

FARMERS' ORGANIZATION ACT 1973 ;
FARMERS' ORGANIZATION REGULATIONS 1983

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FARMERS' ORGANIZATION ACT 1973

FARMERS' ORGANIZATION REGULATIONS 1983

Act 109. In exercise of the powers conferred by section 35 of the Farmers' Organization Act 1973, the Farmers' Organization Authority with the approval of the Minister makes the following regulations:

PART I

PRELIMINARY

- Citation and commencement.* 1. These Regulations may be cited as the **Farmers' Organization Regulations 1983** and shall come into force on the 28th July 1983.
- Definition.* 2. In these Regulations, unless the context otherwise requires—
 "member-unit" means—
 (a) any group of farmers' who are members of a Farmers' Organization delineated either according to its activities or according to its geographical area of operation;
 (b) any agro-based cooperative society which is admitted as a member-unit of a Farmers' Organization;
 "officers" and "office-bearers" means the directors and Representatives of a Farmers' Organization;
 "Registrar" means the Registrar of Farmers' Organization under section 7 of the Act;
 "Representatives" means the Unit Representatives, Area Representatives and State Representatives.

PART II

FORMATION OF AREA FARMERS' ORGANIZATION

- Formation of preparatory committee, their composition and duties.* 3. (1) Upon request in writing by not less than fifty persons who are eligible for membership under section 9 of the Act, the Registrar shall appoint a preparatory committee to prepare for the formation of an Area Farmers' Organization.
- (2) The preparatory committee shall consist of not less than five members appointed by the Registrar.
- (3) The preparatory committee shall elect a Chairman from among its members.
- (4) The preparatory committee shall—
 (a) determine the name, operative area, objects and service activities of the proposed Area Farmers' Organization;
 (b) determine the operative or functional area of member-units;
 (c) prepare the constitution and budget;
 (d) determine the subscriptions to be made, the face value of the capital share and the method of acquiring such share; and
 (e) carry out all matters concerning the establishment of the proposed Area Farmers' Organization.

4. (1) The preparatory committee shall within one month of its appointment notify the Registrar of the date of the inaugural meeting of the proposed Area Farmers' Organization. Notification of inaugural meeting.

(2) The Registrar shall conduct and supervise the inaugural meeting.

5. (1) The inaugural meeting shall adopt the constitution and budget prepared by the preparatory committee and shall confirm the preparatory committee as the protem committee. Inaugural meeting and appointment of protem committee.

(2) The quorum for the inaugural meeting shall be fifty persons who are eligible for membership under section 9 of the Act.

6. (1) The protem committee shall within fourteen days of the inaugural meeting submit to the Registrar its application for registration duly signed by the Chairman and two other members of the protem committee. Application for registration.

(2) An application for registration shall be accompanied by—

- (a) six copies of the constitution;
- (b) the minutes of the inaugural meeting signed by the Chairman and two other members of the protem committee;
- (c) a statement containing the areas of operation of member-units intended to be established; and
- (d) a statement containing the names of agro-based co-operative societies which intend to join the proposed Area Farmers' Organization as member-units.

7. (1) The Registrar shall either approve or reject an application for registration. Approval or rejection of application.

(2) If the Registrar approves the application he shall issue a certificate of registration.

(3) If the Registrar rejects the application and the protem committee is dissatisfied with his decision, the protem committee may, within fourteen days of notice of the decision, appeal to the Minister, whose decision shall be final.

8. (1) The Chairman of the protem committee shall within one month of the registration of the Area Farmers' Organization— Notification of date of election of Unit Representatives.

- (a) notify all paid-up members of the Area Farmers' Organization of the date of the election of Unit Representatives;
- (b) notify all paid-up agro-based cooperative societies which are member-units of the Area Farmers' Organization of the last date before which they are required to submit the names of their Unit Representatives; and
- (c) serve the Registrar with a notice of the date of the election of Unit Representatives and the last date before which all paid-up agro-based cooperative societies which are member-units of the Area Farmers' Organization are required to submit the names of their Unit Representatives.

(2) Subject to sub-regulation (3), all elections of Unit Representatives shall be completed within two months of the service of the notice to the Registrar.

(3) Notwithstanding sub-regulation (2), the Registrar may, if satisfied that there are extenuating reasons for so allowing, allow any member-unit to hold the election of Unit Representatives beyond the two months specified in that sub-regulation.

Notification
of date of
election of
the Board of
Directors.

9. (1) The Chairman of the protem committee shall, within one month of the date of the last election of Unit Representatives held within the two months specified in regulation 8 (2)—

(a) serve the Registrar with a notice and notify all Unit Representatives of the date of election; and

(b) carry out the election;

of the elected members of the Board of Directors of the Area Farmers' Organization.

(2) If the Chairman fails to carry out the duties specified in regulation 8 and in this regulation, the Registrar shall carry out the duties as if he were the Chairman of the protem committee.

Termination
of the
protem
committee.

10. The Chairman and the protem committee shall hold office until the election of the elected members of the Board of Directors.

Powers of
protem
committee.

11. The Chairman and the protem committee shall have all the powers of the Chairman and Board of Directors of an Area Farmers' Organization.

PART III

FORMATION OF STATE FARMERS' ORGANIZATION

Notice of
intention to
form State
Farmers'
Organization.

12. (1) Upon request in writing by the Chairman of the Board of Directors of at least two Area Farmers' Organizations in a State, the Registrar shall appoint a preparatory committee consisting of not less than seven persons to prepare for the formation of a State Farmers' Organization.

(2) The preparatory committee shall elect a Chairman from among its members.

(3) The Registrar shall notify all Area Farmers' Organization and agro-based cooperative societies in the State of the intention to form the State Farmers' Organization.

(4) The preparatory committee shall—

(a) determine the name, objects and service activities of the proposed State Farmers' Organization;

(b) prepare the constitution and budget;

(c) determine the subscriptions to be made, the face value of the capital share and the method of acquiring such share;

(d) carry out all matters concerning the establishment of the proposed State Farmers' Organization.

(5) The preparatory committee shall within one month of its appointment submit to the Registrar and to each of the Area Farmers' Organizations and agro-based cooperative societies its findings in respect of paragraphs (a) to (d) of sub-regulation (4).

13. (1) The Chairman of the Board of Directors of each Area Farmers' Organization, shall, within two months of receipt of the preparatory committees' findings—

Meeting of Board of Directors to adopt the constitution and budget of the proposed State Farmers' Organization.

(a) call in accordance with regulation 40 an Extra-Ordinary General Meeting where each of the following resolutions shall be proposed:

- (i) that the Area Farmers' Organization becomes a member-unit of the proposed State Farmers' Organization;
- (ii) that the constitution and budget prepared by the preparatory committee be adopted;
- (iii) that the Area Farmers' Organization pay the subscriptions and acquire the shares for the purpose of joining the State Farmers' Organization;
- (iv) that the Chairman of the preparatory committee submit an application to the Registrar for the proposed State Farmers' Organization; and

(b) request for the nomination of candidates to the office of Area Representatives.

(2) If all the resolutions specified in sub-regulation (1) (a) are passed by the Extra-Ordinary General Meeting, the Meeting shall proceed to hold the election of Area Representatives.

(3) The Chairman of the Board of Directors of an Area Farmers' Organization shall within two weeks of the Extra-Ordinary General Meeting submit the minutes of the Meeting to the preparatory committee, together with the names of the elected representatives.

(4) Copies of the minutes submitted under sub-regulation (3) shall be signed by the Chairman and two other members of the Board.

(5) If any agro-based cooperative society resolves under regulation 28 (5) to join as a member-unit of the State Farmers' Organization, it shall—

- (a) submit the names of its Area Representatives;
- (b) pay the subscriptions as specified in the constitution or rules of the State Farmers' Organization; and
- (c) acquire the shares as required by the constitution or rules of the State Farmers' Organization.

14. (1) Where—

- (a) two or more Area Farmers' Organization;
- (b) two or more of agro-based cooperative societies; or
- (c) two or more of any combination of Area Farmers' Organization and agro-based cooperative societies;

Application for registration.

have passed resolutions in favour of the formation of the Farmers' Organization and in such resolutions have confirmed the preparatory committee as the protem committee, the Chairman of the protem committee shall, within one month from the date of such resolutions having been taken, submit to the Registrar its application for registration duly signed by the Chairman and two members of the protem committee.

- (2) The application for registration shall be accompanied by—
- (a) six copies of the constitution;
 - (b) a statement containing the names of the various Area Farmers' Organizations and agro-based cooperative societies which support the formation of the Farmers' Organization; and
 - (c) a statement containing the names of the various Area Farmers' Organization and the agro-based cooperative societies which have not passed resolutions in favour of the formation of the State Farmers' Organization.
- Approval of application and issue of certificate.
15. (1) The Registrar shall either approve or reject the application.
- (2) If the Registrar approves the application he shall issue a certificate of registration.
- (3) The Registrar shall not reject the application without the concurrence of the Minister.
- Inaugural General Meeting.
16. The Chairman of the protem committee shall, within one month of the registration—
- (a) serve the Registrar with a notice of and notify all member-units and Area Representatives of the date and place of the Inaugural General Meeting of the State Farmer's Organization for the purpose of, *inter-alia* the election of the elected members of the Board of Directors; and
 - (b) request the Area Representatives to nominate the candidates for the office of elected Directors.
- Termination of the protem committee.
17. The Chairman and the protem committee shall hold office until election of the Board of Directors of the State Farmers' Organization.
- Powers of protem committee.
18. The Chairman and the protem committee shall have all the powers of the Chairman and Board of Directors of the State Farmers' Organization.

PART IV

FORMATION OF NATIONAL FARMERS' ORGANIZATION

- Notice of intention to form a National Farmers' Organization.
19. (1) Upon request in writing by the Chairman of the Board of Directors of at least two State Farmers' Organization, the Registrar shall cause to be published in the *Gazette* notice of and shall notify each State Farmer's Organization of the intention to form the National Farmers' Organization.
- (2) The Registrar shall appoint a preparatory committee consisting of not less than seven persons.
- (3) The preparatory committee shall elect a Chairman from among its members.
- (4) The preparatory committee shall—
- (a) determine the name, objects and service activities of the proposed National Farmers' Organization;
 - (b) prepare the constitution and budget;
 - (c) determine the subscriptions to be made, the face value of the capital share and the method of acquiring such share;

(d) carry out all matters concerning the establishment of the proposed National Farmers' Organization.

(5) The preparatory committee shall within one month of its appointment submit to the Registrar and to each of the State Farmers' Organization, its findings in respect of paragraphs (a) to (d) of sub-regulation (4).

20. (1) The Chairman of the Board of Directors of each State Farmers' Organization shall within one month of receipt of the preparatory committee's findings—

Extra-Ordinary General Meeting to pass resolution adopting the constitution and confirming the protem committee and to hold elections thereafter.

(a) call in accordance with regulation 40 of an Extra-Ordinary General Meeting where each of the following resolutions shall be proposed:

- (i) that the constitution and budget prepared by the preparatory committee be adopted;
- (ii) that the preparatory committee be confirmed as the protem committee of the proposed National Farmers' Organization;
- (iii) that State Farmers' Organization pay the subscriptions and acquire the shares for the purposes of joining the National Farmer's Organization;
- (iv) that the Chairman of the protem committee submit an application to the Registrar for registration of the proposed National Farmers' Organization; and

(b) request for the nomination of candidates to the office of State Representatives.

(2) If all the resolutions specified in sub-regulation (1) (a) are passed by the Extra-Ordinary General Meeting, the Meeting shall proceed to hold the election of State Representatives.

(3) The Chairman of the Board of Directors of each State Farmers' Organization shall, within two weeks of the Extra-Ordinary General Meeting, submit the minutes of the Meeting to the preparatory committee.

21. (1) Where two or more State Farmers' Organizations have passed resolutions in favour of the formation of the National Farmers' Organization and confirming the preparatory committee as the protem committee, the Chairman of the protem committee shall, within three months from the date the resolutions are passed, submit to the Registrar its application for registration, duly signed by the Chairman and two members of the protem committee.

Application for registration.

(2) An application for registration shall be accompanied by—

- (a) six copies of the constitution; and
- (b) a statement containing the names of the various State Farmers' Organizations which support the formation of the National Farmers' Organization.

22. (1) The Registrar shall either approve or reject the application.

Approval of application and issue of certificate.

(2) If the Registrar approves the application he shall issue a certificate of registration.

- (3) The Registrar shall not reject the application without the concurrence of the Minister.
- (4) The Registrar shall, if he approves the registration publish in the *Gazette* a notice of the registration.
- Inaugural General Meeting of State Representative for the election of the Board of Directors.
23. The Chairman of the protem committee shall, within one month of the registration—
- (a) serve the Registrar with a notice of and notify all member-units and State Representatives of the date of the Inaugural General Meeting of the National Farmers' Organization for the purpose of, *inter-alia*, the election of the elected members of the Board of Directors; and
- (b) request the State Representatives to nominate the candidates for the office of elected Directors.
- Termination of the protem committee.
24. The Chairman and the protem committee shall hold office until the election of the Board of Directors of the National Farmers' Organization.
- Powers of the protem committee.
25. The Chairman and the protem committee shall have all the powers of the Chairman and Board of Directors of the National Farmers' Organization.

PART V

MEMBERS, MEMBER-UNITS, REPRESENTATIVES AND DIRECTORS

- Ordinary membership.
26. (1) Any person who satisfies section 9 of the Act shall be eligible to apply to be a member of the Area Farmers' Organization.
- (2) An eligible person may be enrolled as a member—
- (a) upon application in the form which may be specified by the Registrar;
- (b) upon payment of such fees and subscription as may be specified in the constitution and rules;
- (c) upon acquiring the minimum number of shares as may be specified in the constitution and rules; and
- (d) upon the Board of Directors approving the application.
- (3) A Board of Directors shall not reject any application for membership unless the applicant has, by his previous conduct, shown that his admission is likely to be prejudicial to the interest of the Area Farmers' Organization.
- (4) A rejected applicant may, within fourteen days of being informed of the decision, appeal to the Registrar whose decision shall be final.
- Powers, privileges and duties of member.
27. (1) Subject to sub-regulation (3), a member shall have the following powers and privileges:
- (a) to elect Unit Representatives;
- (b) to be elected and to hold office at all levels of Farmers' Organizations;

(c) to voice his opinion at the member-unit's General Meeting;

(d) to all other privileges specified in the constitution of the Farmers' Organization and its rules.

(2) A member shall comply with the constitution or rules of the Farmers' Organization and shall carry out such activities as directed by the Board of Directors of the Farmers' Organization.

(3) Any person who is a member only by virtue of section 9 (1) (c) of the Act shall have all the powers and privileges specified in sub-regulation (1) except the privilege to be elected as a director.

28. (1) Any agro-based cooperative society shall be eligible to apply to be a member-unit of an Area Farmers' Organization or a State Farmers' Organization. Member-unit membership.

(2) Any Area Farmers' Organization shall be eligible to apply to be a member-unit of the State Farmers' Organization.

(3) Any State Farmers' Organization shall be eligible to apply to be a member-unit of the National Farmers' Organization.

(4) Any agro-based cooperative society or Farmers' Organization which is, according to sub-regulations (1) and (3), eligible to be member-units may be enrolled as such by the Area Farmers' Organization, State Farmers' Organization or National Farmers' Organization, as the case may be—

(a) upon application in the form which may be specified by the Registrar;

(b) upon payment of such fees and subscriptions as may be specified in the constitution and rules; and

(c) upon acquiring the minimum number of shares as may be specified in the constitution and rules.

(5) Notwithstanding the provisions of the Cooperative Societies Ordinance 1948 of Malaya, the Cooperative Societies Ordinance 1958 of Sabah, the Cooperative Societies Ordinance of Sarawak or the constitution, rules or by-laws of the respective agro-based cooperative society, the Board of Director or Committee of Management of any agro-based cooperative society may by a simple majority resolve whether to join or not to join as a member-unit of any Farmers' Organization and may, if it resolves to join, carry out all matters to put the resolution into effect. F.M. 33/48.
Sabah 3/58.
Swk. Cap. 66.

29. A member-unit shall—

(a) have all the privileges specified in the constitution or rules; Privileges and duties of member-units.

(b) abide by the decision of the Board Directors of the Farmers' Organization; and

(c) carry out such activities as may be specified from time to time by the Board of Directors of the Farmers' Organization.

30. (1) A member or member-unit shall be deemed to be suspended and shall forfeit all his or its powers and privileges if he or it defaults in paying his or its annual subscription determined on the date that the subscription falls due. Suspension of members and member-units.

(2) A defaulter shall be readmitted upon settlement of his annual subscription for that year but shall not be entitled to exercise or claim the right to exercise any powers and privileges lost during the period of suspension.

(3) Notwithstanding sub-regulation (1), no Representative or director shall be suspended from holding office or from exercising the powers of that office by reason of his member-unit's failure to pay one annual subscription.

Cessation of membership.

31. (1) A person or body shall cease to be a member or member-unit of a Farmers' Organization—

- (a) if he resigns or it terminates its membership voluntarily in accordance with the constitution or rules;
- (b) if he dies or it is dissolved;
- (c) if he fails to pay the annual subscription for two consecutive years or is in arrears of annual subscriptions totalling two annual subscriptions;
- (d) if he is insane;
- (e) if he is expelled by the Board of Directors for conduct prejudicial to the good name of the Farmers' Organization or inconsistent with the objects or in conflict with the interests of the Farmers' Organization.

(2) No action shall be taken to expel a member unless he has been informed of the nature of his misconduct and has been given an opportunity to explain.

(3) If a member is aggrieved by the decision of the Board of Directors, he shall, within fourteen days of the decision, appeal to the Registrar whose decision shall be final.

Number of Unit, Area and State Representatives.

32. (1) Subject to sub-regulations (4) and (6) the number of Unit Representatives from any member-unit of an Area Farmers' Organization shall be two Representatives for the first fifty members or part thereof of each member-unit and two additional Representatives for every additional fifty members or part thereof of the member-unit.

(2) Subject to sub-regulation (4) the number of Area Representatives from any member-unit of the State Farmers' Organization shall not be more than five Representatives for the first 500 members or part thereof of the member-unit and two additional Representatives for every additional 500 members or part thereof of the member-unit.

(3) The number of State Representatives to the National Farmers' Organization shall not be more than five Representatives for the first 5,000 members or part thereof of the State Farmers' Organization and two additional Representatives for every additional 5,000 members or part thereof of the State Farmers' Organization.

(4) In every case where the member-unit is an Area Farmers' Organization or agro-based cooperative society, one of the Representatives specified under sub-regulations (1) and (2) shall be the Chairman of the Board of Directors or Committee of Management of the Farmers' Organization or agro-based cooperative society, as the case may be.

(5) Notwithstanding the provisions of the Cooperative Societies Ordinance 1948 of Malaya, the Cooperative Societies Ordinance 1958 of Sabah, the Cooperative Societies Ordinance of Sarawak, or the constitution, rules or by-laws of the respective agro-based cooperative society, the Board of Directors or Committee of Management of any agro-based cooperative society may by a simple majority resolve the method of determining its Representatives.

*F.M. 33/48.
Sabah 3/58.
Swk. Cap. 66.*

(6) Where an Area Farmers' Organization has a total membership of 300 or less, all of its membership may constitute member Representatives for the purpose of its Representative meetings.

33. (1) Except in the case of member-units which are agro-based cooperative societies all Unit Representatives of any Area Farmers Organization shall be elected from among and by the members in that member-unit.

*Who may be
representa-
tives and
who may not.*

(2) Subject to regulation 32 (4) and except in the case of agro-based cooperative societies, all Area Representatives of a State Farmers' Organization shall be elected by the Unit Representatives from among the members of the Area Farmers' Organization.

(3) All State Representatives of the National Farmers' Organization shall be elected by the Area Representatives from among the members of the State Farmers' Organization.

34. (1) A person shall hold office as a Representative until the next election of Representatives at the next but one Annual General Meeting of the Farmers' Organization.

*Tenure of
office and
cessation
from the
office of
Representative.*

(2) A person shall cease to be a Representative—

- (a) if he resigns voluntarily in accordance with the constitution and rules; or
- (b) if he is no longer a member of the member-unit which he represents.

35. (1) The Board of Directors of each of the following Farmers' Organization, consisting of elected and appointed members, shall be—

*Composition
of the Board
of Directors.*

- (a) eleven for an Area Farmers' Organization;
- (b) thirteen for a State Farmers' Organization;
- (c) fifteen for a National Farmers' Organization.

(2) The number of elected members shall be the number specified in sub-regulation (1) less the number appointed by the Minister.

(3) The number of directors who may be appointed by the Minister shall be four; but pending the Minister's appointment, the elected members of the Board of Directors shall conduct and manage the affairs of the Farmers' Organization.

(4) An elected director shall hold office until the next election of directors at the next but one Annual General Meeting.

(5) A director appointed by the Minister shall hold office for such period as may be determined by the Minister.

(6) The Chairman of the Board of Directors shall be elected by a majority vote from among members of the Board at the Board's first meeting.

(7) The first meeting of the Board of Directors shall be held within thirty days of the Annual General Meeting.

(8) The quorum for any meeting of the Board of Directors shall be five for an Area Farmers' Organization, seven for a State Farmers' Organization and eight for the National Farmers' Organization.

(9) The meeting of the Board of Directors of an Area Farmers' Organization shall be held at least once a month, the State Farmers' Organization at least once in two months and a National Farmers' Organization at least once in three months.

(10) The Chairman of the Board of Directors shall issue a notice of every meeting of the Board of Directors to every member of the Board at least one week prior to the date of the meeting, a copy of which shall be sent to the Registrar.

Candidates
for election
of directors.

36. The number of candidates to be nominated by each member-unit and any Farmers' Organization for election as directors shall be determined by the Registrar and shall not be more than four.

PART VI

GENERAL MEETING, ELECTION, ASSUMPTIONS OF OFFICE AND DISMISSAL

Restriction
of applica-
tion of
this Part.

37. In this Part, the expression "member-unit" shall not include an agro-based cooperative society.

Persons
eligible to
vote at any
General
Meeting.

38. The persons who are eligible to vote in a General Meeting of a member-unit or a Farmers' Organization shall be—

- (a) the members of that member-unit, in a member-unit General Meeting;
- (b) the Unit Representatives and the serving Board of Directors of an Area Farmers' Organization, in an Area Farmers' Organization General Meeting;
- (c) the Area Representatives and the serving Board of Directors of the State Farmers' Organization, in the State Farmers' Organization General Meeting;
- (d) the State Representatives and the serving Board of Directors of the National Farmers' Organization, in the National Farmers' Organization General Meeting.

Annual
General
Meeting.

39. (1) The Annual General Meeting of the respective member-unit, Area Farmers' Organization, State Farmers' Organization and National Farmers' Organization shall be the supreme authority for that member-unit or Farmers' Organization.

(2) An Annual General Meeting shall have *inter-alia*, the power—

- (a) during every alternate Annual General Meeting, to elect the Representatives and, as the case may be, to elect the elected members of the Board of Directors;

- (b) to adopt the annual budget submitted by the Board of Directors;
- (c) to pass the audited statement of accounts of the previous year;
- (d) to determine and approve the distribution of profits;
- (e) to limit the maximum amount that may be borrowed from external sources; and
- (f) to transact all matters of importance.

(3) The quorum for an Annual General Meeting of a member-unit or Farmers' Organization shall be not less than half of the members who are eligible to vote.

(4) Where no quorum is formed, the Annual General Meeting shall be adjourned to a date not later than two weeks from the first date.

(5) Subject to sub-regulation (6) no quorum shall be required for the adjourned Annual General Meeting and the adjourned Meeting shall proceed to transact business scheduled for the first date.

(6) Notwithstanding sub-regulation (5) if an adjourned Annual General Meeting does not have the quorum specified in sub-regulation (3) it shall not have the power to elect office-bearers or to amend the constitution; and the serving office bearers shall continue to hold office.

40. (1) An Extra-Ordinary General Meeting shall be called by the Chairman of the Board of Directors of a Farmers' Organization—

Extra-Ordinary General Meeting.

- (a) when the Registrar deems it necessary;
- (b) on receipt of a written request signed by a majority of the Board of Directors;
- (c) on receipt of a written request signed by not less than one-third of the members who are eligible to vote; or
- (d) when required to do so under these Regulations.

(2) When the Extra-Ordinary General Meeting is convened to discuss a proposal to dismiss a Representative or an elected director, the procedure in regulation 53 shall apply.

(3) The quorum for an Extra-Ordinary General Meeting shall be not less than half the members who are eligible to vote.

(4) The notice for an Extra-Ordinary General Meeting shall be served 15 days prior to the Meeting.

41. (1) The Annual General Meeting of the various member-units and Farmers' Organizations shall be held—

Date of Annual General Meeting.

- (a) for member-units of an Area Farmers' Organization, not later than the last day of May of the year;
- (b) for Area Farmers' Organizations, not later than the last day of July of the year;
- (c) for State Farmers' Organizations, not later than the last day of September of the year;

(d) for the National Farmers' Organization, not later than the last day of November of the year.

(2) If the Registrar is not served with the notice of the Annual General Meeting by the first day of the month of May, July, September or November, as the case may be, the Registrar shall exercise the powers of a Chairman of a Board of Directors and shall—

- (a) appoint a date as the date of the Annual General Meeting for that member-unit or Farmers' Organization;
- (b) notify all members in writing at least three weeks before the date of the Annual General Meeting; and
- (c) direct the Board of Directors to prepare the budget for the following year and the statement of accounts of the previous year.

Notification
of Annual
General
Meeting.

47. (1) The Chairman of the Board of Directors of a Farmers' Organization, and, in the case of a member-unit, the Chairman of the Board of Directors of the Area Farmers' Organization, shall, at least one month prior to the date of an Annual General Meeting—

- (a) serve notice of the date of the Annual General Meeting on the Registrar;
- (b) notify all the persons who are eligible to vote, of the date of the Annual General Meeting; and
- (c) request for nomination of candidates.

Nominations.

43. (1) Nomination of candidates to the respective offices shall be made—

- (a) in the case of member-units of an Area Farmers' Organization, by the members of that member-unit;
- (b) in the case of a Farmers' Organization, where the nomination is for—
 - (i) directors and Area Representatives of an Area Farmers' Organization, by the Unit Representatives;
 - (ii) directors and State Representatives of a State Farmers' Organization, by the Area Representatives;
 - (iii) directors of the National Farmers' Organization, by the State Representatives.

(2) The number of nominations by any person shall not exceed the number of offices vacant.

(3) Nominations for the respective offices shall be deemed to be closed at twelve noon of the eighth day after notification of the Annual General Meeting for the Area Farmers' Organization is made, and at twelve noon of the twenty-first day after notification of the Annual General Meeting for the State and National Farmers' Organizations are made.

Elections
to be held.

44. (1) Elections to the various Board of Directors of Farmers' Organization and of Representatives shall be held biennially during the Annual General Meeting.

(2) All elections shall be held under the guidance and supervision of the Registrar.

(3) For the purposes of the elections the Registrar shall appoint a presiding officer, who shall preside over and conduct the elections, and a number of election assistants to assist the presiding officer.

(4) The presiding officer and the election assistants shall form the panel to which any complaints and questions of validity of any ballot shall be directed, and whose decision shall be final.

45. (1) One ballot containing the names of all the candidates to the Board of Directors and another ballot containing the names of all the candidates for the office of Representatives shall, as the case may be, be issued to each member who is eligible to vote as he comes in to attend the Annual General Meeting.

Issue of ballot papers and voting.

(2) The form of a ballot mentioned in sub-regulation (1) shall be as prescribed by the Registrar.

(3) When the Annual General Meeting is called to order, the presiding officer shall declare the hour when voting shall be closed, after which hour no ballot shall be received.

(4) Voting shall be exercised during the course of the Annual General Meeting.

(5) A person who is eligible to vote shall not give more votes than there are vacancies and shall not give two or more votes to any particular candidate.

46. (1) At the close of the voting in an Annual General Meeting of an Area Farmers' Organization or State Farmers' Organization, the presiding officer shall draw up—

Presiding officer to draw up list at the close of the voting.

(a) a list of the names of the candidates to the Board of Directors;

(b) a list of the names of the candidates for the office of Area Representatives or State Representatives;

arranged in a descending order of the number of votes obtained.

(2) At the close of the voting in an Annual General Meeting of a member-unit or the National Farmers' Organization, the presiding officer shall draw up a list of names of candidates in a descending order of the number of votes obtained.

(3) The persons who shall be declared directors or Representatives, as the case may be, shall be the first number of persons in any of the lists specified in sub-regulations (1) and (2) as equal the number of vacancies in the office of elected directors or Representatives.

(4) Where there is an equality of votes and it is necessary to determine the successful candidates, a draw by lots shall be made in the presence of the presiding officer and such person or persons as have been successful shall be declared directors or Representatives, as the case may be.

47. Voting by proxy in any meeting or election is prohibited.

Voting by proxy.

Validity of
ballot.

48. (1) A ballot shall be held to be invalid if—

- (a) it does not bear the signature of the issuing officer or the official seal of the member-unit or Farmers' Organization; or
- (b) it cannot be ascertained with certainty whom the voter is voting for.

(2) The presiding officer shall determine the validity of the ballots.

(3) If any of the candidates is aggrieved by the decision of the presiding officer, he shall appeal within 30 days from the date of the election to the Registrar.

Vacancy in
elected
offices.

49. (1) If any vacancy in any elected office arises the Chairman of the Board of Directors shall inform the Registrar of the office vacated.

(2) If the office vacated is that of **Representatives**, the person obtaining the next highest vote in the list of the last elections shall be deemed to be the Representative.

(3) If the office vacated is that of an appointed director, the Registrar shall request the Minister to exercise his discretion.

(4) If the office vacated is that of an elected director, the person obtaining the next highest vote in the list of the last elections shall be deemed to be a director.

(5) No proceedings of a Board of Directors or a General Meeting shall, provided that there is a quorum, be invalidated by reason of—

- (a) any vacancy in its membership;
- (b) any defect afterwards discovered in the appointment or qualification of a person purporting to be a member;
- (c) any minor irregularity in the convening or conduct of a meeting; or
- (d) the presence or participation of a person not entitled to be present or to participate.

Presiding
officer at
meeting.

50. (1) The Chairman of the Board of Directors or his nominee shall be the presiding officer at any of the Farmers' Organizations' member-unit General Meetings.

(2) The Chairman of the Board of Directors shall be the presiding officer at any of the meetings of the Board of Directors.

(3) Where the Chairman is, for any reason or by reason of sub-regulation (5), unable to preside, no business shall be conducted by that meeting until a presiding officer has been elected from among the members of the Board of Directors, member-unit or Farmers' Organization, as the case may be.

(4) The election of an alternate presiding officer shall be by a show of hands; and the person with the most number of votes shall be presiding officer.

(5) If a meeting is convened to discuss the dismissal of a Chairman of the Board of Directors or any holder of an elected office, the Chairman or the holder of that office shall not be the presiding officer of that meeting.

51. (1) The presiding officer at any meeting shall cause minutes to be made—

Minutes.

- (a) of all appointments of officers to be engaged in the management of the Farmers' Organization's affairs;
- (b) of names of directors and Representatives present at all meetings of the Farmers' Organization and of the Board of Directors;
- (c) of all proceedings at all meetings of the Farmers' Organization and of the Board of Directors.

(2) A copy of the minutes shall be sent to the Registrar not later than two months from the date of the meeting.

(3) Such minutes shall be signed by the presiding officer of the meeting at which the proceedings were held or by the presiding officer of the next succeeding meeting.

52. The original of lists prepared at the close of the elections shall be sent to the Registrar and a copy thereof kept by the Farmers' Organization until the next elections.

Lists to be kept until next elections.

53. (1) No action for dismissal of an elected director shall take place until he has held office for a period exceeding three months.

Dismissal of and elected officer.

(2) A petition for the dismissal of an officer shall—

- (a) be signed by not less than one third of the members of the member-unit or Farmers' Organization who are eligible to vote in the member-unit or Farmers' Organization General Meeting;
- (b) state the reasons for such proposal; and
- (c) be submitted to the Chairman of the Board of Directors or, in the case of a member-unit of an Area Farmers' Organization, to the Chairman of the Board of Directors of the Area Farmers' Organization.

(3) Within one week of the petition the Chairman of the Board of Directors shall serve a copy of the petition on the officer in question.

(4) The officer shall within fourteen days of service of the petition submit a reply to the Chairman of the Board of Directors.

(5) The Chairman of the Board of Directors shall, within seven days after the expiry of the fourteen days allowed in sub-regulation (4) or receipt of the reply, whichever is the earlier, call for an Extra-Ordinary General Meeting.

(6) The petition shall be deemed to be passed if it is passed by a majority of the members present at the Extra-Ordinary General Meeting, voting by secret ballot.

(7) The Chairman of the Board of Directors shall inform the Registrar of the result of the voting.

Amendment
of the
constitution.

54. (1) Subject to this regulation, the constitution of a Farmers' Organization may be amended at any General Meeting.

(2) Any proposal to amend the constitution shall be submitted to the Chairman of the Board of Directors not less than twenty-one days prior to the date of the General Meeting, and the Chairman shall serve a copy thereof upon the Registrar.

(3) No amendment of the constitution shall be voted on unless the proposed amendments have been served on the Registrar.

(4) If the Registrar is satisfied that an amendment is not contrary to the Act or these Regulations, he may register the amendment.

(5) No amendment shall have any effect until it has been registered by the Registrar.

(6) An amendment which changes the name of the Farmers' Organization shall not affect any right or obligation of the Farmers' Organization or any of its members or member-units and any legal proceedings may be continued by or against the Farmers' Organization under the new name.

(7) If the Registrar is of the view that an amendment is necessary, the Registrar may call upon the Farmers' Organization to accordingly amend its constitution and may specify the period within which such amendment must be made; and if, upon expiry of the specified period, no amendment has been made, the Registrar shall register the amendment and henceforth the constitution shall be deemed to have been accordingly amended.

PART VII

FINANCE

Investment
of funds.

55. A Farmers' Organization may invest or deposit its funds in accordance with section 15B of the Act but no Farmers' Organizations shall, without the written approval of the Registrar, exercise any of the powers specified in section 15B of the Act where the sum or value involved exceeds—

- (a) fifty thousand ringgit in the case of an Area Farmers' Organization;
- (b) one hundred thousand ringgit in the case of a State Farmers' Organization; and
- (c) two hundred thousand ringgit in the case of a National Farmers' Organization.

Net
profits.

56. (1) One fourth or such lesser sum as the Registrar may specify of the net profits of a Farmers' Organization shall be carried into a reserve fund.

(2) The reserve fund of a Farmers' Organization shall be indivisible and no member or member-unit shall be entitled to claim any specified share in it.

(3) A Farmers' Organization may with the approval of the Registrar and subject to such conditions as he may impose utilize the reserve fund or a portion thereof to meet the losses incurred by the Farmers' Organization.

(4) Subject to sub-regulations (5), (6) and (7), the balance of the net profits after payment into the reserve fund may be utilized for the following purposes:

- (a) the payment of bonus to employees;
- (b) the payment of dividend or patronage dividend to members and member-units;
- (c) the payment of honorarium to officers of the Farmers' Organization;
- (d) the creation and maintenance of a welfare fund; and
- (e) such other purposes as may be specified in the constitution or rules of the Farmers' Organization.

(5) The Registrar may limit the amount of honorarium to be paid to the officers of the Farmers' Organization.

(6) No Farmers' Organization shall pay a dividend on shares in excess of ten per centum without the approval of the Registrar.

(7) No payment into a welfare fund shall exceed ten per centum of the balance of the net profits after payment into the reserve fund.

(8) In this regulation, the term "net profits" includes any profits made in the past years which are available for distribution.

57. (1) A Farmers' Organization shall credit to a Reserve Accounts all capital gains arising from—

Capital gains and bonus shares.

- (a) the sale of investments and fixed assets; and
- (b) the revaluation of fixed assets.

(2) A Farmers' Organization shall obtain the prior approval of the Registrar for the sale and revaluation mentioned in sub-regulation (1).

(3) The capital gains referred to in sub-regulation (1) may be utilised by the Farmers' Organization for the declaration and the issue of bonus shares subject to the Registrar being satisfied that the accounts and records are kept in order and up to date—

- (a) to its members whose names are on the register of members on the date of declaration of bonus shares;
- (b) based on the shares held by each member as at six months prior to the date of sale or revaluation of the assets of the Farmers' Organization.

(4) The bonus shares issued to the members under sub-regulation (3) shall not be withdrawn but may, with the approval of the Board, be transferred to another member of the Farmers' Organization or, in the case of a member who dies after the issue of the bonus shares, be paid out of the Share Redemption Fund of that Farmers' Organization to be created from the general Fund set aside for that purpose.

(5) A register of bonus shares shall be maintained by the Farmers' Organization.

58. (1) A Farmers' Organization shall not make any loan to any person other than a member or member-unit; but it may make loans to its employees in accordance with the terms and conditions as laid down in the constitution or rules.

Loan and borrowing power.

(2) Subject to such limit as the Registrar may impose from time to time on its maximum borrowing powers and the maximum rate of interest to be paid on its borrowings, a Farmers' Organization may borrow funds from members and non-members to be used in its business.

(3) Subject to such limit as may be imposed by the Registrar, a Farmers' Organization shall determine annually at a general meeting the maximum limit of indebtedness in respect of existing and new borrowing which may be incurred in the coming year; and the limit may be modified at a subsequent general meeting.

Restrictions
on share-
holding and
transfers.

59. (1) No member or member-unit shall hold more than one fifth of the share capital of any Farmers' Organization and any transfer or charge of any share or interest of any member or member-unit shall be subject to the maximum holding specified.

(2) No transfer or charge of any share or interest in a Farmers' Organization shall be made to any person other than a member or member-unit; but a transfer or charge may be made to a person or body whose application for membership has been accepted by the Farmers' Organization.

Transfer of
stocks.

60. (1) The transfer and inheritance of stocks and the use of stocks as security and in payment of debts shall first have the concurrence of the Board of Directors of the issuing Farmers' Organization and the member inheriting the stock shall have the same responsibilities and privileges as did the original stockholder.

(2) For the purpose of sale, redemption, transfer, inheritance and security, each share of the Farmers' Organization stock shall be taken at its face value only.

(3) A member leaving a Farmers' Organization may claim for refunds on stocks purchased.

Liability of
past member
or past
member-
unit.

61. (1) The liability of a past member or past member-unit for the debts of a Farmers' Organization as they existed on the date on which he or it ceased to be a member or a member-unit shall not continue for a period exceeding two years reckoned from that date.

(2) The estate of a deceased member shall not be liable for the debts of a Farmers' Organization as they existed on the date of his decease for a period exceeding two years reckoned from the date of his decease.

(3) The liability of a member or member-unit for the debts of a Farmers' Organization shall be determined in the proportion of the share or interest held by the member or member-unit to the total debts of the Farmers' Organization.

Property
rights.

62. (1) The property rights and interest of the members of a Farmers' Organization shall be determined on an annual basis in the proportion of the business value transacted by each member to the total business value of the Farmers' Organization with proper allowance made for any capital stock share evidenced by capital certificates.

(2) The property rights and interest of each member shall be entered in the books of the Farmers' Organization in accordance with such stipulation as may be provided by the Registrar.

(3) Members shall have no property rights or interest in any property subsidised by Governments, private institutions or individuals.

63. (1) Any member of a Farmers' Organization may in writing in the presence of at least two witnesses attesting the same or by a declaration duly made nominate any person or persons to whom his share or interest or the value of his share or interest and all other monies that may be due to him may, on his death, be paid or transferred and may in similar manner from time to time revoke or vary the nomination. Noninee.

(2) Every nomination, revocation or variation under sub-regulation (1) shall be lodged with the Farmers' Organization by the member.

(3) For the purpose of sub-regulation (1) the value of a member's share or interest shall be represented by the sum actually paid by the member to acquire the share or interest.

(4) Every Farmers' Organization shall keep a register of all persons nominated under sub-regulation (1).

(5) Where any money is paid to a nominee who is a minor, a receipt given either by the minor or his guardian shall be sufficient discharge to the Farmers' Organization.

64. Where a member or person claiming through a member of a Farmers' Organization is insane, and no committee of his estate or trustees of his property has been duly appointed, the Farmers' Organization may, when it is proved to the satisfaction of the Board of Directors that it is just and expedient so to do, pay or transfer the share or interest or the value of the share or interest or all other monies to any person whom it shall judge proper to receive the same on his behalf. Power to deal with property of insane members.

(2) For the purpose of sub-regulation (1), the value of the members' share or interest shall be represented by the sum actually paid by the member to acquire the share or interest.

(3) A receipt given by the person to whom the payment or transfer is made under sub-regulation (1) shall be a good discharge to the Farmers' Organization for any sum so paid.

65. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Farmers' Organization shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by the Chairman and another director or in such manner as the Board of Directors may from time to time determine. Endorsements.

66. (1) A Farmers' Organization and the directors and managers thereof shall cause to be kept such accounting and other records as will sufficiently explain the transactions and financial position of the Farmers' Organization and enable true and fair profit and loss accounts and balance-sheets and any documents required to Accounts to be kept.

be attached thereto to be prepared from time to time, and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited.

(2) A Farmers' Organization and the directors and managers thereof shall cause appropriate entries to be made in the accounting and other records within sixty days of the completion of the transaction to which they relate.

(3) A Farmers' Organization shall retain the records referred to in sub-regulation (1) for seven years after the completion of the transactions or operations to which they respectively relate.

(4) The records referred to in sub-regulation (1) shall be kept at the registered office of the Farmers' Organization or at such other place as the directors think fit and shall at all times be opened to inspection by the directors.

(5) The Registrar may in any particular case order that the accounting and other records of a Farmers' Organization be opened to inspection by him or his authorised representative.

Profit and
loss accounts,
balance-sheet
and directors'
report.

67. (1) The Board of Directors of every Farmers' Organization shall cause to be made out and to be laid before the Farmers' Organization at its Annual General Meeting a profit and loss account for the period since the preceding account (or in the case of the first account, since the formation of the Farmers' Organization) and a balance-sheet as at the date to which the profit and loss account is made up.

(2) The profit and loss account and the balance-sheet of a Farmers' Organization shall be duly audited before they are laid before the Farmers' Organization at its Annual General Meeting.

(3) The Board of Directors of a Farmers' Organization shall cause to be attached to every balance-sheet made out pursuant to this regulation a report signed by or on behalf of the Board of Directors with respect to the state of the Farmers' Organization's affairs.

(4) Each report to which sub-regulation (3) relates shall state with appropriate details—

- (a) whether or not the results of the operations of the Farmers' Organization in the period covered by the profit and loss account have in the opinion of the directors been materially affected by items of an abnormal character;
- (b) the amount, if any, which has been paid or declared or which they recommend should be paid by way of dividend;
- (c) whether or not any circumstances have arisen which render adherence to the existing method of valuation of assets or liabilities of the Farmers' Organization misleading or inappropriate;
- (d) whether any contingent liabilities which have not been discharged have been undertaken by the Farmers' Organization in the period covered by the profit and loss account and, if so, the amount thereof and whether or not any such contingent liability has become enforceable or is likely to become enforceable within the succeeding period

- of twelve months which will materially effect the Farmers' Organization in its ability to meet its obligations as and when they fall due;
- (e) the amount, if any, which they propose to carry to the reserve funds; and
 - (f) where the directors are of the opinion that the total of the current assets would not at least realise the value to which they are shown in the accounts of the Farmers' Organization, their opinion as to the amount that those current might reasonably be expected to realise in the ordinary course of business of the Farmers' Organization.
- (5) Without affecting the generality of the expression "items of an abnormal character", that expression includes—
- (a) any change in accounting principles adopted since the last report;
 - (b) any transfers to or from reserves;
 - (c) any writing off of substantial amounts of bad debts;
 - (d) any change in the basis of valuation of the whole or any part of the work in progress;
 - (e) any item of an unusual nature or value which appears in the accounts; and
 - (f) any absence from the account of any material item usually included therein.
- (6) Every balance-sheet referred to in sub-regulation (1) shall give a true and fair view of the state of affairs of the Farmers' Organization as at the end of the period to which it relates and every profit and loss account shall give a true and fair view of the profit or loss of the Farmers' Organization and, without affecting the generality of the foregoing, every balance-sheet and profit and loss account shall comply with the requirement of the Schedule to these Regulations.
- (7) Every balance-sheet and profit and loss account laid before a Farmers' Organization in an Annual General Meeting shall be accompanied by a statement signed on behalf of the directors by the Chairman and another director of the Farmers' Organization stating that in their opinion—
- (a) the profit and loss account is drawn up so as to give a true and fair view of the results of the business of the Farmers' Organization for the period covered by the account; and
 - (b) the balance-sheet is drawn up so as to exhibit a true and fair view of the state of affairs of the Farmers' Organization as at the end of the period.
- (8) Every balance-sheet and profit and loss account of a company laid before the Farmers' Organization in the Annual General Meeting shall be accompanied by a declaration by the person responsible for the financial management setting forth his opinion as to the correctness or otherwise of the balance-sheet and profit and loss account.

(9) Every Farmers' Organization shall lodge with the Registrar a copy of the report of the auditor and the audited accounts not later than six months after the close of the financial year to which the accounts relate, but the Registrar, on the application of the Farmers' Organization, may extend the period as he may think fit.

(10) No Farmers' Organization shall take into consideration the report and the audited accounts at its Annual General Meeting or make any distribution of its net profits until the report and accounts have been approved by the Registrar.

(11) The Registrar may make an order requiring the Farmers' Organization to take such action as may be specified in the order to remedy the defects as disclosed in the report and accounts within such period as may be specified in the order.

(12) The Registrar may from time to time prescribe the information to be shown in the accounts of any Farmers' Organization.

Disputes.

68. (1) Where any dispute touching the business of any Farmers' Organization arises, any of the parties specified in section 17 (1) (a) (i) to (iii) of the Act shall refer the dispute to the Registrar.

(2) Every reference under sub-regulation (1) shall—

(a) be in writing;

(b) specify the dispute;

(c) set out full particulars of the dispute; and

(d) be signed and dated by the party making the reference.

(3) The Registrar may require the party referring a dispute under sub-regulation (1) to deposit with him such sum of money as may be necessary to meet the costs of deciding the dispute including the fee, if any, payable to the arbitrator or arbitrators.

(4) Where the Registrar decides to refer the dispute to arbitration, he may—

(a) refer it to a single arbitrator appointed by himself; or

(b) refer it to three arbitrators of whom one shall be nominated by each of the parties to the dispute, and the third shall act as Chairman.

(5) If any party to a dispute fails to nominate an arbitrator within such time as may be specified by the Registrar, the Registrar may himself make the nomination.

(6) The decision of the Registrar in the appointment or nomination of an arbitrator shall be final.

(7) The costs and expenses including the remuneration or fee payable to the arbitrator or arbitrators shall be borne and paid by the party or parties to the dispute.

(8) The Registrar, the arbitrator or arbitrators shall have power to administer oaths, to require the attendance of all parties concerned and of witnesses, and to require the production of all books and documents relating to the matter in dispute by a summon delivered orally or sent by hand or by registered post

to the party's last known address or served by the nearest Magistrate Court having jurisdiction in the area in which the Farmers' Organization operates.

(9) The Registrar, arbitrator or, where there are three arbitrators, the Chairman, as the case may be, shall record in the National Language or in English the evidence of the parties and witnesses who attend, and upon the evidence so recorded and after consideration of any documentary evidence produced by either side, a decision or award, as the case may be, shall be given by the Registrar, arbitrator or arbitrators.

(10) In the absence of any party duly summoned to attend, the dispute may be decided ex-parte.

(11) In cases where three arbitrators are appointed, the opinion of the majority shall prevail.

(12) The award of the Registrar, arbitrator or arbitrators shall—

- (a) be in writing;
- (b) be dated and signed by the Registrar or arbitrator or arbitrators;
- (c) state the amount of the costs and expenses, if any, excluding the remuneration or fee payable to the arbitrator or arbitrators as prescribed by the Registrar hereunder, of the arbitration, and by which party or parties to the dispute and in what proportion the same are to be paid; and
- (d) state the manner and terms of repayment if the dispute concerns a debt.

(13) The arbitrator or arbitrators shall within one month from the date of the final hearing or within such extended period as may be approved by the Registrar forward—

- (a) a copy of the award to the parties to the dispute; and
- (b) a copy of the award together with the notes of evidence and grounds of judgment to the Registrar.

(14) The Registrar may in each case prescribe the remuneration or fee payable to the arbitrator or arbitrators.

(15) Any appeal by the aggrieved party against the decision or award of the Registrar, arbitrator or arbitrators shall be accompanied by a deposit to be prescribed from time to time by the Registrar.

69. (1) The Registrar may of his own motion, and shall on the application of a majority of the Board of Directors or of not less than one-third of the Representatives of a Farmers' Organization, hold an inquiry or direct a person authorised by him by order in writing on his behalf to hold an inquiry into the constitution and the working and financial condition of a Farmers' Organization and all officers or office-bearers including any past officer or office-bearer and members of the Farmers' Organization shall produce at such place and within such period as may be specified by the Registrar or the person authorised by the Registrar such

Inquiry and
inspection.

books, accounts, papers and securities of the Farmers' Organization and furnish such information with regard to the affairs of the Farmers' Organization as the Registrar or the person authorised by him may require.

(2) The Registrar may at his discretion communicate all or any of the findings of an inquiry held, under sub-regulation (1) to the Farmers' Organization concerned.

(3) The Registrar shall, on the application of a creditor of a Farmers' Organization, inspect or direct a person authorised by him in writing on his behalf to inspect the books of the Farmers' Organization if the applicant—

(a) proves that an ascertained sum of money is then due to him and that he has demanded payment and has not received reasonable satisfaction within a reasonable time; and

(b) deposit with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(4) The Registrar shall communicate the findings of the inspection under sub-regulation (3) to the creditor.

(5) Where an inquiry is held under sub-regulation (1) or an inspection is made under sub-regulation (3), the Registrar may by a certificate under his hand make an award apportioning the costs, or such part of the costs as he may think right, between—

(a) the Farmers' Organization;

(b) the person demanding an inquiry;

(c) the officers or office-bearers or past officers or past office-bearers of the Farmers' Organization; and

(d) the creditor on whose application the inspection was made.

(6) Any sum awarded by way of costs against any Farmers' Organization or person under this regulation may be recovered on production of the certificate referred to in sub-regulation (5) to a civil court having jurisdiction in the place where the registered office of the Farmers' Organization is situated or where the person resides or carries on business for the time being.

(7) The Registrar may make an order requiring the Farmers' Organization concerned to take such action as may be specified in the order to remedy the defects as disclosed in the inquiry or inspection within such time as may be specified in the order.

PART VIII

DISSOLUTION

Liquidation,
after dissolution
or cancellation of
registration.

70. When a Farmers' Organization is dissolved or when its registration is cancelled under subsection 3 of section 20 of the Act the Registrar may appoint a competent person to be liquidator of the Farmers' Organization.

71. (1) A liquidator appointed under regulation 70 shall, subject to the guidance and control of the Registrar and to any limitations imposed by the Registrar by order under section 72 of these Regulations, have power to—

Liquidator's power.

- (a) determine from time to time the contributions to be made by members and past members or by the estates of deceased members of the Farmers' Organization to its assets;
- (b) appoint by notice a day before which creditors whose claims are not already recorded in the books of the Farmers' Organization shall state their claims for admission or be excluded from any distribution made before they have proved them;
- (c) decide any question of priority which arises between claimants and draw up a scheme for the payment of their dues but the payment of any claim or debt due to the Federal Government, the Authority, the State Government and any other statutory bodies shall be in priority and preference to all other claims;
- (d) institute and defend suits and other legal proceedings by and on behalf of the Farmers' Organization by his name of office and to appear in Court as a litigant in person on behalf of the Farmers' Organization;
- (e) empower any person to make collections and to grant valid receipts on his behalf;
- (f) decide to what persons and in what proportions the costs of liquidation are to be borne;
- (g) take possession from any person, including any contributory, past or present director, representative, officer, office-bearer or employee member, any money, property, books or papers which are in his hands and to which the Farmers' Organization is prima facie entitled;
- (h) give such directions in the collection and distribution of the assets of the Farmers' Organization and the disposal of the books and documents of the Farmers' Organization as may be necessary in the course of winding up the Farmers' Organization;
- (i) compromise any claim by or against the Farmers' Organization if the sanction of the Registrar has first been obtained;
- (j) call such general meetings of members as may be necessary for the proper conduct of the liquidation;
- (k) take possession of the books, documents and assets of the Farmers' Organization;
- (l) sell the property of the Farmers' Organization;
- (m) carry on the business of the Farmers' Organization so far as may be necessary for winding it up beneficially;
- (n) arrange for the distribution of the assets of the Farmers' Organization in a convenient manner when a scheme of distribution has been approved by the Registrar.

(2) A liquidator may refer any dispute to the Registrar; and in relation to the dispute the provisions of section 17 of the Act shall apply as if the dispute were a dispute touching the business of a Farmers' Organization.

(3) A liquidator shall deposit the funds and other assets of a dissolved Farmers' Organization which are collected by him or which come into his possession as liquidator in such manner and in such place as may from time to time be determined by the Registrar.

(4) A liquidator shall, every three months, submit to the Registrar a report stating the progress made in winding up the affairs of the Farmers' Organization, and shall, on completion of the liquidation proceedings, submit a final report and make over to the Registrar all books, registers and accounts belonging to the Farmers' Organization and all books and accounts relating to the proceedings kept by him.

(5) Any liquidator appointed under these Regulations shall, in so far as such powers are necessary for carrying out the purposes of these Regulations, have power to summon and enforce the attendance of past and present directors, Representatives, officers, office-bearers, employees and other parties and witnesses and to compel the production of documents by the same means and (so far as may be) in the same manner as is provided in the case of a Sessions Court.

Power of
Registrar
to control
liquidation.

72. The Registrar may—

- (a) rescind or vary any order made by a liquidator and make whatever new order is required;
- (b) remove a liquidator from office;
- (c) call for all books, documents and assets of the Farmers' Organization;
- (d) by order in writing limit the powers of a liquidator under regulation 71;
- (e) require accounts to be rendered to him by the liquidator;
- (f) procure the auditing of the liquidator's accounts and authorize the distribution of the assets of the Farmers' Organization;
- (g) dispose off the assets of the Farmers' Organization in any manner which he thinks expedient;
- (h) make an order for the remuneration of the liquidator, which remuneration shall be included in the costs of liquidation and shall be payable out of the assets in priority to all other claims.

Enforcement
of order.

73. An order made by the liquidator or by the Registrar under regulation 71 or regulation 72 shall be enforced by any Sessions Court having jurisdiction over the place where the registered office of the Farmers' Organization is situated as if it is an order made by that Court.

Proof of
debts.

74. (1) The liquidator shall, as soon as the order of dissolution of a registered Farmers' Organization takes effect, publish by such means as he thinks proper a notice requiring all claims against the Farmers' Organization to be submitted to him within thirty days of the publication of the notice and all liabilities recorded in the books of the Farmers' Organization shall be deemed to have been duly submitted to him under this regulation.

(2) A debt shall be proved by a creditor in any dissolution by delivering or sending through the post to the liquidator an affidavit verifying the debt.

(3) An affidavit proving a debt may be made by the creditor himself or by some other person authorised by or on behalf of the creditor.

(4) If an affidavit under sub-regulation (3) is made by a person authorised by or on behalf of the creditor, the affidavit shall state his authority and means of knowledge.

(5) An affidavit proving a debt shall contain or refer to a statement of accounts showing the particulars of the debt, and shall specify the vouchers, if any, by which the same can be substantiated; and the liquidator to whom the proof is sent may at any time call for the production of the vouchers.

(6) An affidavit proving a debt shall state whether the creditor is or is not a secured creditor.

(7) A creditor shall bear the costs of proving his debt unless the liquidator otherwise orders.

(8) A creditor proving his debt shall deduct therefrom all trade discounts.

(9) When any rent or other payment falls due at stated periods, and the order or resolution to dissolve is made at any time other than one of those periods, the persons entitled to the rent or payment may prove for a proportionate part thereof up to the date of the dissolution order or resolution as if the rent or payment is due from day to day, but where the liquidator remains in occupation of premises leased to a Farmers' Organization which is being dissolved, nothing herein contained shall prejudice or affect the right of the landlord of the premises to claim payment, from the Farmers' Organization or the liquidator, of rent during the period of the Farmers' Organization's or the liquidator's occupation.

(10) On any debt or sum certain payable at a certain time or otherwise whereon interest is not reserved or agreed for and which is overdue at the date of the commencement of the dissolution, the creditor may prove for interest at a rate not exceeding four per centum per annum from the time when the debt or sum was payable to the date of the commencement of the dissolution and if the debt or sum is payable by virtue of a written instrument at a certain time; and if payable otherwise, then from the time when a demand in writing has been made, giving notice that interest will be claimed from the date of the demand until the time of payment.

(11) A creditor may prove for a debt not payable at the date of the dissolution order as if it were payable presently, and may receive dividends equally with the other creditors deducting only thereout a rebate of interest at the rate of four per centum per annum computed from the declaration of a dividend to the time when the debt would have become payable according to the terms on which it was contracted.

(12) In any case in which it appears that there are numerous claims for wages by workmen and others employed by the Farmers' Organization the following provisions shall apply:

- (a) it shall be sufficient if one proof for all the claims is made by either a foreman or some other person on behalf of all the creditors;
- (b) the proof shall have annexed thereto as forming part thereof, a schedule setting forth the names of the workmen and others and the amounts severally due to them; and
- (c) any proof made in compliance with this regulation shall have the same effect as if separate proofs had been made by each of the workmen or others.

(13) Where a creditor seeks to prove in respect of a bill of exchange, promissory note, negotiable instrument or other security in which the Farmers' Organization is liable, the bill of exchange, promissory note, negotiable instrument or security must, subject to any special order of the Registrar, be produced to the liquidator and be marked by him before the proof can be admitted either for voting or for any purpose.

Preferential
creditors.

75. (1) The Federal Government, the Authority, the State Government and any other statutory bodies shall rank as preferential creditors in the above order respectively in priority to all other creditors.

(2) Subject to the provisions of these Regulations and unless otherwise ordered by the Registrar, the liquidator in any dissolution may from time to time fix a certain day, which shall be not less than fourteen days from the date of the notice, on or before which the creditors of the Farmers' Organization are to prove their debts or claims, and to establish any title they may have to priority or to be excluded from the benefit of any distribution made before such debts are proved or from objecting to such distribution, as the case may be.

(3) The liquidator shall give notice in writing of the day fixed under sub-regulation (1)—

- (a) by advertisement in such newspaper as he shall consider convenient;
- (b) to every person mentioned in the Statement of Affairs as a preferential creditor whose claim to be a preferential creditor has not been established and is not admitted;
- (c) to the last known address or place of abode of each person who, to the knowledge of the liquidator, claims to be a creditor or preferential creditor of the Farmers' Organization and whose claim has not been admitted.

Admission
and
rejection of
proofs.

76. (1) The liquidator shall examine every proof of debt lodged with him, and the grounds of the debt, and in writing admit or reject it, in whole or in part, or require further evidence in support of it.

(2) If the liquidator rejects a proof he shall state in writing to the creditor the grounds of the rejection.

(3) If a creditor or contributory is dissatisfied with the decision of the liquidator in respect of a proof, the Registrar may, on the application of the creditor or contributory, reverse or vary the decision; but subject to the power of the Registrar to extend the time, no application to reverse or vary the decision of the liquidator rejecting a proof sent to him by a creditor, or person claiming to be a creditor, shall be entertained unless notice of the application is given before the expiration of twenty-one days from the date of the service of the notice of rejection.

(4) If the liquidator thinks that a proof has been improperly admitted, the Registrar may, on the application of the liquidator, after notice to the creditor who made the proof, expunge the proof or reduce its amount.

(5) The Registrar may also expunge or vary a proof upon the application of a creditor or contributory if the liquidator declines to interfere in the matter.

77. (1) The liquidator shall have power to call at any time any member or meeting of the members of the past Board of Directors or of the general body or meeting of creditors or members of the Farmers' Organization which is being dissolved. General meetings of creditors and contributories.

(2) A meeting under sub-regulation (1) shall be called, held and conducted in such manner as the liquidator may think fit.

(3) In addition to the first meeting of creditors and contributories and in addition also to meetings directed to be held by the Registrar, the liquidator may himself from time to time, subject to the provisions of these Regulations and the control of the Registrar, summon, hold and conduct meetings of the creditors or contributories for the purpose of ascertaining their wishes in matters relating to the dissolution.

78. (1) Except where and so far as the nature of the subject-matter or the context may otherwise require, sub-regulations (2) to (29) shall apply to first meetings, liquidator's meetings of creditors and contributories, and voluntary liquidation meetings subject and without prejudice to any express directions of the Registrar. Procedure of meeting.

(2) The liquidator shall summon all meeting of creditors and contributories by giving not less than seven days notice of the time and place thereof in a local newspaper and shall send by post to every person appearing by the Farmers' Organization's books or otherwise to be a creditor of the Farmers' Organization notice of the meeting of creditors not less than seven days before the day appointed for the meeting.

(3) The notice to each creditor shall be sent to the address given in his proof, or if he has not proved, to the address given in the Statement of Affairs of the Farmers' Organization, if any, or to such other address as may be known to the person summoning the meeting.

(4) The notice to each contributory shall be sent to the address mentioned in the Farmers' Organization's books as the address of the contributory, or to such other address as may be known to the person summoning the meeting.

(5) Every meeting shall be held at such place as in the opinion of the liquidator convening the same most convenient for the majority of the creditors or contributories or both, and different times or places or both may, if thought expedient, be named for the meetings of creditors and for the meetings of contributories.

(6) Where a meeting is summoned by a liquidator, he or someone nominated by him shall be Chairman of the meeting.

(7) At a meeting of creditors a resolution shall be deemed to be passed when a majority in number and value of the creditors present personally or by proxy and voting on the resolution have voted in favour of the resolution.

(8) At a meeting of contributories a resolution shall be deemed to be passed when a majority in number and value of the contributories have voted in favour of the resolution, the value of the contributories being determined according to the number of votes conferred on each contributory by the constitution or rules of the Farmers' Organization.

(9) Where a meeting of creditors or contributories is summoned by notice, the proceedings and resolutions at the meeting shall, unless the Registrar otherwise orders, be valid notwithstanding that some creditors or contributories may not have received the notice sent to them.

(10) The liquidator may with the consent of the meeting adjourn it from time to time and from place to place, but the adjourned meeting shall be held at the same place as the original meeting unless in the resolution for adjournment another place is specified or unless the Registrar otherwise orders.

(11) A meeting may not act for any purpose except the election of a chairman, the proving of debts and the adjournment of the meeting unless there are present or represented thereat—

(a) in the case of a creditors' meeting, at least three creditors entitled to vote;

(b) in the case of a meeting of contributories, at least three contributories;

(c) where the number of creditors entitled to vote or the number of contributories does not exceed three, all the creditors entitled to vote or all the contributories.

(12) If within half an hour from the time appointed for the meeting a quorum of creditors or contributories, as the case may be, is not present or represented, the meeting shall be adjourned to the same day in the following week at the same time and place or to such other day or time or place as the liquidator may appoint, but so that the day appointed shall not be less than seven and more than twenty-one days from the day from which the meeting was adjourned.

(13) A creditor shall not vote in respect of any unliquidated or contingent debt or any debt the value of which is not ascertained, nor shall a creditor vote in respect of any debt on or secured by a current bill of exchange or promissory note held by him unless he is willing to treat the liability to him thereon of every person who is liable thereon antecedently to the Farmers' Organization, and against whom a receiving order in bankruptcy

has not been made, as a security in his hands, and to estimate the value thereof, and, for the purposes of voting but not for the purposes of dividend, to deduct it from his proof.

(14) For the purpose of voting, a secured creditor shall—

- (a) unless he surrenders his security, state in his proof the particulars of his security, the date when it was given, and the value at which he assesses it;
- (b) be entitled to vote only in respect of the balance, if any, due to him after deducting the value of his security; and
- (c) if he votes in respect of his whole debt, be deemed to have surrendered his security, unless the Registrar on application is satisfied that the omission to value the security has arisen from inadvertence.

(15) The liquidator shall have power to admit or reject a proof for the purpose of voting, but his decision shall be subject to appeal to the Registrar and if he is in doubt whether a proof shall be admitted or rejected he shall mark it as objected to and allow the creditor to vote subject to the vote being declared invalid in the event of the objection being sustained.

(16) The liquidator shall cause minutes of the proceedings at the meeting to be drawn up and fairly entered in a book kept for that purpose and the minutes shall be signed by him or by the Chairman of the next ensuing meeting.

(17) A creditor or a contributory may vote either in person or by proxy.

(18) Where a person is authorised to represent a corporation at any meeting of creditors or contributories such person shall produce to the liquidator or the Chairman of the meeting a copy of the resolution so authorising him, such copy either to be under the seal of the corporation or must be certified to be a true copy by the secretary or a director of the corporation.

(19) Every instrument of proxy shall be in accordance with the appropriate form prescribed by the Registrar.

(20) Forms of proxy shall be sent to the creditors and contributories with the notice summoning the meeting, and neither the name nor description of the liquidator or any other person shall be printed or inserted in the body of any instrument of proxy before it is so sent.

(21) A creditor or contributory in a dissolution may appoint the liquidator to act as his proxy.

(22) No person acting either for himself or under a proxy shall vote in favour of any resolution which would directly or indirectly place himself, his partner or employer in a position to receive any remuneration out of the Farmers' Organization otherwise than as a creditor rateably with the other creditors of the Farmers' Organization.

(23) Except as provided by these Regulations, a liquidator shall not under any circumstances whatever, make any arrangement for, or accept from any solicitor, auctioneer, or any other person connected with the Farmers' Organization of which he is liquidator, or who is employed in connection with the dissolution of the

Farmers' Organization, any gift, remuneration, or pecuniary or other consideration of benefit whatever beyond the remuneration to which under these Regulations he is entitled as liquidator, nor shall he give up or make any arrangement for giving up, any part of such remuneration to any such solicitor, auctioneer, or any other person.

(24) Neither the liquidator, nor any member of the Committee of Inspection of the Farmers' Organization while acting as liquidator or member of such committee, either directly or indirectly by himself, agent, clerk or servant, shall become purchaser of any part of the Farmers' Organization and any such purchase made contrary to the provisions of these Regulations may be set aside by the Registrar and the Registrar may make such order as to costs as the Registrar may think fit.

(25) Where the liquidator carries on the business of the Farmers' Organization, he shall not, without the express sanction of the Registrar, purchase goods for the carrying on of such business from any person whose connection with him is of such a nature as would result in his obtaining any portion of the profit (if any) arising out of the transaction.

(26) In a dissolution, if it appears to the Registrar that any profit or payment has been made contrary to the provisions of these Regulations, the Registrar may disallow such payment or recover such profit, as the case may be, on the audit of the liquidator's accounts or otherwise.

(27) In any case in which the sanction of the Registrar is obtained under sub-regulation (26) the cost of obtaining such sanction shall be borne by the person in whose interest such sanction is obtained, and shall not be payable out of the Farmers' Organization's assets.

(28) Where the sanction of the Registrar to a payment to a member of a Committee of Inspection for services rendered by him in connection with the administration of the Farmers' Organization's asset is obtained, the order of the Registrar shall specify the nature of the services, and such sanction shall only be given where the service performed is of a special nature.

(29) Except by the express sanction of the Registrar no remuneration shall, under any circumstances, be paid to a member of a Committee for services rendered by him in the discharge of the duties attaching to his office as a member of such Committee.

Liquidator to determine assets and liabilities of Farmers' Organization.

79. (1) The liquidator shall then proceed to determine the liabilities of the Farmers' Organization as they stood on the date on which the order of dissolution was passed.

(2) The liquidator shall, after determining the assets and liabilities of the Farmers' Organization as they stood on the date on which the order was passed, proceed to make contribution orders.

(3) If necessity arises, the liquidator may also make a subsidiary order or orders in this regard and such orders shall be enforceable in the same manner as the original order.

(4) The liquidator shall submit his contribution order or subsidiary order together with a list of the property of each member and past member and of the estates of the deceased members, to the Registrar for approval, and the Registrar may, if he thinks fit, modify the order or refer it back to the liquidator for further inquiry or other action.

(5) The Registrar may issue general instructions laying down the principles according to which and the manner in which the contributions shall be determined and the liquidator shall act according to these instructions.

(6) The liquidator will make attempts to recover all sums and other properties to which the Farmers' Organization is entitled and also the amount of contributory and subsidiary orders made by him as approved by the Registrar.

(7) The liquidator shall keep a summary of the evidence recorded by him and a list of the documents admitted by him in the proceedings regarding dissolution of a Farmers' Organization.

(8) The liquidator shall keep such books and accounts and shall submit such periodical returns to the Registrar as may from time to time be prescribed by the Registrar.

80. Except as provided for in these Regulations, no civil court shall have any jurisdiction in respect of any matter concerned with the dissolution of a Farmers' Organization under these Regulations and no appeal shall lie to any civil court from any order of the liquidator.

Limitation of the jurisdiction of the civil court.

81. (1) In the liquidation of a Farmers' Organization whose registration has been cancelled, the funds, including the reserve funds, shall be applied first to the costs of liquidation, then to the discharge of the liabilities of the Farmers' Organization, then to the payment of a dividend at a rate prescribed by the Registrar for any period for which no disposal of profits was made.

Closure of liquidation.

(2) When the liquidation of a Farmers' Organization has been closed and any creditor of the Farmers' Organization has not received what is due to him under the scheme of distribution, notice of the closing of the liquidation, shall be published in the *Gazette*, and all claims against the funds of the Farmers' Organization liquidated shall be prescribed in the publication of the *Gazette* notice.

(3) Any balance of the funds remaining after the expiry of the two years of the *Gazette* notice referred to in sub-regulation (2) shall be credited into the Farmers' Organization's Central Fund which shall be held and administered by the Registrar in accordance with the Act and these Regulations.

82. No proceedings under the Act or the Regulations shall be invalidated by any formal defect or by any irregularity, unless the Registrar before which an objection is made to the proceedings is of the opinion that substantial injustice has been caused by the defect or irregularity and that the injustice cannot be remedied by an order of the Registrar.

Defect does not invalidate proceedings.

- Act done by liquidator in good faith. 83. No act done by a liquidator shall be vitiated if the act done by him is made in good faith.
- Saving. 84. These Regulations and the forms thereby prescribed shall not prejudice or affect anything done or suffered before the date on which these Regulations come into operation.

PART IX
MISCELLANEOUS

Registrar may issue instructions. 85. The Registrar may, if he deems necessary, issue instructions or prescribe forms in carrying out the provisions of the Act and these Regulations.

Revocation. P.U. 408/67. P.U. (A) 91/74. 86. The Farmers' Association Regulations 1967 and the Farmers' Organization Regulations 1974 are revoked.

SCHEDULE

PROFIT AND LOSS ACCOUNT

1. There shall be shown in respect of the period of accounting—
- (a) the net balance of profit and loss on the Farmers' Organization trading;
 - (b) the gross income from investments;
 - (c) amounts (if any) charged for depreciation or amortization on—
 - (i) investments;
 - (ii) fixed assets;
 - (d) the amount of—
 - (i) interest on the Farmers' Organization's debentures and fixed term loans;
 - (ii) rent for land and buildings used by the Farmers' Organization; and
 - (iii) charges for the hire of plant and machinery used by the Farmers' Organization;
 - (e) any profit or loss arising from a sale or revaluation of fixed or intangible assets if brought into account in determining the Farmers' Organization's profit or loss;
 - (f) the amounts, if material, set aside or proposed to be set aside to, or withdrawn from, reserves;
 - (g) the amount, if material, set aside to provisions other than provisions for depreciation, renewals or diminution in value of assets or, as the case may be, the amount, if material, withdrawn from such provisions and not applied for the purposes thereof;
 - (h) the amounts provided for redemption of loans;
 - (i) provision made for payment of income tax based on the profit for the period of accounting;
 - (j) the aggregate amount of the dividends paid and the aggregate amount of the dividends proposed to be paid;

- (k) the total of the amount paid to the directors as honoraria for their services and as bonuses to employees, except that where a director or any firm of which the director is a member acts for the Farmers' Organization in a professional capacity, the amount paid to the director or to his firm for services rendered to the Farmers' Organization in that capacity shall not be included in the total but shall be shown separately whether by way of note or otherwise;
- (l) the total of the amount paid to or receivable by the auditors as remuneration for their services as auditors; and
- (m) any exceptional credits or charges arising from previous years but earned or incurred in the period of accounting.

Balance—Sheet

2. (1) There shall be shown as at the end of the period of accounting—
- (a) the amount of authorized capital;
 - (b) the reserves, provisions, liabilities, fixed assets and current assets classified separately under headings appropriate to the Farmers' Organization business showing separately the provision for taxation and stating the method used to arrive at the amount of assets under each heading but—
 - (i) where the amount of any class is not material, it may be included under the same heading as some other class;
 - (ii) where any assets of one class are not separable from assets of another class, these assets may be included under the same heading; and
 - (iii) where any assets cannot truly and fairly be shown as either fixed assets or current assets, these assets may be included separately under an appropriate heading;
 - (c) under separate headings—
 - (i) amounts owing by members and member-units of the Farmers' Organization;
 - (ii) trade debts and bills receivable (other than amounts owing by members and member-units of the Farmers' Organization);
 - (iii) other debts owing to the Farmers' Organization, and, where any amounts or debts shown under such a heading include any sums which consist of or are in the nature of interest, accommodation charges, service charges, maintenance charges or insurance premium these sums shall, except to the extent that they have become due and payable and have been demanded, be shown as a deduction from the amounts or debts shown under that heading;
 - (d) balance of profit and loss account;
 - (e) liabilities (other than bank loans and overdrafts) secured by any charge on the assets whether registered or not (showing separately the aggregate of the amounts that are payable

not later than twelve months after the date to which the accounts are made up and the aggregate of the amounts that are payable later than twelve months after that date);

- (f) bank loans and overdrafts distinguishing between those which are secured and those which are unsecured;
- (g) amounts borrowed without security (showing separately the aggregate of the amounts that are or may be repayable not later than twelve months after the date to which the accounts are made up and the aggregate of the amounts that are repayable later than twelve months after that date);
- (h) amounts owing to members and member-units of the Farmers' Organization;
- (i) amounts owing to trade creditors (other than amounts owing to members and member-units of the Farmers' Organization);
- (j) other amounts owing by the Farmers' Organization;
- (k) under separate headings (to be stated by way of note if not otherwise shown)—
 - (i) contingent liabilities unsecured;
 - (ii) contingent liabilities secured upon the Farmers' Organization assets;
 - (iii) where practicable, the aggregate amount, if it is material, of contracts for capital expenditure, so far as that amount has not been provided for.

(2) For the purposes of this paragraph, where more than one method is used to arrive at any amount shown in the balance-sheet or profit and loss account laid before the Farmers' Organization after the commencement of these Regulations, the balance-sheet and profit and loss account shall show corresponding amounts for all items shown in the balance-sheet or profit and loss account last laid before the Farmers' Organization in the Annual General Meeting.

Made the 7th July 1983.
[LPP (B) Sulit 4/93; PN. (PU²) 133 Pt. II.]

ABDULLAH BIN UJANG,
Director General,
Farmers' Organization Authority

Approved the 7th July 1983.
[BUU/KP/LPP/1.]

DATO' ABDUL MANAN BIN OTHMAN,
Minister of Agriculture