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The Gujarat Government Gazette

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Vol. LIII] FRIDAY, JULY 27, 2012/SRAVANA 5, 1934

Separate paging is given to this Part in order that it may be filed as a Separate Compilation.

PART IV-B

Rules and Orders (Other than those published in Part I, I-A and I-L) made
by the Government of Gujarat under the Gujarat Acts.

AGRICULTURE AND CO-OPERATION DEPARTMENT

Notification

Sachivalaya, Gandhinagar, 20th July, 2012.

The Gujarat Co-Operative Societies Act, 1961

No. GHKH-59-2012-CSB-12-2009-2596-CH:- WHEREAS certain draft rules were published as required sub section (3) of the section 168 of the Gujarat Co-operative Societies Act, 1961 (Guj. X of 1962) at pages 60-1 to 60-3 in the Gujarat Government Gazette, Extra Ordinary, Part IV-B dated the 16th February, 2012 under the Government Notification, Agriculture and Co-operation Department No. GHKH-15-2012-CSB-12-2009-2596-CH, dated the 16th February, 2012 inviting objection and suggestion from all persons likely to be affected thereby within a period of thirty days from the date of publication of the said notification in the *Official Gazette*.

AND WHEREAS, objections or suggestions received "from the public on the said draft have been considered by the Government.

NOW, THEREFORE, in exercise of the powers conferred by sub section (3) of the section 168 of the Gujarat Co-operative Societies Act, 1961 (Guj. X of 1962), the Government of Gujarat hereby makes the following rules further to amend the Gujarat Co-operative Societies Rules, 1965, namely :-

1. These rules may be called the Gujarat Co-operative Societies (1st amendment) Rules, 2012.
2. In the Gujarat Co-operative Societies Rules, 1965, (hereinafter referred to as 'the said rules'), in rule 5, in sub-rule (2)-
 - (i) after clause (b), the following clause shall be Inserted namely:-

"(bb) for enrolment of the depositors and the borrowers as members or nominated members falling under the co-operative credit structure as required under sub-section (4) of section 22.

(ii) in clause (c), the following proviso shall be added, namely:-

"Provided that in case of a co-operative society falling under the definition of co-operative credit structure shall make a provision under its bye-laws to determine, from time to time, such area of its operation as it deems fit";

(iii) after clause (e), the following clause shall be inserted, namely:-

"(ee) provisions regarding subscribing linking shares in case of the borrowing members subject to a minimum of two and half percent of loan taken by the borrower",

3. In the said rules, rule 6 shall be renumbered as sub-rule (1) of that rule and after sub-rule (1) as so renumbered, the following sub-rule shall be inserted, namely:-

" (2) The Registrar shall dispose of the application within sixty days from the date of the receipt of the application",

4. In the said rules, after rule 11, the following rules shall be inserted, namely: -

"11A.Application for membership.- Every person seeking admission as a member of a society falling under Co-operative Credit Structure, if duly qualified for membership of such society under the provisions of the Act and the rules and the bye-laws of such society, may make an application to such society for membership. The society shall take decision on the application and shall communicate the same within a period of three months from the date of the receipt of the application".

"11.B.Admission as member.- No society falling under the Co-operative Credit Structure shall without sufficient cause refuse admission to any group of individuals, whether incorporated or not and whether established or not by or under any law, as its member".

5. In the said rules, after rule 14, the following rule shall be inserted, namely:-

"14.A. Suspension of right to vote.- A person who has committed a default and remains defaulter in making repayment of loan or interest thereon for a period of on year from the due date of repayment of such loan or interest or installment shall not be entitled to exercise voting rights of a member of such society till all such repayments are made.'.

6. In the said rules, in rule 15, after the words "which term shall include", the words "group of individuals whether incorporated or not and whether established or not by or under any law", shall be inserted.

7. In the said rules, rule 16 shall be renumbered as sub-rule (1) of that rule and after sub-rule (1) as so renumbered, the following sub-rule shall be inserted, namely:-

" (2) In the case of societies in the co-operative credit structure, the State Government shall not subscribe for more than twenty-five percent, of the total share capital of the society and the State Government or the society shall have the option to reduce the share capital contributed by the State Government."

8. In the said rules, rule 31 shall be renumbered as sub-rule (1) of that rule and after sub-rule (1) as so renumbered, the following sub-rule shall be inserted, namely:-

"(2) The provisions of sub-rule (1) shall not apply to the societies falling in the co-operative credit structure".

9. In the said rules, in rule 32, in sub-rule (1), after clause- (a), the following clause shall be inserted, namely:-

"(aa) he is not a defaulter in respect of a loan or interest thereon as specified in sub-section (2) of section 27 of the Act, or"

10. In the said rules, after rule 33, the following rule shall be Inserted, namely:-

"33A. Powers of managing committee of a society falling in the Co-operative Credit Structure.- In addition to the powers conferred under rule 33, the managing committee of every society falling in the Co-operative Credit Structure shall also have the following powers.-

- (a) to decide the interest rates on deposits and loans subject to the directives issued by the Reserve Bank of India,
- (b) to frame the policy regarding borrowing, investment, depositing its surplus funds, Loaning policies including individual loans and other business policies,.
- (c) to frame policy in the personnel matters including regulations regarding recruitment of staff and their terms and conditions of service,
- (d) Subject to the provisions of the Act and rules, the matters of appointment of auditors, their compensation and internal checks and control systems,
- (e) To frame borrowing policy as per the requirement of society and its members subject to the condition that borrowing by the society shall be from the financial institutions regulated by the Reserve Bank of India."

11. In the said rules, in rule 37A, after sub-rule (4), the following sub- rule shall be added, namely:-

"(5) member of the society not being member of the committee removed by the Registrar under section 81 of the Act".

12. In the said rules, rule 38 shall be renumbered as sub-rule (1) of that rule and -

(i) in sub-rule (1) as so renumbered, before the words "A person shall be qualified"; the figure, brackets and words, "Subject to the provisions of sub-rule (2)", shall be inserted.

(ii) after the said sub-rule (1), the following sub-rule shall be added, namely:-

"(2) Notwithstanding anything contained in sub-rule (1), in the case of Central Co-operative Banks and the State Co-operative Bank, the audit shall be conducted only by the Chartered Accountants from the panel approved by the National Bank".

By order and in the name of the Governor of Gujarat,

PRADIP PAREKH,
Joint Secretary to Government.
