the face value of the gilt-edged securities owned by the Bank up to an amount of the paid-up share capital of the Bank shall be deducted from the amount of actual liabilities of the Bank.
8-A. The provisions of rules 8 shall apply to land mortgage societies and District Industrial Associations registered under the Co-operative Societies Act, 1925, with the modification that for the words “fifteen times” occurring herein the words “twenty times” shall be substituted.

9. **Shares not to be hypothecated to that society.** The shares of a society shall not be hypothecated to that society by its members as a security for a loan.

9-A. **Value of share of a member.** If a member resigns his membership of a society or dies, the sum representing the value of interest in the capital of the society to be paid to him or his nominee, heir or legal representative, shall be ascertained as under:

(i) In the case of a society with unlimited liability, it shall be the actual amount received by the society in respect of such share or interest,

(ii) In the case of a society with limited liability, it shall be the amount arrived at by a valuation based on the financial position of the society as shown in the last audited balance-sheet preceding the resignation or death of such member; provided that it shall not exceed the actual amount received by the society in respect of such share or interest.

10. **Deposits with agricultural credit societies.** Agricultural credit societies shall not accept deposits which are not fixed for a period of at least two months, except savings deposits in such societies as have made in their by-laws provision for the encouragement of thrift among their members by the opening of savings accounts.

11. **Loans on suretyship of non-members.** No society shall make any loan to a member on a bond secured by the suretyship of a non-member; provided that the Registrar may, for special reasons, exempt any society by name from the operation of this rule.

12. **Writing off of losses.** Losses may be written off against the reserve fund of any society, and in the case of limited liability societies, if the losses exceed the reserve fund, the balance remaining may be written off against the share capital of society:
Provided that—

(i) no losses shall be written off without the sanction of a general meeting;

(ii) before any such losses are so written off, the society, if it is affiliated and indebted to a Central Bank, shall obtain the approval of the Central Bank in writing, which approval shall be given after consultation with the Assistant Registrar, and shall be countersigned by him. If the society is no so affiliated, or if the society is so affiliated and is not indebted to the Central Bank, it shall first obtain the approval of the Assistant Registrar in writing; and

(iii) if the society itself is a Central Bank, the approval of the Provincial Co-operative Bank, given in consultation with and countersigned by the Registrar, shall first be obtained:

Provided further that the Assistant Registrar or the Registrar, as the case may be, may while according or countersigning the approval, impose such condition as to the restoration of part or whole of the amount written off to the reserve fund from out of future profits, as he deems fit.

**Explanation.** ‘Losses’ includes losses on account of bad debts also.

13. **Interlending.** For the purposes of sub-section (1) of Section 34 a loan also means and includes a deposit made by one society with another society.

14. **Accounts, returns and documents.** (1) Every credit society shall keep the following accounts and books, *viz.*:—

   (a) A register of members including persons nominated under Section 27;

   (b) A register of shares and debentures (where capital is raised by shares or debentures);

   (c) A shares transfer register (where capital raised by shares or debentures);
(d) Cash account;
(e) Members’ loan account;
(f) Deposit account;
(g) Loan register;
(h) Interest accounts;
(i) Expense account;
(j) Bank account;
(k) Minute book, recoding the proceedings of general meetings;
(l) Minute book, recording the proceedings of the Committee;
(m) Register of members’ credit worthiness;
(n) Such other accounts and books as may from time to time be
    prescribed by the Registrar:

Provided the Registrar may exempt any society or class of societies
from the operation of clause (m) mentioned above.

(2) Societies other than credit societies shall keep the accounts
    and books mentioned in clauses (a), (d), (k) and (l) of sub-rule (1)
    and such other accounts and books as may be approved, or from
    time to time, required by the Registrar.

(3) The Registrar may, by order in writing direct any society to
    get any or all the accounts and books required to be kept by it under
    sub-rule (1) and (2) written upto such date, in such form and within
    such time as he may prescribe.

4) The accounts and books by a society shall be kept in such
   place and by such person as the Registrar may direct.

15. **By whom copies of documents or entries may be certified.** For
    the purpose of Section 31 copies of documents or entries in the books of a
    society may be certified by any officer of the society.

16. **Inspection of documents.** (1) Any member of the public shall be
    permitted, on payment of a fee of one rupee for each inspection, to
    inspect for any lawful purpose any public document (exclusive of public
documents privileged under Articles 6, 7, 12 and 14 of the Qanun-e-Shahadat Order, 1984) filed in the office of the Registrar and in particular the following documents, namely:—

Application for registration of a society.

The Registration Certificate of a society. The Registration Register.
The registered by-laws of a society including any amendment made in such by-laws.
An order for the winding up of the affairs of a society.
An order for the appointment of a Liquidator.
An order cancelling the registration of a society.
The annual accounts of a Society or its annual balance-sheet.

(2) The Registrar shall give certified copies of the documents which are liable to inspection as mentioned in clause (1) above, to a person demanding the same on payment of fee as specified hereunder:

(i) For Registration Certificate of society Rs.300

(ii) In case of other documents, a sum calculated at the following rates:

(a) First 200 words or under Rs.100
(b) Every additional 100 words or fraction thereof Rs.100

17. Registrar may require statements and returns to be furnished. The Registrar may require any society to submit any statement and any periodical return of receipts and disbursements on such dates and in such form as he may prescribe. Every housing society shall submit a property register to the Register on such dates and in such form as he may prescribe.

17-A. Preparation of necessary statements or returns or accounts or books at the expens-"es of the societies. In case of failure by any society to submit any statement or return mentioned in rule 17 or to maintain any account or books mentioned in rule 14 or to get such accounts or books written according to the direction given by the Registrar under rule 14, the Registrar may depute an officer of the Provincial Government to
prepare the necessary statements, or returns or accounts of books at the expense of the society. Such expenses shall be recoverable from the society in the manner specified in Section 65.

18. **Periodical financial statement to be furnished.** All registered societies classified by the Registrar as Central Banks or as Urban Banks shall submit to that officer a quarterly finance statement in the form prescribed by the Government for the quarters ending March 31st, June 30th, September 30th, and December 31st, not later than April 15th, July 31st, October 15th and January 15th, respectively.

18-A. **Maintenance of fluid resources.** All societies which obtain portion of their working capital by deposits, shall maintain such fluid resources as may from time to time by prescribed by the Registrar.

19. **Annual balance-sheet.** (1) On or before 15th September of each year, the Committee of every society shall publish an annual balance sheet showing (a) the profit and loss, and (b) the receipts and expenditure of the previous financial year, and (c) the assets and liabilities as they stood on June 30th. The balance-sheet shall be in such form as the Registrar may prescribe for any society or class of societies. This balance-sheet shall be open to the inspection of any member during office hours at the office of the society and a copy thereof shall be submitted before September 30th to the Registrar and to the Auditor appointed by the Registrar for the audit of that society.

   (2) In case of Taluka Development Association the financial year will begin from 1st April and close on 31st day of March.

20. **Transfer of interest.** The name and address of every person nominated under Section 27 and any revocation or variation of such nomination shall be entered in the register kept under Rule 14, sub-rule (1), clause (a).

21. **Nomination of persons.** (1) A member may, by writing under his hand deposited with the society during his life time, or by a statement signed by the member made in any book kept by the society, nominate any person to whom under Section 27 his share or interest in the society or
so much thereof as may be specified in such nomination, shall be paid or transferred on his death.

(2) A nomination so made may be revoked or varied by another nomination similarly made.

22. **Distribution of profits.** In calculating the profits of a society for the year, all accrued interest which is overdue shall be deducted from the gross profits of the year before the net profits are arrived at. All accrued interest, that has been so deducted from the profits of the year and is actually recovered during the subsequent year, may be added to profits of the subsequent year.

23. **Distribution of Bonus.** No registered society shall distribute any bonus or shares beyond the divided declared under Section 38.

24. **Payment of dividend by consumers’, producers’ or housing societies.** (1) No society shall pay its shareholders a dividend exceeding 6½ per cent in any year on the paid-up share capital standing in the name of each shareholder. If a society is unable to pay dividend of 6½ per cent in any year, it may make good the deficit by paying the difference out of profits in future years.

(2) (a) No Resource or General Society shall, without the previous written sanction of the Registrar, pay to its shareholders a dividend exceeding 7½ per cent, (inclusive of bonus, if any) in any year on the paid-up share capital standing in the name of each shareholder.

(b) Such society may credit in any year a sum not exceeding 2 per cent on the paid-up share capital to a fund called ‘the Dividend Equalization Fund’ until the total amount in such fund amounts to 7½ per cent of the paid-up share capital. Except for the purpose of paying a dividend, no withdrawals from such fund shall be made without the previous written sanction of the Registrar.

(3) No society shall declare a dividend at a rate exceeding that recommended by its Managing Committee or Board of Directors, as the case may be.

24-A. No dividends shall be paid by any society otherwise than out of profits of the year or any other undistributed profits.
25. **Distribution of balance of profits.** Any distribution of the remaining balance of profits under Section 40 and after the distribution of dividend under Section 38 shall be in accordance with the by-laws of the society regarding such distribution. It shall be in proportion to the wages earned by each member in the case of a producers’ society, and to the amount of goods purchased by each member, or, where it is so provided, in the by-laws, by each member or customer, in the case of a consumers’ society. It shall also be in proportion to the amount of rent paid by each member in the case of a Housing Society, and, in the case of a resource society, may be in proportion to the goods obtained or sold through the society by each member, or to the loans borrowed from, and the deposits made with, the society by each member.

25-A. **Limitation on the payment of dividend or bonus.** (1) Subject to the provision of sub-section (2) of Section 39 and clause (b) of Section 40, in a society with unlimited liability in which members held shares, no dividend or bonus shall be paid until ten years have elapsed from the date of its registration. In the eleventh year, the accumulated net profits of previous years, less the amount carried to the reserve fund, may be appropriated among the members in the form of permanent shares, which will not be returnable except to widow, minor nominees of destitute members and past members subject to the approval of the Registrar in the twelfth and each following year, after at least one-fourth of the net profits of the year have been carried to the reserve fund, a dividend not exceeding 7½ per cent, on each fully paid-up share may be paid from the remainder of the profits.

   **Explanation.**- (1) In the case of a society formed by splitting up of a society or the amalgamation of two or more societies, its date of registration for the purpose of this sub-rule shall be deemed to be the date of the registration of the original society or societies, as the case may be.

   (2) No dividend shall be paid by any society while any claim overdue from the society to a depositor or lender remains unsatisfied.

   (3) The Registrar may, by general or special order, direct that a society shall not pay dividend or pay it at a reduced rate so long as it
receives loans or deposits from non-members other than a Central Bank.

26. **Restrictions on distribution of funds by way of bonus, dividend or otherwise.** Without the sanction of the Registrar, no part of the funds of a registered society shall be divided, by way of bonus or dividend or otherwise, amongst its members in any year unless the entire expenditure incurred by such society has been debited in the annual profit and loss account before the net profit has been calculated:

Provided that any loss or portion of loss on account of bad debts written off during the year may not be so debited if it be deducted from any bad debt or with the sanction of the Registrar from the Reserve Fund.

26-A. **Co-operative conference and contributions to expenses thereof by societies.** No society shall contribute any money towards the expenses of any co-operative conference unless such conference is held under the auspices of a society which is authorised by its by-laws to hold such conference. The Society holding the conference shall keep separate accounts of its income and expenditure due to such conference and such accounts shall be open to audit by the Registrar or the person authorised by him under Section 22.

27. **Investment of funds.** With the previous sanction of the Registrar any society may invest its funds or a portion thereof (a) in the shares of the State Bank of Pakistan constituted under the State Bank of Pakistan Order, 1948, (b) in the purchase or leasing of land or building, and (c) in the construction of buildings; provided that the purchase of such land or the construction of such buildings, is likely to be advantageous to the society in the conduct of its business.

28. **Reserve fund.** The reserve fund of any registered society may be utilised in the business of the society, or be invested or deposited in any of the ways mentioned in clauses (a), (b), (c) and (d) of Section 37. The Registrar may, for reasons to be communicated in writing by him to the society, by general or special order, direct that the latter course be adopted. In the case of a society constituted with the object of co-operative housing on a co-partnership tenancy basis, the reserve fund may be utilised for expenditure on the maintenance, repair and renewal of the buildings of the society.
28-A. **Building fund.** The fund created by a registered society for the purpose of constructing buildings, shall be called the building fund. The amount of such fund may when it is not utilised for the construction of building be used in the business of the society or be invested or deposited in the same manner and subject to the same conditions as the reserve fund of such society is permitted to be used, invested or deposited under the Act and these rules.

29. **Levy of audit fees.** The Registrar may with the previous sanction of the Provincial Government levy audit fees on all societies; provided that in the case of an agricultural co-operative credit society, the audit fees so levied shall not exceed 5/8 per cent calculated on the working capital of the society as it stood at the close of the last preceding co-operative year. The Registrar shall employ the proceeds of such audit fees in maintaining a staff to audit the accounts of the societies. Such audit fees shall be recoverable under Section 65.

30. *[Deleted]*

31. **Audit of accounts of consumers’ societies.** (1) Consumers’ Societies with a working capital exceeding Rs.50,000 may at their option arrange for their own annual audit independently. The societies arranging for their own audit shall report the fact to the Registrar before the 1\textsuperscript{st} of May every year. Failing the receipt of such report from any Consumers' Society before the 1\textsuperscript{st} of May in any year, the Registrar shall arrange for the compulsory audit of such society by an official auditor. When the audit is made by an official auditor, a fee of Rs.10 per day for the whole period of the audit (a portion of a day being treated as a full day) shall be recovered from the society and credited to Government.

   (2) If, after an inquiry under Section 43 or an inspection under Section 44, the Registrar has grounds for thinking that the audit arranged independently by the society has been seriously defective, he may order the official auditor to make a fresh audit of the society, and may recover the cost of the audit from the society.

32. **Arbitration.** When a dispute has been referred to the Registrar under Section 54, the Registrar or his nominee shall issue a notice to all parties, and, unless either of the parties desires within 15 days of the
issue of such a notice that the matter be related to arbitration, shall proceed to decide the dispute himself.

When either of the parties desires that the matter be referred to arbitration, the Registrar (or his nominee) shall call on each party to nominate his arbitrator within 15 days, and to send a statement signed by the proposed arbitrator about his willingness to serve as an arbitrator. When there are more persons than one on each side, the principal party on each side will have the right to nominate the arbitrator. In such cases the Registrar will decide who is the principal party and his decision shall be final.

When either of the parties fails to make a nomination within the period aforesaid, the Registrar may nominate an arbitrator on behalf of such party.

The Registrar or his nominee will act as Chairman of the Committee of three Arbitrations. He will fix the date and place of hearing the dispute and carry on the necessary correspondence in connection with the disposal of the case.

When any dispute is referred to the Registrar's nominee or to three arbitrators for decision and is not decided by them within two months or such further period as the Registrar may allow, the Registrar may decide the dispute himself or refer it again to his nominee for decision.

32-A. **Interlocutory orders.** The Registrar or his nominee or the arbitrators, as the case may be, may in order to prevent the ends of justice being defeated, make such interlocutory order pending the decision in a dispute referred to under Section 54, as appear to be just and convenient.

33. **Registrar may appoint any person to be his nominee for any specified area.** The Registrar, by special order to be notified in the Provincial Gazette may appoint any person to perform the duties of his nominee for disputes arising in any one or more co-operative societies within any area specified in the order for a period to be specified in the order. Such period shall not ordinarily exceed one year but may be extended by further special order for a further period not exceeding one year in each case.
34. **Payment of expenses of arbitration.** The Registrar or his nominee and the arbitrators shall have power to order the expenses of determining the disputes to be paid out of the funds of the society, or by such party or parties to the dispute as they think fit, according to a scale laid down by the Registrar. The Registrar may fix the fees to be paid to his nominee out of the expenses so recovered.

34-A. Before referring a dispute for the decision under Section 54, the Registrar may require the plaintiff to make a deposit of the probable expenses of arbitration.

35. **Procedure in arbitration proceedings.** The Registrar or his nominee shall record a brief in English or in vernacular of the evidence of the parties and witnesses who attend, and upon the evidence so recorded, and upon consideration of any documentary evidence produced by either side, a decision or awards, as the cases may be, shall be given in accordance with justice, equity and good conscience, and shall be reduced to writing. If any party duly summoned to attend fails to appear, the dispute may be decided *ex parte*. In cases where three arbitrators are appointed, the opinion of the majority shall prevail. In case of equality of votes, it shall be decided by the Registrar himself.

36. **Appearance by pleaders.** In proceedings held under rules 32 to 35, no party shall be represented by a legal practitioner.

37. **Execution of arbitration orders in special cases.** Subject to the provisions of Section 59 of the Act, the Registrar may by an order in writing specially authorise any officer of the Co-operative Department not below the rank of Sub-Auditor or a Supervisor of supervising union to call for and send arbitration orders obtained by any society for execution. The societies in respect of which those powers are to be exercised by the officers so authorised shall be mentioned in the order.

37-A. When recovery of arbitration awards is made by village Officers, the Registrar shall have power to order the expense of such recovery to be paid out of the society or by such party or parties in default as he may think fit according to a scale laid down by the Registrar.

38. **Liquidation.** Where a Liquidator has been appointed under Section 47, the following procedure shall be adopted:—
(1) The appointment of the Liquidator shall be notified by the Registrar in the Provincial Gazette.

(2) The Liquidator shall at once take charge of the books and property and assets of the society and publish by such means as he may think proper a notice requiring all claims against the dissolved society to be notified to him within two months of the publication of the notice. He shall thereafter proceed to take such further action as he is empowered to take under the Act. All liabilities recorded in the account books of the society shall be deemed to have been duly notified to the liquidator.

(3) The Liquidator shall made separate orders against the various members and past members of the society, noting the amount to be realised from each as a contribution under clause (d) of Section 50 and as the cost of liquidation under clause (1) of the said Section. These orders shall be submitted for approval to the Registrar, who may modify them or refer them back to the Liquidator for further inquiry or other action or may forward them for execution under Section 59.

(4) If the sum assessed against any member is not recovered, the Liquidator may frame a subsidiary order or orders against any other member or members to be extent of the liability of each of the debts of the society, until the whole amount due from members is recovered, and these orders shall be dealt within the same way as orders under sub-rule (3).

(5) The Liquidator shall submit a quarterly progress report to the Registrar in such form as the Registrar may require.

(6) All funds in the charge of the Liquidator shall be deposited either in the Post Office Savings Bank or in a Central Co-operative Bank, and shall stand in his name.

(7) Where recovery of dues is made by village officers the Liquidator may pay to such officers remuneration at the rate of one per cent of the amount collected by such officers.

(8) The Registrar shall fix the amount of fee, if any to be paid to the Liquidator.
(9) At the conclusion of the Liquidator a general meeting of the members of the dissolved society shall be called at which the Liquidator shall summarise his proceedings, point out the causes of the failure of the society, and report what sum, if any, remains in his possession after meeting all the liabilities of the society, as determined under the rules.

(10) The record of a society that is being wound up shall be kept in such place and by such person as the Registrar may direct.

39. Execution of orders. Every order passed by the Registrar under Section 50-A, and every order issued under Section 55 shall, if not carried out, be executed, in accordance with Section 59.

39-A. Recovery of costs of execution when property is not sold. When recovery is made under Section 59 in execution of any order referred to in the said Section, and the property is not sold in such execution the Registrar may order the expenses of such recovery to be paid by any party in default according to scale laid down by him not exceeding in the aggregate five per centum of the amount of the dues.

40. Disposal of records of a society whose registration is cancelled. (1) When an order directing a society to be wound up is issued under Section 47 and no Liquidator is appointed, the officers of the society which is to be wound up shall, within 15 days of the publication of the order in the Provincial Gazette send by registered book post or Railway parcel, the records and books of the society to the Assistant Registrar or hand over the same to the local Auditor.

(2) When the affairs of a society for which a Liquidator has been appointed has been wound up and an order cancelling the registration is made under Section 49, the Liquidator will forward all the books and records of the cancelled society, and all his own papers and proceedings, by Railway parcel to the Assistants Registrar, together with an account of his expenses, showing how the balance has been disposed of and attaching the receipt of the person to whom it was handed over.

(3) All the books and records of a society whose registration has been cancelled and proceedings of liquidation completed shall be
destroyed by the Assistant Registrar, after the expiry of two years from the
date of the order cancelling the registration of the society.

41. **Interest in Liquidation proceedings.** On any debt, which is due
from a society that is being wound up, the creditor may prove for interest
up to the date of the Registrar’s order for winding up at a rate, which in the
case of the Provincial Co-operative Bank or Co-operative Bank or a
District Co-operative Bank or other Co-operative Bank permitted by the
Registrar to finance societies, shall be the contract rate, and in other
cases shall be a rate to be fixed by the Registrar and not exceeding the
contract rate:

Provided that, if any surplus assets remain after all liabilities,
including liabilities on shares, have been paid off, further interest on such
debts at a rate to be fixed by the Registrar and not exceeding the contract
rate may be allowed to creditors from the date mentioned above up to the
date of the repayment of the principal.

42. **Service of summonses—miscellaneous.** Summonses issued by
the Registrar, or by a person authorised to hold an inquiry or to make an
inspection or by the Auditor or Liquidator, or by the Registrar’s nominee,
under Section 58, shall, if sent for service to a Mukhtiarkar to be served
by such officer.

43. **Fees to be credited to Government.** All (fees) fines levied under
Section 61 and rule 42 shall be credited to Government.

44. **Mode serving summonses.** (1) A summons issued by any of the
officers mentioned in rule 42 may be served personally or through a
Mukhtiarkar or any member of the Co-operative Department or any
Honorary Organiser or Chairman or Secretary of the society or by
registered post, acknowledgement paid.

(2) The serving officer shall, in all cases in which summons has
been served, endorse or annex, or cause to be endorsed or annexed on or
to the original summons a return stating the time when, and the manner
in which, the summons was served, and the name and address of the
person (if any) identifying the person served and witnessing the delivery
or tender of the summons.
(3) The person issuing the summons may examine the serving officer on oath, or cause him to be so examined by the Mukhtiar through whom it is served, and may make such further inquiry in the matter as he thinks fit; and shall either declare that the summons has been duly served, or order it to be served in such manner as he thinks fit.

44-A. Procedure for the custody of property attached under Section 55 of the Act:

Attachment of movable property, other than agricultural produce in possession of debtor. (1) Where the property to be attached is movable property, other than agricultural produce, in the possession of the debtor the attachment shall be made by actual seizure, and the attaching officer shall keep the property in his own custody or in the custody of one of his subordinates, or of a Receiver, if one is appointed under sub-rule (3) and shall be responsible for the due custody thereof:

Provided that, when the property seized is subject to speedy and natural decay, or when the expense of keeping it in custody is likely to exceed its value, the attaching officer may sell it at once.

(2) Where it appears to the officer ordering conditional attachment under Section 55 to be just and convenient, he may appoint a Receiver for the custody of the movable property attached under sub-rule (1); and his duties and liabilities shall be identical with those of a Receiver appointed under Order XL of Schedule I to the Code of Civil Procedure, 1908.

Attachment of immovable property. (3) (i) Where the property to be attached is immovable, the attachment shall be made by an order prohibiting the debtor from transferring or charging the property in any way, and all persons from taking any benefit from such transfer or change.

(ii) The order shall be proclaimed at some place on or adjacent to such property by beat of drum or other customary mode, and a copy of the order shall be fixed on a conspicuous part of the Village Chawdri, and also where the property is land paying revenue to the
Government, in office of the Collector of the district in which the land is situated.

45. **Restriction on membership of two credit societies.** (1) No person being a member of a co-operative credit society or any society dispensing credit other than a land mortgage bank or a central financing society or a sale society, shall be a member of any other society of a similar type without the general or special sanction of the Registrar and where a person has become a member of two or more such societies, any or all such societies shall be bound to remove him from membership upon receiving written requisition from the Registrar to that effect.

     (2) Credit societies or societies dispensing credit shall not admit as members of an unregistered firm, partnership or association of individuals.

45-A. The Registrar shall have power to expel from any registered society a member who in the Registrar’s opinion is a persistent defaulter or who does any act prejudicial to the interest of the society:

     Provided however that the member so expelled shall always have the right to appeal to Government against such order.

46. **Societies not be involved in controversial matters of a religious character.** No society may take any action which would invoice the society in the discussion or propagation of controversial opinions of a religious character, and the Registrar may prohibit any action or rescind any resolution which in his opinion is of such a tendency.

47. **Registrar to keep a record of names, addresses and by-laws of societies.** The Registrar shall keep a register of the names and addresses of all registered societies and shall record a copy of the registered by-laws and subsequent amendments to the by-laws of such societies.

48. (1) Notwithstanding anything contained in the by-laws of a society the Registrar may, by order published with reasons thereof in the
Official Gazette, supersede the committee or a society for a period to be specified in such order.

(2) The period of suspension specified in an order under sub-rule (1) may from time to time be extended by the Registrar.

(3) All powers and duties of the committee shall, during the period of supersession, be exercised and performed by such person or persons not exceeding 9 as the Registrar may from time to time appoint in this behalf.

(4) The person or persons appointed under sub-rule (3) shall hold office for a period of 2 years.

(5) On the expiry of every 2 year period, if the order of supersession is still in force, fresh appointment of person or persons shall be made by the Registrar for a period of 2 years, or for the period during which the order of supersession is in force, whichever is less.

(6) Before making an order under sub-rule (1) or sub-rule (2) the Registrar shall:

(a) give the society an opportunity to show cause why such an order should not be made;

(b) if the society affiliated to a financing bank, consult such bank regarding such action and the provision to be made for management of the affairs of the society;

(c) if the society is the provincial Co-operative Bank Ltd., obtain the previous approval of the Provincial Government.

(7) In the case of the Provincial Co-operative Bank, the appointment of a person or persons under any of the foregoing sub-rules or the filling of any vacancy shall be made by the Registrar with the previous approval of the Provincial Government.

(8) Nothing in this rule shall affect the by-laws of the society relating to the meetings of the committee.

(9) Nothing in this rule shall be deemed to affect the powers of Registrar to cancel the registration of a society under Section 47.
49. Issue of proclamation prohibiting private transfers of property. (1) The Registrar, Liquidator or Assistant Registrar acting under clause (a) or clause (b) of sub-section (1) of Section 59 of the Act, shall, at the same time that he signs a certificate affecting any property, issue a proclamation in the form prescribed in Schedule 'B' annexed hereto and, in the case of immovable property, shall also forward a copy of the proclamation to the Mamlatdar of the Taluka in which the property is situated.

(2) The Mamlatdar shall cause an entry about such certificate to be made in the Record of Rights.

50. Transfer of property under section 59-A. (1) When in execution of an order sought to be executed under Section 59 any property cannot be sold for want of buyers, if such property is in the possession of the defaulter, or of some person on his behalf, or of some person claiming it under a title created by the defaulter subsequently to the issue of the certificate by the Registrar, Liquidator or Assistant Registrar under Clause (a) or (b) of sub-section (1) of the said section, the officer conducting the execution shall as soon as practicable report the fact to (a) the Court or the Collector, as the case may be, and (b) the society which applied for the execution of said order.

(2) On receipt of a report under sub-rule (1) the society may, within one month from the date of the receipt of the report, submit an application in writing to the Court or the Collector, as the case may be, stating the terms and conditions on which it agreed to take over such property.

(3) On receipt of an application under sub-rule (2) notices shall be issued to the defaulter and to all persons known to be interested in the property, including those whose names appear in the Record of Rights as persons holding any interest in the property, about the intended transfer.

(4) On receipt of such a notice, the defaulter, or any person owning such property, or hold an interest therein by virtue of a title acquired before the date of the issue of a certificate under Section 59 may within one month from the date of the receipt of such notice, deposit with the Court or the Collector, as the case may be, for payment to the society sum equal to the amount due under the order sought to be
executed together with interest thereon and such additional sum of
payment of costs and other incidental expenses as may determined in
this behalf by the Court or the Collector, as the case may be.

(5) On the failure of the defaulter, or any person interested or any
person holding any interest in the property to deposit the amount under
sub-rule (4), the Court or the Collector, as the case may be, shall direct the
property to be transferred to the society on the conditions stated in the
certificate in the form prescribed in Schedule ‘C’ annexed hereto.

(6) The certificate granted under sub-rule (5) shall state whether
the property is transferred to the society in full or partial satisfaction of the
amount due to it from the defaulter.

(7) If the property is transferred to the society in partial
satisfaction of the amount due to it from the defaulter, the Court or the
Collector, as the case may be, shall, on the production by the society of a
certificate signed by the Registrar recover the balance due to the society
in the manner prescribed in Section 59.

(8) The transfer of the property under sub rule (5) shall be affected
as follows:

(i) In the case of moveable property—

(a) Where the property is in the possession of the
defaulter himself or has been taken possession of on
behalf of the Court or the Collector it shall be delivered to
the society.

(b) Where the property is in possession of some
person on behalf of a defaulter, the delivery thereof shall
be made by giving notice to the person in the possession
directing him to give actual peaceful possession to the
society and prohibiting him from delivering possession
of the property to any other person.

(c) The property shall be delivered to a person
authorised by the society to take possession on behalf of
the society.

(ii) In the case of immovable property—
(a) Where the property is a growing or standing crop, it may be delivered to the society before it is cut and gathered and the society shall be entitled to enter on the land, and to do all that is necessary for the purpose of tending and cutting a gathering it.

(b) Where the property is in the possession of the defaulter or of some person on his behalf or some person claiming under a title created by the defaulter subsequent to the issue of a certificate under Section 59, the Court or the Collector, as the case may be, shall order delivery to be made by putting the society or any person whom the society may appoint to receive delivery on its behalf in actual possession of the property and if need be by removing any person who illegally refuses to vacate the same, after holding an inquiry as provide in rules 13-A to 13-C of the rules regulating execution of decrees transferred to the Collector under Section 68 of the Code of Civil Procedure, 1908.

(c) Where the property is in the possession of a tenant or other person entitled to hold the same by a title acquired before the date of issue of a certificate under Section 69, the Court or the Collector, as the case may be, shall order delivery to be made by affixing a copy of the certificate of transfer of the property to the society in some conspicuous place on the property and proclaiming to such person by beat of drum [or] ¹other customary mode at some convenient place, that interest of the defaulter has been transferred to the society.

(9) The society shall be required to pay expenses incidental to sale including the cost of maintenance of livestock, if any, according to such scale as may be fixed by the Government from time to time.

¹ Misprinted as [of] in departmental notification No5978/24.Dated 14th July1926.
(10) Where land is transferred to the society under clause (ii) (a) of sub-rule (8) before a growing or standing crop is cut and gathered the society shall pay the current year’s land revenue on the land.

(11) The society shall forthwith report any transfer of property under clauses (ii) (b) or (c) of sub rule (8) to the village accountant for information and entry in the Record of Rights.

(12) The society to which property is transferred under sub-rule (5) shall maintain for each such defaulter a separate account showing all the expenses including payment of outside encumbrances, land revenue and other dues on the property and all the income derived from it.

(13) The society to which property is transferred under sub-rule (5) shall use its best endeavour to sell the property as soon as practicable to the best advantage of the society as well as that of the defaulter the first option being always given to the defaulter who originally owned the property. The sale shall be subject to confirmation by the Assistant Registrar. The proceeds of the sale shall be applied to defraying the expenses of the sale and other expenses incurred by the society as referred to in sub-rules (9) and (12) and to the payment of the arrears due by the defaulter under the order in execution and the surplus (if any) shall then be paid to the defaulter.

(14) Until the property is sold, the society to which the property is transferred under sub-rule (5) shall use its best endeavour to lease it or to make any other use that can be made of it so as to derive the largest possible income from the property.

(15) When the society to which property is transferred under sub-rule (5) has realized all its dues under the order in execution of which the property was transferred from the proceeds of management of the property, the property, if unsold, shall be restored to the defaulter.

51. The deduction from salary or wages under sub-section (1) of Section 65-A, shall not exceed one-third, round off in the manner provided in this rule, of the salary or wages payable to a member of a society, the rounding off shall be done by deleting all fractions of a rupee up to but excluding half and counting half and all higher fractions as one rupee.
52. **Power and duties of the committee.** (1) The business of every registered society shall be managed by the committee subject to the provisions of the Act and these rules and subject to such by-laws, not being inconsistent with the Act or these rules as have been passed in general meeting and registered under the Act; but no by-law registered under the Act, shall invalidate any prior act of the committee which would have been valid if that by-law had not been made registered.

(2) The committee shall take such security from servants and officers of the society as the committee may decide with the sanction of the Registrar.

(3) If, in the opinion of the Registrar the number of persons who are employed by a committee as officers or servants or whom a society proposes to employ or the remuneration assigned by the committee to those persons or to any particular person is excessive, the committee shall, on the requirement of the Registrar, reduce the number of the said persons; or the remuneration of the said person or person:

Provided that the committee may appeal against any such requirement to the Provincial Government, whose decision shall be conclusive.

(4) Notwithstanding anything contained in the by-laws of any society, except societies with unlimited liability and those having less than Rs.20,000 paid up share capital, a committee shall not sanction a loan in any form to a member of the committee or to an officer or servant of the society without the prior sanction of Registrar:

Provided that if such sanction is refused the borrower may appeal to the Government against the orders of the Registrar.

Explanation. For the purpose of this sub-rule, grant of a loan includes suretyship for a loan.

(5) Notwithstanding anything contained in the by-laws of a society other than a land mortgage bank, the committees shall not advance a loan in any form of a total period exceeding three years, inclusive of extensions, if any, and shall not deposit or invest its funds in the 1st
mortgage on immovable property under Section 37 of the Act, without the prior sanction mentioned in sub-rule (4) of this rule.

(6) Notwithstanding anything contained in the by-laws of a society, the committee shall not grant any extension to a member in respect of debts or demands due by such member to the society, after the dispute has been referred to arbitration under Section 54 without the prior sanction mentioned in sub-rule (4) of this rule.

(7) The committee of every bank shall frame rules with the sanction of the Registrar to regulate the grant of loans to members of the society. The rules shall prescribe the maximum limits of loans which can be granted to a member, inclusive of loans for which a member is surety under the various classes of loans. Such rules may be amended with the prior sanction of the Registrar.

53. Qualification of members of committee. (1) No member of a society shall be on the committee elected under the by-laws:

(a) Who —

(i) has been sentenced by a criminal Court to imprisonment or whipping for an offence punishable with imprisonment for a terms exceeding six month, or to transportation, such sentence not having been subsequently reversed or quashed if, and, so long as such sentence has not expired; or

(ii) has been removed from office under rule 48, unless he has by an order which the Registrar is hereby empowered to make in this behalf, has been relieved from the disqualification arising on account of such sentence or removal from office; or

(b) Who is an uncertified bankrupt or an undischarged insolvent or legally disabled, to contract; or

(c) Who is less than 21 year of age; or

(d) Who is of unsound mind; or

(e) Who is declared by the Registrar to be a persistent defaulter; or
(f) Who is a servant or officer and at the same time a borrower of the society.

(2) In co-operative banks and in such societies as, have a paid-up share capital of Rs.20,000 or above, no member of the society shall be in the committee—

(a) who suffers from any of the disqualification specified in sub-rule (1); or

(b) who is a borrower or surety of a borrower, unless the has obtained the previous permission from the Financing Bank to which the society is indebted or of the Federation or Union to which the society is affiliated, or of the Registrar if the society is not so indebted or affiliated; or

(c) who is interested, directly or indirectly in any contract or employment with or under or by or on behalf of the society; or

(d) who does not hold shares of the paid-up value of at least Rs.500; or

(e) in case of a representative of society, if he or the society of which he is a member, is a defaulter in payment of a loan to the bank or society from which he or it has borrowed a loan:

Provided, however, that a person referred to a clause (e) of sub-rule (1) or clause (a) of this sub-rule may appeal to the Government for the removal of the disability operating in his case.

(3) The provisions of sub-rules (1) and (2) of this rule shall apply notwithstanding anything contained in the by-laws of a society but shall not apply to the Punjab Provincial Co-operative Bank Ltd., the Sind Baluchistan Provincial Co-operative Bank Ltd., the Frontier Co-operative Bank Ltd., and the Abbasia Co-operative Bank Ltd.

(4) Where it appears to the Registrar that a member of a committee is not qualified or has become disqualified from being or continuing as a member of such committee under the provisions of sub-rules (1), (2) and (3) or rule 55, the Registrar shall issue a notice to such member to show cause why he should not be removed from his office; and if on receipt of the notice, such person either fails to show cause
against the proposed action, or if the Registrar, on considering any cause shown by such member, is satisfied that such member is not qualified or has become disqualified from being continuing as a member of the committee, the Registrar shall direct that such member shall with immediate effect, cease to be a member of the committee, and such member shall thereupon cease to be a member of the committee from the date of such direction.

54. **Investment of funds.** A society may, with the previous sanction of the Registrar, invest its funds or any portion thereof in the purchase or lease of land or buildings or in the construction of buildings required for the conduct of its business.

55. **Power to make Rules.** (1) The committee of every Co-operative Bank and society having a working capital of over Rupees one lac, shall frame rules for regulating the appointment, removal, dismissal and promotion of its employees.

   (2) The rules to be made under sub-rule (1) shall not be deemed to be in force until they have been approved by the Registrar.

   (3) The Registrar may, in respect of any post under a society referred to in sub-rule (1), lay down the technical and educational qualifications of persons to be appointed to such post and also the security or securities to be obtained from such persons and no person shall be appointed to such post who does not possess such technical and educational qualifications and furnish security or securities.

   (4) Except with the previous sanction of the Registrar, no relative of any member of the committee or of the Honorary Secretary of such society shall be appointed in the service of the society.

   (5) No person shall be elected on the committee of such a society or appointed Honorary Secretary of such society if any relative of his is in the service of the society.

   (6) If a person is elected on the Committee of such a society, or is appointed as the Honorary Secretary of such a society, and it is at any stage discovered that any relative of his is in the employment of the society, such person shall cease to hold office on the committee or as Honorary Secretary, as the case may be.
Explanation. For the purpose of the Rule, a person shall be deemed to be a “relative” of another, if he is either related to such person through a common ancestor not more remote than a grandfather, or is married to a person who is so related to such other person.
**SCHEDULE A**

(See Rule 2)

Form of application for registration of a society.

1. Name of proposed Society.
2. Address to be registered.
3. Is liability limited or unlimited?
4. Area of operations.
5. Objects of the Society.
6. If the capital is to be raised by shares what is the number and value of shares which it is proposed to issue?
7. In other cases, what is the amount of the capital it is proposed to raise by loan or deposit.
8. Language in which the books and account will be kept.
9. With this application for registration are sent three copies of the proposed by-laws signed by the applicants (not less than ten).

(Signatures).

<table>
<thead>
<tr>
<th>Name and Father's name</th>
<th>Age</th>
<th>Caste</th>
<th>Profession</th>
<th>Place of residence, village and district</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SCHEDULE B

(See Rule 49)

Form of proclamation to be issued prohibiting any private transfer or delivery of or encumbrance or charge on the property made or created after the issue of a certificate under Section 59.

A. In the case of immovable property—

Whereas............................................................Society has obtained an award or awards under Section 54 or an order or orders of liquidator under Section 50 of the Co-operative Societies (Amendment) Act, 1947 for an amount of Rs.. .......................................................... against .......................................................... and proposes to execute the same by sale of the undermentioned property of the said defaulter or defaulters and whereas the said society has obtained a certificate dated the ................................................ for execution of the award or the order, as the case may be, under Section 59 of the said Act, notice is hereby given that any private transfer or delivery of or encumbrance or charge on the property made or created after the issue of the certificate shall null and void as against the said society.

Description of Property

<table>
<thead>
<tr>
<th>Date of award or order</th>
<th>Name of the parties against whom award or order has been passed and certificate under section 59 has been issued</th>
<th>Survey No.</th>
<th>Area</th>
<th>Assessment</th>
<th>Remark s</th>
</tr>
</thead>
</table>

The notice shall be proclaimed at some place on or adjacent to such property by beat of drum or other customary mode, and a copy of the said notice shall be fixed on a conspicuous part of the property and then upon a conspicuous part of the village chawki, and also where the property is land paying revenue to the Government, in the office of the Collector of the District in which the land is situated.

B. In the case of movable property a similar notice may be given with necessary change as to the description of the property. A copy of the notice shall be delivered to the defaulter.
SCHEDULE C

Form of certificate for transfer of property under
Section 59-A. [See Rules 50 (5)]

In the case of immovable property—

Whereas in execution of the award or awards passed under Section 54 or an order or orders made by liquidator under Section 50 of the Co-operative Societies (Amendment) Act, 1947, in favour of the

..............................................................................................................................

..............................................................................................................................

society ........................................... an order was made on the ......................... day of ......................... 19......

for the sale of the undermentioned property of the person or persons (defaulter or defaulters) and whereas the Court or the Collector is satisfied that the said property cannot be sold for want of buyers.

It is hereby ordered under sub-section (1) of Section 59-A of the said Act that the right, title and interest of the defaulter shall vest in the said society and shall be delivered to the society subject to the terms and conditions laid down in the Scheduled hereto annexed.

Description of the Property

<table>
<thead>
<tr>
<th>Survey No.</th>
<th>Area and assessment</th>
<th>Nature of right, title and interest of the defaulter</th>
<th>Details of encumbrance to which property is subject</th>
</tr>
</thead>
</table>

The said property is transferred to the Society in full / partial satisfaction of the amount due to it from the defaulter.

Given under my hand and the seal of the Court or Collector this ......................... day of ......................... 19......

Court or Collector.

In the case of movable property—

(The form will be similar with necessary changes as regards the description and the delivery of the property).
Statement showing disputed claims of the …………………………………………………………… Society against its members referred

<table>
<thead>
<tr>
<th>No.</th>
<th>Full name</th>
<th>member</th>
<th>Name of his sureties (being member of the society)</th>
<th>Amount of original advance</th>
<th>Repayments</th>
<th>Amount now overdue</th>
<th>Date or dates on which it fell due</th>
<th>Rate of interest claimed on total of columns 7 and 8 from due date to date of recovery</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
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</tbody>
</table>
APPENDIX No. 2

[ See Para 4 (a) ]

Arbitration Notice

(Section 54, Co-operative Societies Act, VII of 1925)

.................................................................................. Bank / Society Plaintiff.

(1).........................................................................................
(2).........................................................................................
(3).........................................................................................
(4).........................................................................................

Defendants,

Claim Rs. ...................... with interest up to ...................... and all charges.

The dispute is admitted under Section 54 of the Co-operative Societies Act, VII of 1925, and a notice is hereby given to all parties under Rule 32 of the Co-operative Societies Rules, 1927.

Unless you intimated me your desire to nominate your own arbitrator under Rule 32 of the Co-operative Societies Rules, 1927 within 15 days of receipt hereby, please note that I shall hold a sitting in the above matter on .................. at .............. a.m./p.m. at ......................... The fees and expenses of your arbitrator (if nominated) will be borne by you and will not be embodied in the award.

Register’s Nominee.


APPENDIX No. 3

[ See Para 4 (d) ]

Summons to witness or defendant under the Co-operative Societies Act, VII of 1925

IN THE COURT OF REGISTRAR’S NOMINEE ..............................

Address

.................................................................................

Arbitration Case No. ................................. of

19

Plaintiff ...............................................................

.................................................................................
again

st

Defendant ...............................................................

.................................................................................

To, ..............................................................................

.................................................................................

Whereas your attendance is required in the above suit, you are hereby required (personally) to appear before this Court at ......................... on the.......................day of ....................... 19 ,, at

.............................................. o’clock in the forenoon / afternoon and to bring with you the necessary /

following documents

.................................................................................

.................................................................................

.................................................................................

.................................................................................

.................................................................................

*2If you fail to comply with this order without lawful excuse, you will be subject to the consequences of non-attendance laid down in the Rules under Act, VII of 1925 and the case may be decided against you in your absence.

Nominee of Registrar,

Dated 19.

Co-operative Societies.

2 These words are to be omitted when summoning a witness.
APPENDIX No. 4

[ See Para 4 (f) ] Award

(The Co-operative Societies Act, VII of 1925)

Arbitration Case No. ………………… of 19 .

Plaintiff ……………………………………………………………………………………………

against

Defendant ……………………………………………………………………………………………

Claim — Rs.

Whereas in pursuance of an order of reference, dated …………
…………… made by the Registrar, Co-operative Societies, …. ………………… made under Section 54 of Act No.VII of 1925 (the Co-operative Societies Act, 1925) a dispute between the above parties touching the above claim has been referred to me/us, for determination.

Now I/we having summoned the parties and duly considered the matter referred to me/us, do hereby order, for reasons separately record, that the defendants do pay to the plaintiff:

(a) Rs…………………………….. as principal; plus

(b) Rs…………………………….. as interest up to …………………

and that future interest on the principal amount so awarded shall run at the rate of ………………… per cent per annum until the debt is satisfied, and also pay

Rs. ……………………………as Legal Charges, etc. and Rs. ……….
……………… as arbitration fees.

Dated ………………… day of

19 .

Registrar’s Nominee.
Arbitrator.

Note.— Contents of the award have been communicate to the parties concerned on ………………… (enter date).

Registrar’s Nominee.
Arbitrator.

Dated …………………
APPENDIX No. 5
[ See Para 7 ]
Attachment before Judgment with order to call for security for fulfillment of Award (decree).
(The Co-operative Societies Act, VII of 1925) IN THE COURT OF THE ASSISTANT REGISTRAR, CO-OPERATIVE SOCIETIES, 

MR. ........................................ NOMINEE OF THE REGISTRAR, CO-OPERATIVE SOCIETIES, .................................

Arbitration Suit No. ......................... of 19  .
The ........................................ Co-operative Credit Society, Unlimited, having it registered office at .............

............................................................................................................................................ Plaintiff

District................................................................................................................................

against

(1) ...........................................................................................................................................
(2) ............................................................................................................................................... 
(3) ............................................................................................................................................... 
(4) ............................................................................................................................................... 

Defendant

All members of the said Plaintiff Society.

Claim Rs. ........................................

To.............................................................................................................................................

.............................................................................................................................................

Whereas the plaintiff has proved to the satisfaction of the Court that the defendant in the above suit hereinafter mentioned is likely dispose of a part or whole of his property with intent to defeat or defraud the claims of the Plaintiff Society.

These are to command you to call upon the said defendant

..................................................

.............................................................................................................................................
on or before the ............................................ day of ..................... 19 , either to furnish security for the sum of Rs.

.................................................. to produce and place at the disposal of this
Court when required ........................................

................................................................. or the value thereof, or such portion of the value as may be sufficient to satisfy any award (decree) that may be passed against him or to appear and show cause why he should not furnish security; and you are further ordered to attach the said property and keep the same under safe and secure custody until the further order of the Court; and you are further commanded to return this warrant on or before the .......... day of .................19, with an endorsement certifying the date on which and the manner in which it has been executed, or the reason why it has not been executed.

Given under my hand and the seal of the Court this............
............. day of ........................................... 19.

Assistant Registrar,
Co-operative
Societies,

Registrar’s Nominee.
APPENDIX No. 6
[ See Para 9 ]

(A) Execution Certificate for Civil Courts

Below award for Rs. .......................... dated .........................
passed by the Registrar's Nominee against (1)
 .......................................................... (2)................................. (3)
 .......................................................... (4).........................
......................... members of the ................................. Co-
operative Bank/Society, Taluka/Tehsil ............. District ...............

Office of the Assistant Registrar,
Co-operative Societies.
Dated ...................... 19.

Forwarded, with compliments, to (name of plaintiff).

2. Under Section 59 (1)(a) of the Co-operative Societies Act, 1925 (VII of 1925), it is certified that no satisfaction of the accompanying award has been obtained and the same is ordered to be executed through the competent court at .................................................. within the local limits of whose jurisdiction the defendants resided or have property.

Assistant Registrar,
Co-operative Societies.

(B) Execution Certificate for Revenue Authorities.

Below award for Rs. .......................... dated .........................
passed by the Registrar's Nominee against (1) ................................. .......
(2) .......................................................... (3) .................................
(4) .......................................................... members of the .................
............... Co-operative Bank/Society, Taluka/Tehsil ............. District ...............

Office of the Assistant Registrar,
Co-operative Societies.
Dated ...................... 19.

Forwarded, with compliments to the Mukhtiarkar/Agent of ............
 ............. . It is certified that no satisfaction of the accompanying award has been made and the amount may kindly be recovered as arrears of land revenue under section 59(1)( b) of the Co-operative Societies Act, 1925 (VII of 1925).
The Mukhtiarkar/Agent

........................................

Assistant Registrar,
Co-operative Societies.