CO-OPERATION SECRETARIAT

NOTIFICATION


Whereas the draft of the Karnataka Cooperative Societies (Amendment) Rules, 2016, was published as required by sub-section (1) of section 129 of the Karnataka Co-operative Societies Act, 1959 (Karnataka Act No. 11 of 1959) in notification No. CO 123 CLM 2016, dated: 12.01.2017 in part IV-A of the Karnataka Gazette Extraordinary dated: 13.01.2017 inviting objections and suggestions from all persons likely to be affected thereby within thirty days from the date of its publication on Official Gazette.

And whereas the said Gazette was made available to the public on 13.01.2017.

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

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

RULES

1. Title and commencement.- (1) These rules may be called the Karnataka Co-operative Societies (Amendment) Rules, 2017.

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

2. Amendment of rule 2.- In the Karnataka co-operative societies Rules, 1960 (hereinafter referred to as the said rules) in rule 2.-

(a) after clause (b) the following shall be inserted, namely,-

"(e-1) "Jurisdictional Registrar" means the Additional/Joint/Deputy/ Assistant Registrar as under section 2A of the Act."

(b) after clause (g) the following shall be inserted, namely:-

"(g-1) "Sahakara Academy (Reg.),Mysore" means the academy registered under the Karnataka Societies Registration Act, 1960 and sponsored by the State Government"

(c) In clause (i-1) for the words "district/region/state election officer" the words "election officer for such area"

3. Substitution of expression.- In the said rules, for the words “District Election Officer” wherever they occurs, the words, “Election Officer” shall be substituted.

4. Amendment of rule 13B.- In rule 13B of the said rules, in sub-rule (4) in clause (a) the words "if he is in service" shall be omitted.
5. Amendment of rule 13D.- In rule 13D of the said rules,-
(a) in sub-rule (2), the words "and the date and place of election" shall be omitted;
(b) for sub-rule (3), the following shall be substituted, namely :-

"(3) The Election Officer shall take steps for publication of voters list in the following manner, namely:--

(a) for publication of draft eligible electoral list, a list of defaulters, a list of members whose repayment falls due, before the election date clear fifty days;
(b) for calling objections, if any, calling upon the defaulter members to repay the amounts due to the cooperative societies on or before thirty clear days prior to the date of election.
(c) the scrutiny and verification of the voters list after payment by defaulters etc., clear twenty days before the date of election.
(d) for publication of final eligible voters list before fifteen clear days prior to the date of election."

6. Amendment of rule 13E.- In rule 13E of the said rules in sub-rule (2),-
(a) at the end of clause (i) the following shall be inserted, namely:-- "in consultation with the respective cooperative society relating to date and place of election";
(b) in clause (iii), after the word, "directors", the words, "including casual vacancies, as the case may be" shall be inserted;
(c) in clause (iv), in sub-clause (b), after the words, and bracket mark "constituency" the word, "as" shall be inserted.

7. Amendment of rule 14L.- In rule 14L of the said rules, for sub-rule (2) for the following shall be substituted, namely:--

"(2) The serial number of the ballot paper shall be printed on the left hand side of the counter foil."

8. Amendment of rule 14AG,.- In rule 14AG of the said rules, after sub-rule (6), the following shall be inserted, namely:--

"(6A) The quorum for a meeting of the board convened under sub-rule (6) shall be fixed at the number next to fifty percent of the strength of the board."

9. Insertion of rule 14AKK:- After rule 14AK of the said rules the following shall be inserted, namely:--

"14-AKK: No Confidence Motion.- (1) A written notice hereinafter called a no-confidence notice, with intention to take up or move no-confidence motion, signed by not less than one third of elected members of the board along with a copy of the proposed motion shall be delivered in person to the chief executive of the society. A copy of the said notice shall be sent to the jurisdictional Registrar.

(2) The chief executive of the society shall send a communication to the jurisdictional Registrar within seven days of the receipt of notice of no-confidence motion.

(3) The jurisdictional Registrar shall within seven days, authorize an officer not below the rank of a senior inspector of cooperative societies hereinafter called as authorized officer for this purpose to preside over the meeting of the board called to consider no-confidence motion and conduct all further proceedings in this behalf.

(4) The authorized officer shall give a notice of not less than fifteen clear days of such meeting to all elected members of the board.

(5) The notice shall clearly state the place, date, time and agenda of the meeting.

(6) The service of notice may be effected to the elected members of the board in any of the following manner, namely:-

(a) by giving or tendering it to such person; or
(b) by sending it to their address through registered post;
(7) The quorum for such meeting shall be the number next to fifty percent of the elected members of the board. All the members attending the meeting shall sign in the book kept for the purpose before commencement of the meeting. The authorized officer shall preside over the meeting. If within one hour after the time fixed for the meeting, the quorum is not formed, the meeting shall stand cancelled and the notice issued as per sub-rule (4) shall stand cancelled.

(8) Save as otherwise provided in the Act or these rules, a meeting of the board convened for the purpose of considering a no-confidence motion under sub-rule (4) and (5) shall not for any reason be adjourned.

(9) As soon as the meeting commences, the authorized officer shall read out to the members of the board, the motion for consideration for which the meeting has been convened and shall put it to vote without any debate.

(10) The votes shall be taken by secret ballot and the elected members of the board shall record their votes in the ballot papers supplied to them.

(11) If the motion is carried, with the support of not less than 2/3rd of the elected members present in the meeting the authorized officer shall declare the result and draw up the proceedings accordingly and sign and handover a copy of the proceedings to the chief executive of the society and a copy to be displayed on the notice board of the society and communicate the same to the jurisdictional Registrar.

(12) Immediately after the motion is carried as per sub-rule (11) above, the office – bearer or bearers as the case may be, shall not discharge any functions and shall be deemed to have vacated his or her or their office forthwith.

(13) The chief executive of the society shall take action for the election of the office bearers as per section 29E and 29F. The person/persons so elected shall hold office, for the remaining period of the term of his or her or their predecessor/predecessors as the case may be.

10. **Amendment of rule 17.**— In rule 17 of the said rules, in sub rule (2), for item (A) and (B) the following shall be substituted, namely:-

"**A. Prescribing Minimum Qualifications:**

(i) **Recruitment**: (a) The minimum educational qualification for recruitment to various posts in a co-operative society shall be as under, namely:-

<table>
<thead>
<tr>
<th>Category of Posts</th>
<th>Minimum Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Chief Executive</td>
<td>(i) Must have passed any Bachelor Degree from an University established by law in India;</td>
</tr>
<tr>
<td></td>
<td>(ii) Must have studied Kannada as one of the languages in SSLC or an equivalent examination;</td>
</tr>
<tr>
<td></td>
<td>(iii) Must have undergone basic Computer Operations and Applications course from an institution recognized by the Government; and</td>
</tr>
<tr>
<td></td>
<td>(iv) Preference shall be given to person with a degree in co-operation from a University established by Law in India.</td>
</tr>
<tr>
<td>(2) First Division Assistant</td>
<td>(i) Any Degree from any University established by law in India;</td>
</tr>
<tr>
<td></td>
<td>(ii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently; and</td>
</tr>
<tr>
<td></td>
<td>(iii) Knowledge of Computer operations and Applications.</td>
</tr>
<tr>
<td>Position</td>
<td>Requirements</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| (3) Second Division Assistant                | (i) A pass in II P.U.C.  
(ii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently; and  
(iii) Knowledge of Computer operations and Applications. |
| (4) Stenographers                            | (i) A pass in II P.U.C. or a pass in three years Diploma in Commercial Practice;  
(ii) A pass in Senior Kannada / English Short hand having the knowledge of Computer Operations and applications;  
(iii) A pass in senior Kannada / English Typewriting having the knowledge of Computer Operations and Applications; and  
(iv) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently. |
| (5) Typists/Data Entry Operator/ Computer Operator | (i) A pass in II P.U.C. or a pass in three years Diploma in Commercial Practice;  
(ii) A pass in Senior Kannada / English Typewriting having the knowledge of Computer Operations and applications; and  
(iii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently. |
| (6) Computer Programmer                      | A degree in Bachelor of Computer application from university established by Law. |
| (7) Accountant/ Accounts Assistant.          | (i) A Degree in Commerce / Cooperation/ Management from any University established by law in India;  
(ii) A pass in Certificate Course in Tally with knowledge of Computer Operations and Applications; and  
(iii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently. |
| (8) Sales Assistant                          | (i) A pass in II P.U.C.  
(ii) Knowledge of Kannada with ability to read, write, understand and speak Kannada fluently; and  
(iii) Knowledge of Computer Operations and applications |
| (9) Driver                                    | (i) A pass in SSLC with Kannada as one of the languages;  
(ii) Must have a valid Driving License. |
| (10) Attender                                 | A pass in SSLC with Kannada as one of the languages. |

(ii) **Promotion.**  
(a) An employee of any cooperative society who has the minimum qualification prescribed for direct recruitment to the post currently held by him and who has put in a satisfactory service of at least five years in the post held by him shall be eligible for being considered for promotion to the higher post:

"Provided that, no employee of the society shall be promoted to the next higher post, if he has not successfully completed Higher Diploma in Co-operative Management (HDCM) / Diploma in Cooperative Banking Management (DCBM) / Diploma in Urban Co-operative Banking Management (DUCBM) / General Diploma in Co-operative Management (GDC)/ Diploma in Co-operative Management (DCM) conducted by the recognised Institutes."

(b) The Board of a Cooperative Society shall depute each employee of the cooperative society to Higher Diploma in Co-operative Management (HDCM) / Diploma in Co-operative Banking Management (DCBM)/Diploma in Urban Co-operative Banking Management (DUCBM)/General Diploma in Co-operative Management (GDC)/ Diploma in Co-operative Management (DCM) and no exemption shall be granted by the board in attending and completing the course.

(2) in sub-rule (4) for the words, "engage persons", the words, "engage Second Division Assistant or equivalent and below cadre posts with the approval of the Registrar" shall be substituted.
11. Amendment of rule 17A.- In rule 17A of the said rules,-

(a) in sub-rule (1) in the table, in item (iv) after the words, "One expert", the words, "other than the director of the co-operative society" shall be inserted.

(b) in sub-rule (2) the following shall be inserted at the end, namely:- “including the Registrar of Co-operative Society or his nominee.”

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

"18. The method of recruitment and conditions of services of the employees of a co-operative society.-

(1) Appointment by direct recruitment:-

(a) No appointment by direct recruitment shall be made except by calling for applications from eligible candidates by notifying the same in at least in more than one Kannada newspaper having wide circulation in the area of operation of the co-operative society. However, a co-operative society having a taluka and above area of operation and any co-operative bank shall notify the same at least in more than one Kannada newspaper having wider circulation and in an English newspaper.

Provided that the above said rules shall not apply to:-

(i) the appointment of an officer whose services have been lent by the Government;

(ii) the filling up of a post through compassionate appointment as per rules;

(b) The board shall constitute a recruitment/selection committee for recruitment/promotion whenever the need arises as per rule 17A.

(c) For recruitment to the posts of Second Division Assistant and above:-- The written test shall carry 200 marks consisting of Kannada Language for 50 marks, General English for 25 marks, General Knowledge for 25 marks, Co-operation matters for 50 marks, the Constitution of India for 25 marks and the subject relevant to the objectives and activities of the society for 25 marks. The candidates shall be called upon to take written test in the ratio of 1:20 of the total notified posts, based on the percentage of marks obtained in the qualifying examinations prescribed for the posts. The candidates successful in the written test shall be called for interview in the ratio of 1:5 based on the percentage of marks obtained in the written test or technical test prescribed for the posts. The marks obtained in the written test or technical test shall be reduced to 85% and the interview shall carry 15 percent of marks.

(d) For recruitment to the posts of Computer Programmer, Data Entry Operator, Stenographer and Typist, proficiency tests in their respective fields shall be preferred. The written test shall carry 200 marks consisting of Kannada Language for 50 marks, General English for 25 marks, General Knowledge for 25 marks and Computer test and Shorthand or typing as the case may be for 100 marks. The candidates shall be called upon to take written test in the ratio of 1:20 of the total notified posts, based on the percentage of marks obtained in the qualifying examinations prescribed for the posts. The candidates successful in the written test shall be called for interview in the ratio of 1:5 based on the percentage of marks obtained in the written test prescribed for the posts. The marks obtained in the written test shall be reduced to 85% and the interview shall carry 15 percent of marks.

(e) For recruitment to the posts of Drivers and Group-D services, the candidate shall be called upon for interview in the ratio of 1:5 based on the percentage of marks in the qualifying examination prescribed for the posts. The marks obtained in the qualifying examination shall be reduced to 85% and the interview shall carry 15 percent of marks.

(f) The marks obtained in the written test/technical tests/ qualifying examinations as per sub-rule (c), (d) and (e) of this rule shall be reduced to 85% and the marks obtained after such reduction and the marks obtained in the interview shall be added together and a merit list of the successful candidates shall be prepared on the basis of the total marks obtained in the written tests/technical tests/qualifying examinations and the interview together. A select list shall be prepared following the reservation policy to the extent applicable on the basis of the merit list.
(g) The chief executive shall issue the appointment order after the approval of the select list by the board. However, no process of recruitment shall be initiated during the last three months immediately prior to the expiry of the term of office of the board of any co-operative society.

(2) **Age limit for appointment by direct recruitment.** - (1) Every candidate for appointment by direct recruitment to any post in the services of a co-operative society must have attained the age of eighteen years and not attained the age of -

(i) forty years in the case of a person belonging to the Scheduled Castes or Scheduled Tribes or category-1 of other Backward Classes;

(ii) thirty eight years in the case of a person belonging to any of the other Backward classes;

**Explanation:** For the purpose of this clause (ii) "other Backward class" means category of persons other than the Scheduled Casts and Scheduled Tribes classified as 2-A, 2-B, 3-A and 3-B for recruitment purposes.

(iii) thirty five years in the case of others; on the last date fixed for the receipt of the application

(3) **Appointment on compassionate grounds.**

Notwithstanding anything contained in sub-rule (2), the maximum age limit for appointment shall be deemed to be enhanced by ten years in the case of a widow or widower of a deceased male or female employee of a cooperative society.

Provided that the following shall be eligible for appointment on compassionate grounds in the case of a deceased male employee of a co-operative society; namely:-

(i) the widow; or

(ii) a son, if the widow is not eligible or for any valid reason, she is not willing to accept the appointment; or

(iii) an unmarried daughter, if the widow and son are not eligible or for any valid reason, they are not willing to accept the appointment.

Provided further that, the following shall be eligible for appointment on compassionate grounds in the case of a deceased female employee of a co-operative society; namely:-

(i) a son; or

(ii) an unmarried daughter, if the son is not eligible or for any valid reason, he is not willing to accept the appointment; or

(iii) a widower, if the son and daughter are not eligible or for any valid reason, they are not willing to accept the employment.

(4) **Conditions of Service.** - (i) **Age of retirement** – The date of retirement on superannuation of an officer or employee of any co-operative society shall be the last day of the month during which he attains the age of sixty years.

Provided that the date of retirement of an officer or employee of co-operative society whose date of birth is the first day of a month shall be the afternoon of the last day of the month preceding the month in which he attains the age of 60 years.

(ii) **Voluntary retirement** - Any employee of a cooperative society can opt for voluntary retirement from the service of the society after he completes fifteen years of satisfactory service or attains the age of fifty years:

Provided that, scheme of voluntary retirement shall be provided in the bye-law of the society.

(5) **Other service conditions:** The rules governing leave facility, gratuity, conduct and discipline of employees of co-operative societies shall be as provided in their bye-laws.

13. **Amendment of rule 29B.** - In rule 29B of the said rules -

(a) after sub-rule (6), the following proviso shall be inserted, namely:-
Provided that the need to post Auditor of the Department of Co-operative Audit shall be decided by the Government on receiving a recommendation to the effect from the General Body of a co-operative society.

14. Amendment of rule 29D.- For rule 29D of the said rules, the following shall be substituted namely.-

"29D. Submission of the Audit Report of an Apex Society to the Government.- For the purposes of sub-section (11) of Section 63, the Chief Executive of the Apex Co-operative society shall submit required copies of the audit report of the Apex Co-operative Society through the Director of Co-operative Audit to the State Government to lay before the State Legislature."

15. Amendment of rule 30.- In rule 30 of the said rules,-

(i) for the words, "payable to an Auditor or Auditing Firm for auditing", the words, "or cost payable to an Auditor or Auditing Firm or to the audit staff conducting concurrent or final audit of" shall be substituted.

(ii) after rule 30, the following proviso shall be inserted, namely:- "Provided that every Co-operative Society, where the Government decides to post audit staff for concurrent and final audit of accounts, shall pay audit cost in accordance with the provisions of rule 441 of the Karnataka Civil Services Rules."

16. Amendment of rule 30A.- In rule 30A of the said rules, after the words, "failing to pay the remuneration", the words, "or audit cost" shall be inserted.

17. Amendment of rule 31.- In rule 31 of the said rules, in sub-rule (2), for the words, "Civil Court", the words, "under Section 70 of the Act." shall be substituted.

18. Insertion of rule 31A.- After rule 31 of the said rules, the following shall be inserted, namely:-

"31A. No cooperative society shall spend any money out of the funds of the cooperative society for legal matters relating to Sections 17, 28A(5), 29C, 30, 31, 69, and 106 of any of its members and directors."

19. Amendment of rule 33.- In rule 33 of the said rules, after clause (o), the following shall be inserted, namely:-

(p) the liquidator shall obtain prior permission from the jurisdictional Registrar for incurring any expenditure beyond fifteen thousand in a month other than for salary, rent and stationery expenditure.

20. Amendment of the rule 53A: - In rule 53A of the said rules, in sub-rule (1) and (2), after the words, "Section 66", the words, "or Section 31A" shall be inserted.

21. Amendment of the Annexure. - In the Annexure to the said rules,-

(a) items B, F and I shall be omitted;
(b) in item H for the words "KMF" the words, "Karnataka State Cooperative Milk Federation or Additional Registrar of Cooperative Societies or Joint Registrar of Cooperative Societies from the Department of Co-operation" shall be substituted;
(c) after item I, the following shall be inserted, namely:-

"J. In respect of Karnataka State Cooperative Marketing Federation Limited

<table>
<thead>
<tr>
<th>Name of the Post</th>
<th>Method of recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>On deputation of an I.A.S. cadre officer from the Government or Officer not below the rank of Additional Registrar of Co-operative Societies from the Department of Cooperation.</td>
</tr>
</tbody>
</table>

K. In respect of Karnataka State Horticulture Cooperative Federation Limited.

<table>
<thead>
<tr>
<th>Name of the Post</th>
<th>Method of recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>Deputation of an officer not below the rank of Joint Director of Horticulture from Horticulture Department or Joint Registrar of Co-operative Societies from the Department of Cooperation as the case may be.</td>
</tr>
</tbody>
</table>
L. In respect of Karnataka State Cooperative Coir Federation Limited

<table>
<thead>
<tr>
<th>Name of the Post</th>
<th>Method of recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>Deputation of an officer not below the rank of Joint Director, Industries and Commerce or Joint Registrar of Co-operative Societies from the Department of Cooperation as the case may be.</td>
</tr>
</tbody>
</table>

M. In respect of Karnataka State Cooperative Oil Federation Limited

<table>
<thead>
<tr>
<th>Name of the Post</th>
<th>Method of recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>An officer of the Federation or deputation of an officer not below the rank of Additional Registrar of Co-operative Societies from the Department of Cooperation.</td>
</tr>
</tbody>
</table>

N. In respect of Karnataka State Cooperative Federation Limited

<table>
<thead>
<tr>
<th>Name of the Post</th>
<th>Method of recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>Deputation of an officer not below the rank of Additional Registrar of Co-operative Societies from the Department of Cooperation.</td>
</tr>
</tbody>
</table>

BY ORDER AND IN THE NAME OF THE GOVERNOR OF KARNATAKA,

M. VENKATASWAMY
Officer on Special Duty & Ex-officio
Deputy Secretary to Government,
Co-operation Department.

---

मार्गदर्शन: नं. १६३, कांग्रेस साहित्य संघ, मुंबई. (२४) ज्योतिष: ५००