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GOVERNMENT OF MANIPUR
SECRETARIAT : CO-OPERATION DEPARTMENT

NOTIFICATION
Imphal, the 25th February, 2013

No. 1/12/2011-Coop : In exercise of the powers conferred by sub-section (3) of section 164 of the Manipur Co-operative Societies Act, 1976, the Governor of Manipur is pleased to publish the following Draft Rules, namely, "The Manipur Co-operative Societies (First Amendment) Rules, 2011 for general information.

Suggestion and objections, if any are invited from persons interested in the proposed draft amendment Rules so as to reach the Co-operation Department within 15 days from the date of its publication in the Official Gazette.

K. MOSES CHALAI,
Commissioner (Co-operation),
Government of Manipur.

**THE DRAFT MANIPUR CO-OPERATIVE SOCIETIES
(FIRST AMENDMENT) RULES, 2011**

1. Short Title :

These rules may be called the Draft Manipur Co-operative Societies (First Amendment) Rules, 2011.

2. Addition of new clause in Rule 2 :

After Clause (i) of Rule 2 of the Manipur Co-operative Societies Rules, 1977 (hereinafter referred to as the Principal Rules, the following new Clause (k) shall be added, namely –

(k) "Certificate of Audit" means of Certificate furnished by the Auditor in Form "U" to prove that he has audited the account and the balance sheet of the Society.

3. Amendment of Rule 6 :

In rule 6 of the Principal Rules, the full stop (.) after the word “society” shall be deleted and the following words shall be inserted, namely–

“and he shall intimate to the party his refusal within one month from the date of receipt of the application.”.

4. Amendment of Rule 7 :

After sub-rule (2) of rule 7 of the Principal Rules, a new sub-rule (3) shall be inserted namely –

“(3) A Short Term Co-operative Credit Structure Society will have no geographical boundaries and shall have freedom of entry and exist of any tiers.”.

5. Amendment of Rule 9 :

In the fifth line of sub-rule (5) of rule 9 of the Principal Rules, the following words shall be inserted in between the words “society” and “a copy”, namely –

“within one month from the date of receipt of the application”.

6. Amendment of Rule 10 :

After sub-rule (2) of rule 10 of the Principal Rules, another sub-rule (3) is to be inserted as follows, namely –

“(3) Nothing in sub-rules (1) and (2) of this rule shall apply to a Short Term Co-operative Credit Structure Society.”.

7. Insertion of new sub-rule (5) in rule 14 :

After sub-rule (4) of rule 14 of the Principal Rules, a new sub-rule (5) shall be inserted as follows, namely –

“(5) Nothing in these rules shall apply to a Short Term Co-operative Credit Structure Society.”.

8. Insertion of new rule 15A :

After rule 15 of the Principal Rules, a new rule 15A shall be inserted as follows, namely –

“15A. Restriction to use of words “Bank”, etc. – No Primary Agricultural Co-operative Credit Society shall use the word “Bank”, “Banker”, “Banking” and any derivatives of the word “Bank” unless it is permitted by the Reserve Bank under the Banking Regulation Act, 1949 (10 of 1949).”.

9. Insertion of new Rule 17A :

After rule 17 of the Principal Rules, a new rule 17A shall be inserted as follows, namely –

“17A. Affiliation with federal society. – A Short Term Co-operative Credit Structure may or may not affiliate with the Federal Society at its choice.”.

10. Amendment of Rule 19 :

After clause (d) of sub-rule (1) of rule 19 of the Principal Rules, a new clause (e) shall be inserted as follows, namely –

“(e) In the case of a Primary Agricultural Co-operative Credit structure, a group borrower or a group depositor holding a minimum deposit of Rs. 1,000/- for a continuous period of at least 2 years shall be entitled to vote after being admitted as member and through a delegate from amongst themselves.”

11. Insertion of new Rules 36A :

After the 36 of the Principal Rules, a new rule 36A shall be inserted as follows, namely –

“36A. State aid to specific societies, – In the case of a Short Term Co-operative Credit structure Society or a Long Term Co-operative Credit structure Society or an Urban Co-operative Bank, the Government’s share capital contribution shall not exceed 25% of the paid up share capital of the society except in special cases”.

12. Amendment of Rule 37 :

The Existing provision in rule 37 of the Principal Rules shall be numbered as sub-rule (1) and thereafter the following new sub-rule (2) shall be inserted, namely –

“(2) A short Term Co-operative Credit Structure Society shall have autonomy in matters relating to borrowing, investment, loaning, staffing, etc.”

Insertion of new Sub-rule (3)

“37(3) In the matter of the STCCS, loans and other financial benefits received from the Financial Institutes/Banks by any such society shall be a normal business affair only between the Bank/Financial Institutes and the society/client. Any financial liability arisen out of such loans or other financial benefits shall be limited to the societies and not to the State Government, unless prior guarantee of the Government is provided.”

13. Amendment of Rule 39 :

(1) The full stop (.) at the end of sub-rule (6) of rule 39 of the Principal Rules shall be deleted and instead a colon (;) shall be substituted and shall be added with a proviso in a sub-Para namely –

“Provided that a Short Term Co-operative Credit Structure Society or a Long Term Co-operative Credit Structure Society or an Urban Co-operative Bank may take decisions regarding its loaning policies without affecting the interest of the society and of its members.”

(2) After sub-rule (8) of rule 39 of the Principal Rules, a new sub-rule (9) shall be inserted as follows, namely –

“(9). A Short Term Co-operative Credit Structure Society may obtain loan from any Bank or Financial Institution regulated by the Reserve Bank and refinance from the National Bank or any other refinancing agency directly or through any Reserve Bank regulated financial institutions.”

14. Amendment of Rule 44 :

The full stop (.) at the end of rule 44 of the Principal Rules shall be deleted and substituted by the symbol colon (:) and shall be added by the following proviso in a sub-Para, namely –

“Provided that a Short Term Co-operative Credit Structure Society may have transactions with non-members without affecting the interest of the Society and of its members.”

15. Insertion of New Rule 50A :

A new rule 50A shall be inserted after rule 50 of the Principal Rules as follows, namely –

“50A Restrictions to direct contribution of any other fund – (1) the Government or the Registrar, Co-operative Societies shall have no power to direct a Short Term Co-operative Credit Structure Society to contribute any fund other than those required for improving the net worth or own fund.

(2) A Primary Agricultural Co-operative Credit Society may pay dividend under the guidelines framed by the Registrar in consultation with National Bank.”.

16. Insertion of new rule 53A :

After rule 53 of the Principal Rules, a new rule 53A shall be inserted as follows, namely –

“53A. Compliance of directions and financial norms. – The Registrar shall prescribe financial norm of Primary Agricultural Co-operative Credit Society and Long Term Co-operative Credit Structure Society in consultation with the National Bank and the financial norms of Urban Co-operative Bank in consultation with the Reserve Bank.”.

17. Insertion of new rule 58A :

After rule 58 of the Principal Rules, a new rule 58A shall be inserted as follows, namely –

“58A. Counting of term of board – Appointment of any nominated Board under the provisions of the Act or appointment of any Board of Administration under section 78A(i) or 78(1) of the Act shall not be counted as a term of the Board.

Explanation. – The above provision relates to temporary arrangement before constitution of an elected Board. Any member who holds or held two consecutive terms shall be ineligible to be re-elected in the next election of the Board.”.

18. Amendment of Rule 60 :

A new sub-rule (3) shall be inserted after sub-rule (2) of rule 60 of the Principal Rules as follows, namely –

“(3) In the case of a Primary Agricultural Co-operative Credit Structure Society, besides the Balance Sheet and the Profit and Loss Account, the Capital to Risk Weighted Assets Ratio (CRAR) of the society is to be calculated.”.

19. Insertion of new sub-rule (2A) of Rule 67 :

After sub-rule (2) of rule 67 of the Principal Rules, a new sub-rule (2A) shall be inserted as follows, namely –

“(2A) The auditor shall furnish a Certificate of Audit in Form “U” to prove that the auditor has audited the account and the balance sheet of the society :

Provided further that the special Audit of the State Co-operative Bank shall be conducted by the Registrar on the request of the Reserve Bank or the State Government.”.

[6]

FORM "U"

[See Rule 67 (2A).]

CERTIFICATE OF AUDIT

This is to certify that I have audited the profit and loss account of theSociety Ltd. for the year, and the Balance Sheet of the Society as on 31st March,..... on verification of the relevant account books and records maintained by the Society. In my opinion, the annexed profit and loss account and the balance sheet have been drawn up in conformity with the prevailing Co-operative Laws and Account Keeping. The balance sheet exhibits a true and correct view of the state of affairs of the Society subject to the separate Audit Memorandum of even date and according to the best of my knowledge and information and explanation given to me and as shown by the said Co-operative Society.

Auditing Officer