

No.G(1)30771/05

Office of the  
Registrar of Co-operative Societies,  
Thiruvananthapuram, Dated 20-1-2006.

CIRCULAR NO. 1/2006

Sub: Co-operation Department –Passing of resolution by Circulation in Co-operatives –Restricted –Regarding.

Ref: 1. NABARD letter No. 3668/DOS-30/2002-03 dated 25-7-2002 and No. 4744/DOS 30/04/05 dated 6-9-2004.

2. Government letter No. 5984/B1/05/Co-op. dated 15-11-05

In the letter 1<sup>st</sup> cited, NABARD has informed that in the bye-laws of Kerala State Co-operative Bank and certain District Co-operative Banks in the state, provisions have been included for “passing of resolution by circulation” and many business decision having financial implication are taken by the Board of Co-operatives through resolution passed by circulation and not in regular Board meeting.

As a matter of abundant precaution in dealing in financial matters and to protect the institutions from possible collusion between Chairman/Board members with other agencies in financial dealings and that the practice of passing resolution by circulation is not in the interest of the financial institution, NABARD has suggested to make/incorporate necessary rules to prevent such a practice.

Government, in the letter 2<sup>nd</sup> cited, have instructed to issue circular instructions restricting resolution by circulation by the Board of Directors of Co-operative Institutions.

In the above circumstances, the following instructions are issued.

In the case of co-operative institution coming under the administrative control of the Registrar of Co-operative Societies, Powers to be exercised by the Board on behalf of the institutions involving financial implication such as power to borrow money, power to invest funds, power to make loans, and other activities having financial

implication and the power to admit members and allotment of shares shall only be passed at the regular Board meeting and not by circulated resolutions.

(Sd/-)

V.REGHUNATH

REGISTRAR OF CO-OPERATIVE SOCIETES IN CHARGE

TO

1. All Apex Co-operative Institutions.
2. All Federal Co-operative Institution.
3. All District Co-operative Banks
4. All Officers in this offices
5. All Joint Registrar (General)
6. All Joint Registrar (Audit)
7. Deputy General Manager, NABARD (with C.L)
8. Concurrent Auditors of All Apex Co-operatives.
9. Concurrent Auditors of All District Co-op. Banks.

Copy to:

1. Stock file
2. Circular book

FORWARDED BY ORDER

FOR REGISTRAR OF CO-OPERATIVE SOCIETIES