

GOVERNMENT OF GOA
Department of Law & Judiciary
Legal Affairs Division

Notification
7/39/2001-LA

The Goa Co-operative Societies Act, 2001 (Goa Act 36 of 2001), which has been passed by the Legislative Assembly of Goa on 29th March, 2001 and assented to by the Governor of Goa on 18-5-2001, is hereby published for general information of the public.

S. G. Marathe, Under Secretary (Drafting).

Panaji, 24th May, 2001.

The Goa Co-operative Societies Act, 2001
(Goa Act 36 of 2001) [18-5-2001]

AN

ACT

to consolidate and amend the law relating to the Co-operative Societies in the State of Goa.

WHEREAS with a view to providing for the orderly development of the co-operative societies as people's institutions based on self-help and mutual aid in the State of Goa, in accordance with the Co-operative principles, it is expedient to consolidate and amend the law relating to Co-operative Societies in the State.

It is hereby enacted in the Fifty-second Year of the Republic of India as follows:-

CHAPTER-I

Preliminary

1. Short title, extent and commencement.— (1) This Act may be called the Goa Co-operative Societies Act, 2001.

(2) It shall extend to the whole of the State of Goa.

(3) It shall come into force on such date as the Government may, by notification in the Official Gazette, appoint.

2. Definitions.— In this Act, unless the context otherwise requires,—

¹[(1) “Administrative Secretary” means Secretary Co-operation to the Government of Goa,]

²(1A) “agricultural marketing society” means a society,—

(a) the object of which is the marketing of agricultural produce and the supply of implements and other requisites for agricultural production; and

(b) not less than three-fourths of the members of which are agriculturists, or societies formed by agriculturists;

(2) “agricultural service co-operative society” means an agricultural co-operative society, the primary object of which is to render assistance, financial or otherwise, to

farmers, rural artisans and agricultural labourers;

³[(2a) “apex co-operative bank” means a federal co-operative bank having jurisdiction over the whole of the State of Goa and recognized as such by the State Government for the purpose;]

(3) “apex society” means a society, the area of operation of which extends to the whole of the State of Goa, and the main object of which is to promote the principal objects of the societies affiliated to it as members and provide for the facilities and services to them and which has been classified as an apex society by the Registrar;

(4) “area of operation” means the area from which the membership is drawn or specified in the bye-laws;

(5) “auditor” means a person appointed by the Registrar or by a society, to audit the accounts of the society;

⁴[(5a) “authorised person” means a person authorised under the provisions of this Act;]

⁵[(6) “board” means the board of directors or the governing body of a society, to which the direction and control of the management of the affairs of a society is entrusted to;]

(7) “bye-laws” means bye-laws prescribed under the Rules and registered under this Act and include registered amendments of such bye-laws;

(8) “central bank” means a co-operative bank, the object of which includes the creation of funds to be loaned to other societies but does not include the urban co-operative bank;

(9) “chief executive” with whatever designation called, means an individual, who, subject to the superintendence, control and direction of the board of directors, has been entrusted by the board, with the management of the affairs of the society;

⁶[(9a) “Committee” means the managing committee or other body, to which the management of the affairs of a society is entrusted;

(9b) “Co-operative Society” means a society registered or deemed to be registered under this Act;]

(10) “co-operative farming society” means a co-operative society the principal object of which is to organise cultivation of lands held by it or by its members, jointly or otherwise, with a view to increasing agricultural production and employment by proper utilisation of land, labour and other resources;

(11) “consumers co-operative society” means a co-operative society the primary object of which is the procurement and distribution of goods to, or the performance of other services for its members as also other customers;

(12) “co-operative tribunal” means the Goa Co-operative Tribunal constituted under section 114 of this Act;

(13) “co-operative housing society” means a society as defined in section 102 of this Act;

(14) “co-operative bank” means a society registered under this Act and doing the business of banking as defined in clause (b) of section 5 of the Banking Regulation Act, 1949 (Central Act X of 1949);

(15) “co-operative credit society” means a co-operative society the primary object of

which is to create funds for lending money to its members;

⁷[(16)***]

(17) “co-operative year” means a year or period ending on the thirty-first day of March;

(18) “director” means a member of the board of directors;

(19) “dividend” means the amount paid, out of the profits of a society, to a member in proportion to the shares held by him;

⁸[(19a) “Executive Magistrate” means an Executive Magistrate appointed by the Government;]

(20) “federal society” means a society,—

(a) not less than five members of which are themselves societies, and

(b) in which the voting rights are so regulated that the members which are societies have not less than four-fifths of the total number of votes in the general meetings of such society;

⁹[(20a) “Financing Bank” means a co-operative bank, the objects of which includes the creation of funds to be lent to other co-operative societies;

(20b) “firm” means a firm registered under the Indian Partnership Act, 1932 (Central Act 9 of 1932);]

(21) “general body” in relation to a primary society, means all the members of the primary society and in relation to a federal society and apex society, means all the delegates of the member societies and includes a representative general body constituted under section 69 of this Act;

(22) “general meeting” means a meeting of the general body of a society;

¹⁰[(22a) “general society” means a society not falling in any of the class of societies as defined in section 2 of the Act;]

(23) “Government” means the Government of Goa;

(24) “industrial co-operative society” means a co-operative society, the object of which includes manufacture, processing and marketing of goods by or with the help of its members and providing supplies and services to them;

(25) “joint member” means a member who holds jointly a share of a society with another but whose name does not stand first in the share certificate;

(26) “lift irrigation society” means a society, the object of which is to provide water supply by motive power or otherwise to its members for agriculture, horticulture and other purposes;

¹¹[(26a) “Limited Liability Partnership” means a firm registered under the Limited Liability Partnership Act, 2008 (Central Act 6 of 2009);]

(27) “Liquidator” means a person appointed as liquidator under section 93 of the Act;

(28) “member” means an individual or entities mentioned in section 21 joining in the application for the registration of a co-operative society which is subsequently registered,

or duly admitted to membership of a society after registration and includes a jointmember;

¹²[(29) “Multi-State Co-operative Society” means a co-operative society with objects not confined to one State and registered or deemed to be registered under any law for the time being in force relating to such co-operatives;]

(30) “mutually aided society” means a society which does not have any share capital, loans or any financial assistance from the State or the Central Government except with a Memorandum of Understanding with the Government;

¹³[(30a) “nominal member” means a person admitted to membership as such after registration in accordance with the bye-laws.]

¹⁴[(30b) “office bearer” means a President, Vice-President, Chairperson, Vice-Chairperson, Secretary, Treasurer, of a co-operative society and includes any other person to be elected by the board of any co-operative society;]

¹⁵[(31) “Officer” means the person empowered under this Act or under the rules or under the bye-laws to give directions in regard to day-to-day business of a co-operative society;]

(32) “Official assignee” means a person appointed by the Registrar to act as an Official assignee under section 20 of the Act;

(33) “Official Gazette” means the Official Gazette of the Government;

(34) “patronage refund” means annual refund to members in proportion to their transactions with the society during the year;

(35) “prescribed” means prescribed by rules;

(36) “primary society” means a society whose membership is available only to individuals;

(37) “processing society” means a society the object of which is the processing of goods;

(38) “producers’ society” means a society, the object of which is the production and disposal of goods or the collective disposal of the labour of the members thereof;

¹⁶[(38a) “Reconciliator” means a Reconciliator appointed by the Registrar under sub-section (1) of section 113A on the panel of Reconciliators;]

¹⁷[(38b) “Recovery Officer” means any person empowered to exercise in any district, the powers specifically delegated by the Registrar in relation to the recovery of debts under this Act;]

(39) “resource society” means a society, the object of which is the obtaining for its members of credit, goods or services required by them;’

(40) “Registrar” means a person appointed under section 4 of this Act and includes any other person on whom all or any of the powers of the Registrar under this Act are conferred;

(41) “rules” means rules made under this Act;

¹⁸[(41a) “Sale Officer” means any person empowered by the Registrar by general or special order, to attach and sell the property of defaulters or to execute any decree by attachment and sale of property;

(41b) “section” means a section of this Act;]

(42) “State” means the State of Goa.

¹⁹[(42a) “State level co-operative society” means a co-operative society having its area of operation extending to the whole of a State and defined as such in any law made by the Legislature of a State;]

(43) “society” means a co-operative society registered or deemed to be registered under this Act;

(44) “society with limited liability” means a society having the liability of its members limited by its bye-laws;

(45) “state aided society” means a society which is not a mutually aided society;

²⁰[(45a) “surety” means a guarantor to the principal debtor of the society who may or may not be a member of the society;]

(46) “surplus” means the net excess of income over the expenditure;

²¹[(46a) “surplus fund account” means the account maintained by the Registrar;

(46b) “working capital” means funds at the disposal of a society inclusive of paid-up share capital, funds built-up out of profits and money raised by borrowing and/or by other means;].

(47) “year” means a Co-operative year as defined in this Act;

3.Co-operative principles and bye-laws.— Individuals or co-operatives intending to form into a co-operative society under this Act shall frame bye-laws conforming to the following principles of co-operation, namely:—

(a) Membership of a co-operative society shall be voluntary and available without restriction of any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership;

(b) Co-operative societies are democratic organisations.

Their affairs shall be administered by persons elected or appointed in a manner agreed to by the members and accountable to them. All members of co-operative societies shall enjoy equal rights of voting in the principle of one member, one vote and participation in decisions affecting their Co-operative Societies. Their administration shall be conducted on a democratic basis in a suitable form;

(c) Share capital shall receive a limited rate of dividend, if any;

(d) The economic results, arising out of the operations of a co-operative society, belong to the members of that co-operative Society and shall be distributed in such a manner as would avoid one member gaining at the expense of others, which shall be achieved,—

(i) by provision for development of the business of the co-operative society;

(ii) by provision of common services; or

(iii) by distribution among the members in proportion to their transactions with the co-operative society;

(e) all co-operative societies shall make provision for the education of their members,

office-bearers and employees and of the general public, in the principles and techniques of co-operation, both economic and democratic;

(f) all co-operative societies, in order to best serve the interest of their members and their communities, shall actively co-operate in every practical way with other co-operatives at local, national and international levels having as their aim the achievement of unity of action by co-operators throughout the world.

CHAPTER-II

Registration

4. Registrar and his subordinates.— (1) The Government may appoint a person to be the Registrar of Co-operative Societies for the State and may appoint one or more persons to assist such Registrar with such designation, and in such local areas or throughout the State, as it may specify in that behalf and may, by general or special order, confer on any such person or persons all or any of the powers of the Registrar under this Act. The person or persons so appointed to assist the Registrar and on whom any powers of the Registrar are conferred, shall work under the general guidance, superintendence and control of the Registrar. They shall be subordinate to the Registrar and subordination of such persons amongst themselves shall be such as may be determined by the Government.

(2) The person appointed under sub-section (1) as the Registrar, shall not, during the course of his service, serve in any capacity with any society.

²²[(3) The Registrar may, with prior approval of the Government, appoint a person having experience in the field of banking, management, finance, accounts, audit, human resource or specialization in any other field relating to the objects and activities undertaken by the Co-operative Societies to assist him in deciding the matters, on such terms and conditions as may be decided by the Government.]

5. Societies which may be registered.— (1) Only such society may be registered as a co-operative society under this Act which provides in its bye-laws for the social and economic betterment of its members through self help and mutual aid in accordance with the co-operative principles.

(2) A Society shall be registered with limited liability.

6. Conditions of registration.— (1) No society, other than a federal society, shall be registered under this Act unless it consists of at least ten persons (each of such persons being a member of a different family), who are qualified to be members under this Act and who reside or carry on business or profession in the area of operation of the society:

Provided that a co-operative housing society consisting of at least five such persons who are residing or intend to reside in the area of operation of the society may be registered under this Act:

Provided further that, a lift irrigation society consisting of five or more such persons may be registered under this Act.

(2) No federal society shall be registered unless it has at least five societies as its members.

(3) Nothing in this Act shall be deemed to affect the registration of any society made before the commencement of this Act.

(4) The name of the society shall not have any reference to any caste or religious denomination.

(5) The word “limited” or its equivalent in any language shall be the last word in the name of every society which is registered or deemed to be registered under this Act.

Explanation.— For the purposes of this section and section 7, the expression “member of a family” means wife, husband, father, mother, unmarried son and unmarried daughter.

7. Application for registration.— (1) For the purposes of registration; an application shall be made to the Registrar in the form prescribed and shall be accompanied by four copies of the proposed bye-laws of the society and such registration fee as may be determined by the Registrar. Different registration fees may be determined for different classes of societies, regard being had to the service involved in processing an application for registration.

(2) The application shall be signed,—

(a) in the case of a society other than a federal society, by at least ten persons (each of such persons being a member of a different family), who are qualified under this Act; and

(b) in the case of a co-operative housing society, by at least five such persons:

Provided that in case where a co-operative housing society consists of more than five persons in accordance with the scheme of housing on the plot of land mentioned in the objects of the society, the application shall be signed by at least fifty one per cent. of the total number of the expected members;

(c) in the case of lift irrigation society, by at least five such persons; and

(d) in the case of a federal society, by at least five societies.

(3) No signature to an application on behalf of a society shall be valid, unless the person signing is a member of the Board of Directors of such society, and is authorised by the Board by a resolution to sign on its behalf, the application for registration of the society and its bye-laws, and a copy of such resolution is appended to the application.

²³[**7A. Power of the Registrar to decide certain questions.**— Where any question arises at the stage of registration, whether a person resides in the area of operation of a co-operative society or not, or whether a co-operative society is of same type as another co-operative society or of different type, such question shall be decided by the Registrar whose decision shall be final.]

8. Registration.— (1) If the Registrar is satisfied that a proposed society has complied with the provisions of sections 5, 6 and 7 of this Act, and the rules made thereunder, he may register the society.

(2) Where the Registrar refuses to register a proposed society, he shall communicate his decision, with the reasons therefor, to the person making the application, within forty five days from the, date of receipt of the application.²⁴[***]

(3) An appeal against the order of refusal of registration under sub-section (2) shall be filled before the co-operative tribunal within a period of sixty days from the date of such refusal ²⁵[***].

(4) The Registrar shall maintain a register of all societies registered under this Act.

9. Evidence of registration.— A certificate of registration signed by the Registrar or a certified copy of the entry in the register maintained under sub-section (3) of section 8 of the Act shall be conclusive evidence that the society therein mentioned, is duly registered, unless it is proved that the registration of the society has been cancelled.

10. Classification of Societies.— (1) The Registrar shall classify all societies into one or other of the classes of societies defined in section 2 of this Act and also into such sub-classes thereof as may be prescribed.

(2) The Registrar may, for reasons to be recorded in writing, alter the classification of a society from one class of society to another, or from one sub-class thereof to another and may, in the interest of the co-operative movement and on such terms and conditions as he may think fit to impose, allow any society so classified to undertake the activities of a society belonging to another class.

(3) A list of all societies so classified shall be published by the Registrar every three years in such manner as the Government may, from time to time, direct.

²⁶**[10A. Bye-laws of Co-operative Society.**— (1) Every Co-operative Society may make its bye-laws in accordance with the provisions of this Act and the rules made thereunder.

(2) In particular and without prejudice to the generality of the foregoing provision, such bye-laws may provide for all or any of the following matters, namely:—

- (a) the name, address and area of operation of the society;
- (b) the objects of the society;
- (c) the services to be provided to its members;
- (d) the eligibility for obtaining membership;
- (e) the procedure for obtaining membership;
- (f) the conditions for continuing as member;
- (g) the procedure for withdrawal of membership;
- (h) the transfer of membership;
- (i) the procedure for expulsion from membership;
- (j) the rights and duties of the members;
- (k) the nature and amount of capital of the society;
- (l) the manner in which the maximum capital to which a single member can subscribe;
- (m) the sources from which the funds may be raised by a society;
- (n) the purpose for which the funds may be applied;
- (o) the manner of allocation or disbursement of net profits/surplus of society;
- (p) the constitution of various reserves;
- (q) the manner of convening general meetings and quorum thereof;
- (r) the procedure for notice and manner of voting in general body meeting and other meetings;

- (s) the procedure for amending the bye-laws;
- (t) the number of elected members of the board not exceeding twenty-one;
- (u) the term of office of elected members of a board not exceeding five years;
- (v) the qualification and disqualification for member of board of the society;
- (w) the procedure for removal of members of the board and for filling of vacancies;
- (x) the manner of convening board meetings, its quorum, number of such meetings in a year and venue of such meetings;
- (y) the frequency of board meetings;
- (z) the powers and functions of the Chief Executive;
- (za) the manner of imposing the penalty;
- (zb) the appointment, rights and duties of internal auditors and procedure for conducting audit;
- (zc) the authorisation of officers to sign documents, operate bank accounts and to institute and defend suits and other legal proceedings on behalf of the society;
- (zd) the terms on which a co-operative society may deal with persons other than members;
- (ze) the terms on which a co-operative society may associate with other co-operative society;
- (zf) the terms on which a co-operative society may deal with organizations other than co-operative societies;
- (zg) the procedure and manner for transmission of shares and interest in the name of a nominee in case of death of a member;
- (zh) the educational and training programme to be conducted by the co-operative society;
- (zi) the principal place and other places of business of the co-operative society;
- (zj) the minimum level of services to be used by its members;
- (zk) any other matter which may be specified by the Registrar from time to time.]

11. Amendment of bye-laws of society.— (1) No amendment of the bye-laws of a society shall be valid until registered under this Act. For the purpose of registration of an amendment of the bye-laws, a copy of the amendment passed by a majority of not less than two third of the members entitled to vote who are present at a general meeting of the society shall be forwarded to the Registrar ²⁷[along with the prescribed fee, within a period of forty-five days from the date of such meeting].

(2) Every application for registration of an amendment of the bye-laws shall be decided and communicated to the society by the Registrar within a period of forty five days from the date of its receipt.

(3) In case of refusal of amendment, if the decision is not communicated to the society, with the reasons therefor, within the said period of forty five days, the said amendment of the bye-laws shall be deemed to have been registered.

(4) Where the Registrar registers an amendment of the bye-laws of a society or where the

amendment of the bye-laws is deemed to have been registered, he shall issue to the society a copy of the amendment certified by him, which shall be conclusive evidence that the same is duly registered.

²⁸[(5) An appeal against a decision to refuse to register amendment of the bye-laws of a society which has been communicated to the society under sub-section (2) shall lie before the Co-operative Tribunal within a period of 60 days from the date of communication of such decision.]

12. Power to direct amendment of bye-laws.— (1) If, it appears to the Registrar, that an amendment of the bye-laws of a society is necessary or desirable in the interest of such society, he may call upon the society, in the manner prescribed, to make the amendment within such time as he may specify.

²⁹[(2) If the society fails to make the amendment within the time specified, the Registrar may, after giving the society an opportunity of being heard, register such amendment and issue to the society a copy thereof certifying that the bye-laws shall be deemed to have been duly amended with effect from the date of such registration and the same shall be binding on the society and its members subject to the appeal made to the Tribunal, if any.]

13. Change of name.— (1) A society may, by resolution passed at a general meeting and with the approval of the Registrar, change its name; but such change shall not affect any right or obligation of the society, or any of its members, or past members, or deceased members and any legal proceedings pending before any person, authority or court may be continued by or against the society, under its new name.

(2) Where a society changes its name, the Registrar shall enter the new name in its place in the register of societies and shall also amend the certificate of registration accordingly.

14. Change of liability.— (1) Subject to the provisions of this Act and the rules, a society may, by amendment of its bye-laws, change the form or extent of its limited liability.

(2) When a society has passed a resolution to change the form or extent of its liability, it shall give notice thereof in writing to all its members and creditors and notwithstanding anything in any bye-law or contract to the contrary, any member or creditor shall, during a period of one month from the date of service of such notice upon him, have the option of withdrawing his shares, deposits or loans.

(3) Any member or creditor who does not exercise his option within the period specified in sub-section (2), shall be deemed to have assented to the change.

(4) An amendment of the bye-laws of a society, changing the form or extent of its liability, shall not be registered or take effect until, either—

(a) all members and creditors have assented, or deemed to have assented thereto, as aforesaid; or

(b) all claims of members and creditors who exercise the option, given by sub-section (2), within the period specified therein, have been met in full or otherwise satisfied.

15. Amalgamation, transfer, division or conversion of societies.— (1) A society may, by a resolution passed by two-thirds majority of the members present and voting at a special general meeting held for the purpose, decide—

- (a) to amalgamate with another society;
- (b) to transfer its assets and liabilities, in whole or in part, to any other society;
- (c) to divide itself into two or more societies, or
- (d) to convert itself into another class of society.

(2) Such decision shall take effect after the approval of the Registrar who shall pass the necessary order to that effect.

(3) When such amalgamation, transfer, division or conversion as aforesaid involves a transfer of the liabilities of a society to any other society, no order on the resolution shall be passed by the Registrar, unless he is satisfied that—

(i) the society, after passing such resolution, has given notice thereof in such manner as may be prescribed to all its members, creditors and other persons whose interests are likely to be affected (hereinafter in this section referred to as “other interested persons”), giving them the option, to be exercised within one month from the date of such notice, of becoming members of any of the new societies, or continuing their membership in the amalgamated or converted society, or demanding payment of their share or interest or dues, as the case may be;

(ii) all the members and creditors and other interested persons have assented to the decision, or deemed to have assented thereto by virtue of any member or creditor or any other interested person failing to exercise his option within the period specified in clause (i) aforesaid; and

(iii) all claims of members and creditors and other interested persons, who exercise the option within the period specified have been met in full or otherwise satisfied.

(4) Notwithstanding anything contained in the Transfer of Property Act, 1882 (IV of 1882) or the Registration Act, 1908 (XVI of 1908), in the event of division or conversion, the registration of the new societies or, as the case may be, of the converted society, and in the event of amalgamation, the resolution of the societies concerned with amalgamation, shall, in each case, be sufficient conveyance to vest the assets and liabilities of the original society or amalgamating societies in the new societies or converted or amalgamated society, as the case may be.

³⁰[(4A) Where any society is found to be degenerating in its operation and the share value of such society has come down below its face value as on the last day of the year immediately preceding its revaluation, the Registrar may, in the interest of members, suo-motu, direct the society to,—

- (a) amalgamate with another society;
- (b) transfer its assets and liabilities, in whole or in part, to any other society;
- (c) divide itself into two or more societies; or
- (d) convert itself into another class of society.

In case the society fails to complete the process of amalgamation, transfer, division or conversion, as the case may be, within 45 days from the date of such direction, the Registrar shall order the amalgamation, transfer, division or conversion, as the case may be, of such degenerating society. All claims of members, creditors and other interested persons of such society as on the date of such order shall stand transferred to the society with which such

degenerating society may have been amalgamated, or to the society to whom assets and liabilities have been transferred or to the society formed after division or conversion, as the case may be].

(5) The amalgamation of societies, or division or conversion of a society shall not affect any rights or obligation of the societies so amalgamated, or society so divided or converted, or render defective any legal proceedings which might have been continued or commenced by or against the societies which have been amalgamated, or divided or converted; and accordingly, such legal proceedings may be continued or commenced by or against the amalgamated society or as the case may be the converted society, or the new societies.

(6) Where two or more societies have been amalgamated or a society has been divided or converted, the registration of such societies or society shall be cancelled on the date of registration of the amalgamated society, or the converted society, or the new societies between which the society may have been divided.

16. Re-construction of societies.— Where a proposal for a compromise or arrangement,—

(a) between a society and its creditors, or

(b) between a society and its members, is approved at a special general meeting called for the purpose, the Registrar may, on the application of the society or of any member or of any creditor of the society, or in the case of a society which is being wound up, of the liquidator, order re-construction of the society in the prescribed manner.

17. Partnership of societies and subsidiary.— (1) Any two or more societies may, by resolution passed by three-fourths majority of the members present and voting at a general meeting of each such society, enter into partnership for carrying out any specific business or businesses, provided that each member has had clear ten days written notice of the resolution and the date of the meeting.

(2) Nothing in the Partnership Act, 1932 (9 of 1932) shall apply to such partnership.

(3) The annual reports and accounts relating to specific business or businesses of each such society shall be placed before the annual general meeting of each such society.

(4) Any society may, by resolution passed at general meeting by three-fourths majority of members present and voting, promote one or more subsidiary organisations for the furtherance of its stated objectives and such organisations may be registered under any law for the time being in force as agreed to by the general body.

(5) The annual reports and accounts of such subsidiary organisations shall be placed before the general meeting of the promoting co-operative society every year.

(6) Any subsidiary organisation created under sub-section (4) shall exist only as long as the general body of the co-operative society deems its existence necessary.

(7) The concerned society shall intimate to the Registrar about such partnership or subsidiary within a month of its formation or dissolution.

18. Collaboration by societies.— Any society may, by resolution passed in a general meeting by three-fourth majority of members present and voting, enter into collaboration with any Government undertaking or any undertaking approved by the Government for carrying on any specific business or businesses, including industrial investment, financial aid

or marketing and management expertise.

19. Cancellation of registration.— The Registrar shall make an order cancelling the registration of a society if it transfers the whole of its assets and liabilities to another society, or amalgamates with another society, or divides itself into two or more societies or if its affairs are wound up, or it is de-registered under the provisions of sub-section (1) of section 20, or winding up proceedings in respect of the society are closed or terminated under section 99. The society shall, from the date of such order of cancellation, be deemed to be dissolved, and shall cease to exist as a corporate body.

20. De-registration of Societies.— (1) If the Registrar is satisfied that any society is registered on misrepresentation made by applicants, or where the work of the society is completed or exhausted or the purposes for which the society has been registered are not served, he may, after giving an opportunity of being heard to the chief promoter, the Board of Directors and the members of the society, de-register the society: .

Provided that, where the number of members of the society is so large and it is not possible to ascertain the correct addresses of all such members from the records in the office of the Registrar and, in the opinion of the Registrar it is not practicable to serve a notice of hearing on each such individual member, a public notice of the proceedings of de-registration shall be given in the prescribed manner and such notice shall be deemed to be notice to all the members of the society including the chief promoter and the members of the Board of Directors of the society, and no proceedings in respect of the de-registration of the society shall be called in question in any court merely on the ground that individual notice is not served on any such member.

(2) When a society is de-registered under the provisions of sub-section (1), the Registrar may, notwithstanding anything contained in this Act or any other law for the time being in force, make such incidental and consequential orders including appointment of Official assignee as the circumstances may require.

(3) The official assignee shall realise the assets and liquidate the liabilities within a period of one year from the date he takes over the charge of the property, assets, books, records and other documents, which period may, at the discretion of the Registrar, be extended from time to time, so however, that the total period does not exceed three years in the aggregate.

(4) The Official assignee shall be paid such remuneration and allowances as may be prescribed, and he shall not be entitled to any remuneration whatever beyond the prescribed remuneration or allowance.

³¹[(5) The powers of the Registrar under sub-sections (1) and (2) shall not be exercised by any person or persons on whom all or any of the powers of the Registrar are conferred under section 4.]

³²[(6) Surplus remained after the process of de-registration shall be transferred to “Surplus Fund Account” of the Registrar.

Explanation:— For the purpose of this sub-section, “Surplus Fund Account” means account maintained for the purpose of surplus referred to in this sub-section].

³³[**20A. Liability of a co-operative bank to the Deposit Insurance and Credit Guarantee Corporation.**— Notwithstanding anything contained in section 15 or any other provision of this Act, where a co-operative bank, being an insured bank within the meaning of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961), is

amalgamated or re-organised and the Deposit Insurance and Credit Guarantee Corporation has become liable to pay to the depositors of the insured bank under sub-section (2) of section 16 of that Act, the bank with which such insured bank is amalgamated or the new co-operative bank formed after such amalgamation, or, as the case may be, the insured bank or the transferee bank, shall be under an obligation to repay to the Deposit Insurance and Credit Guarantee Corporation in the circumstances, to the extent and in the manner referred to in section 21 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961).].

³⁴[**20B. [Deposit Protection Scheme.** —(1) the Government may, by notification in the Official Gazette, frame Scheme called Deposit Protection Scheme.

(2) Every co-operative credit society and other co-operative societies having credit business, shall register themselves under such Deposit Protection Scheme and pay such contributions, so as to secure deposits of its depositors and members and take such other measures, as specified in the scheme.

(3) The Co-operative Societies referred in sub-section (2) shall renew the registration under such deposit protection scheme by making payment of annual renewal fees as specified in such scheme.

(4) All sums received towards registration fees, annual renewal fee and contributions shall form part of a fund to be called Deposit Protection Fund as may be constituted under the Deposit Protection Scheme.

(5) the Government shall appoint an authority to be the custodian of such Deposit Protection Fund who shall be vested with such powers as may be specified in the Deposit Protection Scheme.

(6) The co-operative societies referred in sub-section (2) shall appoint Chief Executive who shall ensure that the registration of such co-operative societies under deposit protection scheme is timely done and renewed. Failure to renew the registration on the part of Chief Executive shall constitute an offence under section 118 of this Act.

Provided that a co-operative credit society may also formulate an additional deposit protection scheme of its own with prior approval of the Registrar, for securing the deposits of its depositors.]

CHAPTER -III

Members and their Right and Liabilities

21. Person who may become member.— (1) Any person, who needs the services of the society, accepts the responsibilities of membership and fulfills such other conditions as may be specified in the bye-laws of the society, may be admitted as a member.

(2) No person shall be admitted as a member of a society except the following, that is to say: —

(a) an individual, ³⁵[***] who is competent to contract under the Contract Act, 1872 (9 of 1872);

(b) a ³⁶[firm, limited liability partnership], company or any other body corporate constituted under any law for the time being in force, or a society registered under the Societies Registration Act, 1860 (XXI of 1860);

(c) a society registered, or deemed to be registered, under this Act or any other Co-operative Societies Act;

(d) a public trust registered under any law for the time being in force for the registration of such trusts.

³⁷[(e) Any Self Help Group formed by women for mutual assistance or with an objective to avail any type of assistance from the Government or any organization for their social, economic, cultural and educational improvement.]

(3) Admission of members may be made only by an elected board of directors or by the general body where such a board does not exist:

³⁸[omitted].

(4) A person admitted as a member may exercise the rights of membership, including the right to vote, only on fulfillment of such conditions as may be laid down from time to time in the bye-laws.

22. Open membership.— (1) No society shall, without sufficient cause, refuse admission to membership to any person duly qualified therefore under the provisions of this Act and its bye-laws.

(2) Where a person is refused admission as a member of a society, the decision, with the reason therefore, shall be communicated to that person within fifteen days of the date of the decision, or within three months from the date of the application for admission, whichever is earlier.

(3) Any person aggrieved by the decision of a society refusing him admission of its membership, may appeal to the ³⁹[Registrar].

(4) Where a society refuses to accept the application from an eligible person for admission as member, or the payment made by him in respect of membership, or having accepted the membership application, a society does not convey its decision within three months from the date of receipt of application, the membership shall be deemed to have been refused and the person aggrieved may appeal to the ⁴⁰[Registrar].

(5) An appeal under sub-section (3) shall be filed within two months of the date of communication of refusal and under sub-section (4) within two months of deemed refusal.

(6) Every such appeal under sub-section (3) or (4) shall, as far as possible, be disposed of by the ⁴¹[Registrar] within a period of three months from the date of its receipt.

23. Joint member.— (1) Subject to the provisions of section 21, a society may admit any person as a joint member. A joint member shall hold jointly a share of the society with another but his name shall not stand first in the share certificate.

(2) A member of a society may appoint not more than one joint member.

(3) When a person whose name stands first in the share certificate ceases to be a member, the person admitted as joint member shall automatically be the first member. In the event of the cessation of membership of the first member by death, the joint member shall be the first member and the nominee, if any, of the deceased member shall be the joint member.

(4) The joint member shall have equal right in the capital and property of the society with the first member.

(5) The joint member shall have the right to vote only in the absence of the member whose name stands first in the share certificate.

⁴² [Provided that, the joint member shall not be eligible for being chosen as a director.]

⁴³[**23A. Nominal member.**— (1) Notwithstanding anything contained in section 21, a society may admit any person as nominal member on payment of entrance fee as specified in the bye-laws.

(2) A nominal member shall not be entitled to any share, in any form whatsoever, in the profits or assets of the society and shall ordinarily not have any of the privileges and rights of a member.]

⁴⁴[**24. Cessation of membership.**— (1) A person shall cease to be a member of a society on his resignation from the membership, or on the transfer of the whole of his share or interest in the society to another member, or on his death, or removal or expulsion from the society, or ceasing to hold the qualification for the membership under the bye-laws of the society, or where a firm, company, any other corporate body, society or trust is a member, on its dissolution or ceasing to exist.

(2) The member may resign from the membership of the society by writing under his hand a letter on a plain paper addressed and submitted to the Chairman and in his absence, to the Vice Chairman, and in their absence to the Chief Executive.

(3) Resignation of member shall become effective on expiry of ten days from the date of submission of resignation letter under sub-section (2) unless before expiry of the said period he withdraws such resignation by writing under his hand a letter addressed to the Chairman, Vice-Chairman or Chief Executive, as the case may be.]

25. Removal of member.— A society may, by a resolution passed in a general meeting held for the purpose, remove a member on the ground that,-

(1) he carries on business which is in conflict and in competition with the business of the society as specified in the bye-laws of the society;

(2) he has not used for ⁴⁵[five] consecutive years the service of a society to a minimum level as specified in the bye-laws;

(3) he has not attended ⁴⁶[five] consecutive annual general meetings of the society;

(4) he is in default regarding any payment to be made to the society exceeding an amount and for the period as specified in the bye-laws:

Provided that no such resolution shall be valid unless the member concerned is given an opportunity of representing his case to the general body.

⁴⁷[Provided further that the provisions of clauses (2) and (3) above shall not apply to the members elected to the representative general body in accordance with section 69. However, the representative elected to the representative general body shall be deemed to have been disqualified in case he fails to attend two consecutive general meetings and the resulting vacancy shall be filled by conducting bye-election within a period of six months from the date of such disqualification. The term of the representative elected in the bye- election shall be co-terminus with other elected representatives].

26. Expulsion of member.— (1) A society may, by resolution passed by a majority of not less than three-fourths of the members entitled to vote who are present at a general meeting

held for the purpose, expel a member for acts which are detrimental to the interest or proper working of the society:

Provided that, no such resolution shall be valid, unless the member concerned is given an opportunity of representing his case to the general body. If the member is aggrieved by the decision of the society expelling him from its membership, he may appeal to the ⁴⁸[Registrar] within two months of the date of the communication of such decision.

(2) No member of a society who has been expelled under the foregoing sub-sections shall be eligible for re-admission as a member of that society, for a period of one year from the date of such expulsion.

27. Rights of membership.— No person shall exercise the rights of the member of a society, until he has made such payment to the society in respect of membership, or acquired such interest in the society as may be specified in the bye-laws of such society.

28. Voting powers of members.— (1) Save as otherwise provided herein and in sub-sections (2) to (7), no member of any society shall have more than one vote in its affairs and every right to vote shall be exercised personally and not by proxy:

Provided that a member who is in the employment of the Defence Services shall be entitled to vote by proxy through any other member of the society if he is unable to exercise his right of vote personally:

Provided further that in the case of an equality of votes, the Chairman shall have a casting vote.

(2) Where a share of a society is held jointly by more than one person, only the person whose name stands first in the share certificate, shall have the right to vote. But in his absence, the person whose name stands second shall have the right to vote.

(3) A society which has invested any part of its funds in the shares of another society, may appoint any one of its directors or officers to vote on its behalf in the affairs of that other society; and accordingly, such director shall have the right to vote on behalf of the first society.

(4) A company or any other body corporate constituted under any law for the time being in force which has invested any part of its funds in the shares of a society may appoint any one of its directors or officers to vote on its behalf in the affairs of such society; and accordingly, such director or officer shall have the right to vote on behalf of the company or body corporate.

(5) Where a firm has invested any part of its funds in the shares of a society, any one of its partners appointed by the firm shall be entitled to vote in the affairs of the society on behalf of the firm.

(6) A public trust which has invested any part of its fund in the shares of a society, may appoint any of its members or trustees, to vote on its behalf in the affairs of that society; and accordingly, such person shall have the right to vote on behalf of the public trust.

(7) In the case of a federal society, the voting rights of individual members thereof shall be such as may be regulated by the rules made under this Act and by the bye-laws of the society.

(8) No nominee of a Government or of any financial institution of any society shall be

entitled to vote at any meeting of the society or election of its Board of Directors.

(9) If a member has taken loan from the society, such member shall, in case he is a defaulter in paying three or more consecutive instalments towards repayment of the loan on the due dates, have no right to vote in the affairs of the society:

Provided that, a member shall not be deemed to be a defaulter if he has discharged his obligations to deliver his marketable produce to the marketing or processing society and the value of such produce is not less than the amount of his dues, even if the actual settlement of his dues, either in whole or in part, takes place at a later date.

^{14-A}[**28A. Restrictions on holding of shares.**— In any society, no member other than the Government or any other society shall hold more than such portion of the total share capital of the society (in no case exceeding one-fifth thereof) as may be prescribed:]

29. Restrictions on transfer or charge on share or interest.— (1) A transfer of, or charge on the share or interest of a member in the share capital of the society shall be subject to such conditions as may be prescribed.

(2) A member shall not transfer any share held by him or his interest in the capital or property of any society, or any part thereof, unless—

(a) he has held such share or interest for not less than one year;

(b) the transfer is made to a member of the society or to a person whose application for membership has been accepted by the society.

(3) Notwithstanding anything contained in sub-sections (1) and (2), where a member is allowed to resign, or is expelled, or ceases to be a member on account of his being disqualified by this Act or by the rules made thereunder or by the bye-laws of the society, the society may acquire the share or interest of such member in the share capital by paying for it at the value determined in the manner prescribed, provided that the total payment of share capital of the society in any co-operative year for such purposes does not exceed ten per cent. of the paid up share capital of the society on the last day of the co-operative year immediately preceding.

Explanation.— The right to forfeit the share or interest of any expelled member in the share capital by virtue of any bye-laws of the society, shall not be affected by the aforesaid provisions.

(4) Where the Government contributes to the share capital of a society, it shall not be necessary for the Government to be a member of such society and the restrictions contained in this sections shall not apply to any transfer made by it of its share or interest in the capital of the society, and the Government may, notwithstanding anything contained in this Act, withdraw from the society its share capital at any time, after giving to the society notice thereof of not less than three months.

30. Transmission of interest on death of member.— (1) On the death of a member of a society, the society shall transmit the share or interest of the deceased member to a person or persons nominated, or to such person as may appear to the Board of Directors to be the heir or legal representative of the deceased member:

Provided that, such nominee, heir or legal representative, as the case may be, is duly admitted as a member of the society.

Provided further that nothing contained in this sub-section or in section 21 shall prevent a minor or person of unsound mind from acquiring by inheritance or otherwise, any share or interest of a deceased member in a society.

(2) Notwithstanding anything contained in sub-section (1), any such nominee, heir or legal representative, as the case may be, may require the society to pay to him the value of the share or interest of the deceased member, ascertained in accordance with the rules.

(3) A society may pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.

(4) All transfers and payments duly made by a society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

31. Share or interest not liable to attachment.— The share or interest of a member in the capital of a society, or in the loan stock issued by a co-operative housing society, or in the funds raised by a society from its members by way of savings deposit, shall not be liable to attachment or sale under any decree or order of a court for or in respect of any debt or liability incurred by the member, and accordingly, neither a receiver under the Provincial Insolvency Act, 1920 (V of 1920), nor any such person or authority under any corresponding law for the time being in force, shall be entitled to, or have any claim on, such share or interest.

32. Rights of members to see books, etc.— (1) Every member shall be entitled to inspect, free of cost, at the society's office during office hours, or at any time fixed for the purpose by the society, the bye-laws, the last three years audited annual financial statements, audit report and audit rectification report and those portions of the minutes of general meetings and Board meetings and books and records relevant to his transactions with the society.

(2) ⁴⁹[The Chief Executive or any one of the office bearer] shall furnish to a member, on request in writing and on payment of such fees as may be specified in the bye-laws, a copy of any of the documents mentioned in the foregoing sub-section within one month from the date of payment of such fees.

⁵⁰[(3) In the event of failure on the part of the Chief Executive or the office bearer to provide the information under sub-section (2), the aggrieved member may file an appeal before the Assistant Registrar. The Assistant Registrar after hearing both the parties shall pass an order within 30 days from the date of filing such appeal.

(4) Any member who, does not receive any order within the time specified in sub-section (3) or is aggrieved by an order of the Assistant Registrar, may within a period of sixty days from the date of request under sub-section (2) or within a period of thirty days from the date of order, prefer a second appeal to the Deputy Registrar.

(5) Where the Deputy Registrar at the time of deciding such appeal is of the opinion that the Chief Executive or office bearer, as the case may be has, without any reasonable cause, refused to receive an application for information or has not furnished information within the time specified under sub-section (2) or malafidely denied the request for information or knowingly given incorrect, incomplete or misleading information or destroyed information which was the subject of the request or obstructed in any manner in furnishing the information, shall impose on the Chief Executive or the office bearer, as the case may be, a

penalty of rupees two hundred and fifty for each day of delay from the date of expiry of a period of 30 days from the date of application seeking information till the information is provided or such amount of penalty as may be decided by the Deputy Registrar in case of destruction of information, so however the total amount of such penalty shall not exceed rupees twenty-five thousand.]

33. Liability of past member and estate of deceased member.— (1) Subject to the provisions of sub-section (2), the liability of a past member, or of the estate of a deceased member, of a society for the debts of the society as they stood,

(a) in the case of a past member, on the date on which he ceased to be a member, and

(b) in the case of a deceased member, on the date of his death, shall cease after a period of two years from such date.

(2) Where a society is ordered to be wound up under any provision of this Act, the liability of a past member or of the estate of a deceased member, who ceased to be a member or died, within two years immediately preceding the date of the order of winding up, shall continue until the entire liquidation proceedings are completed; but such liability shall extend only to the debts of the society as they stood on the date of his ceasing to be a member or death, as the case may be.

34. Insolvency of members.— Notwithstanding anything contained in the Provincial Insolvency Act, 1920 (V of 1920) or any corresponding law for the time being in force, the dues of a society from a member, in insolvency proceedings against him, shall rank in order of priority next to the dues payable by him to the Government or to a local authority.

CHAPTER -IV

Incorporation, Duties and Privileges of Societies

35. Societies to be bodies corporate.— The registration of a society shall render it a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to acquire, hold and dispose of property, to enter into contracts, to institute and defend suits and other legal proceedings, and to do all such things as are necessary for the purpose for which it is constituted.

36. Address of societies.— Every society shall have an address registered in accordance with the rules, to which all notices and communication will be sent; and the society shall inform in writing to the Registrar of any change in the said address within thirty days thereof.

37. Register of members.— (1) Every society shall keep a register of its members and enter therein the following particulars, that is to say:—

(a) the name, address and occupation of each member;

(b) in the case of a society having share capital, the share held by each member;

(c) the date on which each person was admitted as a member;

(d) the date on which any person ceased to be a member;

(e) such other particulars as may be prescribed:

Provided that, where a society has by or under this Act, permitted a member to transfer his share or interest on death to any person, the register shall also show against the member

concerned the name of the person entitled to the share or interest of the member, and the date on which the nomination was recorded.

(2) The register shall be prima facie evidence of the date on which any person was admitted to membership, and of the date on which he ceased to be a member.

38. Copy of Bye-laws etc. to be open to inspection.— The Registrar shall keep the bye-laws and a list of members of the Board of Directors of every society registered under this Act, open for inspection to the public, on payment of such fees as may be prescribed.

39. Admissibility of copy of entry as evidence.— (1) A copy of any entry in any book, register or list, regularly kept in the course of business and in the possession of a society, shall, if duly certified in such manner as may be prescribed, be admissible in evidence of the existence of the entry and shall be admitted as evidence of the matters and transactions therein recorded in every case where, and to the same extent to which, the original entry would, if produced, have been admissible to prove such matters.

(2) In the case of such societies as the Government may, by general or special order direct, no officer of a society shall in any legal proceedings to which the society is not a party, be compelled to produce any of the society's books, the contents of which can be proved under the foregoing sub-section, or to appear as a witness to prove the matters, transactions and accounts therein recorded, unless by order of the Court made for special cause.

40. Power to exempt from taxation.— The Government, by notification in the Official Gazette may, in the case of any society or class of societies, remit—

(a) the stamp duty with which, under any law relating to stamp duty for the time being in force, instruments executed by or on behalf of a society or by an officer or member thereof, and relating to the business of the society, or any class of such instruments, or awards of the Registrar or his nominee or board of nominee under this Act, are respectively chargeable;

(b) any fee payable by or on behalf of a society under the law relating to the registration of documents and to court-fees for the time being in force; and

(c) any other tax or fee or duty (or any other portion thereof) payable by or on behalf of a society under any law for the time being in force, which the Government is competent to levy.

41.⁵¹**[Restrictions on borrowings.** — (1) A Society shall receive deposits and loans from members and other persons, only to such extent, and under such conditions, as may be prescribed:

(2) The total amount of deposits received and/or loans raised during any financial year shall not exceed ten times of the paid-up share capital, reserve fund, building fund and accumulated profit less accumulated loss, if any, of the society:

Provided that, with prior written approval of the Registrar, the society may enhance the limit of borrowings upto twenty-five times of its paid-up share capital, reserve fund, building fund and accumulated profit less accumulated loss, if any further subject to the condition that the society fulfils all the financial parameters of a healthy co-operative credit society as provided under section 76 C.

(3) A mutually aided society shall not accept share capital from the Government but may accept other funds or guarantee from the Government on such terms and conditions as are

mutually agreed upon through a memorandum of understanding.

(4) A society may accept funds from the Government or other financing institution on such terms and conditions as are mutually contracted upon. Such conditions may include the right of the Government or other financier to nominate its representative on the board of directors of the society, subject, however, to the restriction that such representative shall have the right to vote of nominated director shall however be restricted only on the subject matter of advice and on any financial matters going against society. Such nominated director shall also have the right to put dissent which shall be duly recorded in the minutes of the meeting of the Board of Directors.]

42. Regulation of loan making policy.— (1) No society shall make a loan to any person other than a member, or on the security of its own shares, or on security of any person who is not a member:

Provided that with the approval of the general body, a society may make loans to or accept deposits from another society of its classification which is not its member.

⁵²[(2) Notwithstanding anything contained in any other provisions of this Act or any other Act for the time being in force, every co-operative society, the primary object of which is to create funds for lending money to its members, shall at all times abide by the following conditions, namely:—

(a) loan shall not be sanctioned to any person who is not a citizen of India;

(b) the rate of interest charged for any kind of loan shall not be more than thirteen per cent per annum;

(c) in case of default in repayment of any loan, the penal interest chargeable shall not be more than two per cent per annum over and above the rate of interest applicable to the loan as per sanctioning terms;

(d) the processing fees payable by whatever name called for processing and sanctioning of any loan shall not exceed 0.25% of the loan amount sanctioned and such processing fees shall not be charged more than once for any loan account;

(e) interest on all types of loans shall be charged at every quarter ending with June, September, December and March or monthly basis as may be decided by the board of directors from time to time;

(f) there shall be no other charges or hidden costs while sanctioning of any loan except in accordance with this section.]

⁵³[(3) Where the Registrar is satisfied that any society has failed to abide by any condition specified in sub-section (2), he may take following action against the person responsible, namely:—

(a) if such person is a member of the committee of the society, by order remove him from the committee and appoint any other person as a member of the committee for the remainder of the term of his office and declare him to be disqualified to be such member for a period of six years from the date of the order;

(b) if such person is an employee of the society, by order direct the committee to remove such person from employment of the society forthwith, and if any member or members of the committee, without any justifiable reason fail to comply with such order, remove the member and appoint any other person/s as member/s and declare them disqualified as provided in clause (a) above;

(c) if any member of board is responsible for any violation of the conditions imposed under sub-section (2), take the cognizance of such violation and after giving due opportunity to the member concerned of being heard, may disqualify him to continue on the board for the remainder term. The member so disqualified shall be ineligible for being chosen as a director of said society forever:

Provided that before passing any order under this sub-section, the Registrar shall give a reasonable opportunity of being heard to the person or persons concerned and consult the federal society to which the society is affiliated.

(4) Order passed by the Registrar under subsection (3) shall be final.]

43. Charge and set off in respect of share or interest of member.— A society shall have charge upon the share or interest in the capital and on the deposits, of a member or past member or deceased member, and upon any dividend, patronage refund or surplus payable to any such member, in respect of any debt due from such member or his estate to the society; and the society may set off any sum credited or payable to such member in or towards payment of any such debt:

Provided that, no co-operative bank shall have a charge upon any sum invested with it by a society out of the provident fund established by it under section 56 or its reserve fund, and no co-operative bank shall be entitled to set off any such sum towards any debts due from the society.

44. Prior claim of society.— (1) Notwithstanding anything contained in any other law for the time being in force, but subject to any prior claim of the Government in respect of land revenue or any money recoverable as land revenue and to the provisions of sections 60 and 61 of the Code of Civil Procedure, 1908 (V of 1908), —

(a) any debt or outstanding demand, owing to a society by any member or past member or deceased member, shall be a first charge, —

(i) upon the crops or other agricultural produce raised in whole or in part, whether with or without a loan taken from the society by such member or past member or deceased member;

(ii) upon any cattle, fodder for cattle, agricultural or industrial implements or machinery, or raw materials for manufacture, or workshop, godown or place of business supplied to or purchased by such member or past member or deceased member, in whole or in part, from any loan, whether in money or goods made to him by the society; and

(iii) upon any movable property which may have been hypothecated, pledged or otherwise mortgaged by a member with the society, and remaining in his custody;

(b) any outstanding demands or dues payable to a society by any member or past member or deceased member, in respect of rent, shares, loans or purchase money or any other rights or amounts payable to such society, shall be a first charge upon his interest in the immovable property of the society.

Explanation:— The prior claim of the Government in respect of dues other than land revenue, shall be restricted for the purpose of sub-section (1) to the assets created by a member out of the funds in respect of which the Government has a claim.

(2) No property or interest in property, which is subject to a charge under the foregoing sub-section, shall be transferred in any manner without the previous permission of the society; and such transfer shall be subject to such conditions, if any, as the society may impose.

(3) Any transfer made in contravention of sub-section (2) shall be void.

(4) Notwithstanding anything contained in sub-sections (2) and (3), a society which has as one of its objects the disposal of the produce of its members, may provide in its bye-laws, or may otherwise contract with its members,—

(a) that every such member shall dispose of his produce through the society, and

(b) that any member, who is found guilty of a breach of the bye-laws or of any such contract, shall reimburse the society for any loss, determined in such manner as may be specified in the bye-laws.

45. Deduction from salary to meet society's claim in certain cases.— (1) A member of a society may execute an agreement in favour of the society, providing that his employer shall be competent to deduct from the salary or wages payable to him by the employer, such amount as may be specified in the agreement, and to pay to the society the amounts so deducted in satisfaction of any debt or other demand of the society against the member. A copy of such agreement duly attested by an officer of the society shall be forwarded by the society to the employer.

(2) On receipt of a copy of such agreement, the employer shall, if so required by the society, by a requisition in writing in the form prescribed, and so long as the total amount shown in the copy of the agreement as payable to the society has been deducted and paid to the society, make the deduction in accordance with the agreement and pay the amount so deducted to the society, as if it were a part of the wages payable by him as required under the Payment of Wages Act, 1936 (IV of 1936) on the day on which he makes payment.

(3) If, after the receipt of a requisition made under the foregoing sub-section, the employer at any time fails to deduct the amount specified in the requisition from the salary or wages payable to the member concerned or makes default in remitting the amount deducted to the society, the employer shall be personally liable for the payment of such amount or where the employer has made deductions but the amount so deducted is not remitted to the society, then such amount together with interest thereon at one and half times the rate of interest charged by the society, to the member for the period commencing on the date on which the amount was due to be paid to the society and ending on the date of actually remitting it to the society; and such amount together with the interest thereon, if any, shall, on a certificate issued by the Registrar, be recoverable from him as an arrear of land revenue, and the amount and interest so due shall rank in priority in respect of such liability of the employer as wages in arrears.

(4) A requisition under sub-section (2) shall be made by the society within one year from the date of default by the member concerned in payment of any debt or other demand of the society.

⁵⁴[***]

CHAPTER - V

State aid to Societies

46. Government investment in societies.— The Government may subscribe to the share capital of a society with limited liability, upon, such terms and conditions as may be agreed upon.

47. Liability to be limited in respect of Government shares.— Where any shares are purchased in a society by the Government, the liability in respect of such shares shall, in the event of the society of which the shares are purchased being wound up, be limited to the amount paid in respect of such shares.

48. Other forms of State aid to societies.— Notwithstanding anything contained in any law for the time being in force, but subject to such conditions as the Government may, by general or special order specify in this behalf, the Government may,—

(a) give loans to a society;

(b) guarantee the payment of the principal of debentures issued by a society, or of interest thereon, or both or the repayment of the share capital of a society to its members, or the payment of dividends thereon at such rates as may be specified by the Government;

(c) guarantee the repayment of loans given by a Co-operative Bank to a society;

(d) guarantee the repayment of the principal of and payment of interest on, loans and advances given by the Reserve Bank of India, or any Bank or any other financial institution constituted under any law for the time being in force; or

(e) provide financial assistance, in any other form, including subsidies, to a society.

49. Provisions of this Chapter to override other laws.— The provisions in this Chapter shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

CHAPTER-VI

Property and Funds of Societies

50. Mobilisation of funds.— A society may mobilise funds in the form of share capital, deposits, debentures, loans and other contributions from its members to such extent and under such conditions as may be specified in the bye-laws.

⁵⁵[***] Omitted

52. Disposal of net surplus.— ⁵⁶[(1) A society earning profit, shall calculate the net profits by deducting from the gross profits for the financial year, all accrued interest which is overdue for more than six months, establishment charges, interest payable on loan and deposits, audit fees, rebate, discount, bonus or patronage or any other incentives, working expenses including repairs, rent, taxes, depreciation and funds provided for promotion of objectives and after providing for or writing off bad debts and losses not adjusted against any funds created out of profit.]

⁵⁷(2)The society shall prepare its Annual Financial Statement and arrive at its surplus or deficit. ⁵⁸[If provided in its bye-laws, the society shall, out of its net surplus] arising from its business in any year, make deferred payment to its members as patronage refund in proportion to the contribution of the members to such business an amount not less than 20%

and not exceeding 50% of such surplus. The balance of net surplus shall be appropriated in the following manner:-

(a) At least 25% shall be transferred to statutory reserve fund;

^{15-A}[(b) Not exceeding 20% shall be transferred to a deficit fund for meeting unforeseen deficits;]

⁵⁹[(c) [Not less than 2% with a maximum limit of rupees fifty thousand towards contribution to the Co-operative Development Fund which shall be transferred to the Co-operative Development Fund as maintained by the Registrar of Co-operative Societies within three months after the close of the co-operative year;]

⁶⁰[Provided that the Registrar may with the prior approval of the Government transfer such Co-operative Development Fund or part thereof to the Goa State Co- operative union or any other institution for the purpose of providing education and training in the Co-operation].

(d) Upto 5% to be transferred to a common benefit fund or common welfare fund whose purpose is approved by the general body;

(e) Upto 5% towards contribution for any purpose connected with the development of the co-operative movement;

(f) Not exceeding 25% of paid up share capital towards payment of dividend to members;

(g) The balance of surplus may be appropriated towards such other funds and reserves as may be approved by the board and confirmed by the general body.

⁶¹[Provided that the co-operative banks and urban co-operative credit societies may, instead of making deferred payment to their members as patronage refund, issue bonus shares as prescribed:

Provided further that if any society has not made patronage refund as specified under this section then, the entire amount of net surplus shall be appropriated in the proportion as mentioned in clauses (a) to (g) above.]

53. Liability for deficit.— (1) Where a society has an operational deficit in any given year, the board of directors shall place before the general body the detailed report of causes of such deficit.

(2) The general body shall examine the reasons and where the deficit has arisen in the normal course of the business of the society, the general body may, based on its examination, resolve to make good the operational deficit, wholly or partly, from the deficit fund and other reserves.

54. Reserve and other funds.— (1) A society may create statutory and non- statutory reserves and other funds for the promotion of the objects of the society.

(2) Reserves and other funds shall be used for the purpose for which they were created when necessary but otherwise may be used in the business of the society. ⁶²[***]

(3) Every society shall provide funds each year for co-operative education and training of its members, staff and Directors.

55. Investment of funds outside the business.— Such of its funds as are not needed for use by a society may be invested or deposited outside its business—

- (a) in the local postal saving bank;
- (b) in any of the securities specified in section 20 of the Indian Trusts Act, 1882 (Central Act 2 of 1882);
- (c) in the shares, debentures, and deposits in the State Co-operative Bank .
- (d) in a co-operative or nationalised or scheduled bank;
- (e) in any federal society of which it is a member;
- (f) in deposits with Government companies.
- (g) in any other mode permitted by the rules or by general or special order of the Government.

56. Employees provident fund.— (1) Every society having more than five employees shall establish for its employees a provident fund into which shall be paid the contribution made by its employees and by the society. Such provident fund shall not be used in the business of the society nor shall it form part of the assets of the society but shall be invested under the provisions of the last preceding section and shall be administered in the manner prescribed.

(2) Notwithstanding anything contained in the foregoing sub-section, a provident fund established by a society to which the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (XIX of 1952) is applicable, shall be governed by that Act.

57. Funds not to be utilized for certain proceedings filed or taken by or against officer in personal capacity.— Any expenditure incurred from the funds of the society for the purpose of any proceedings filed or taken by or against any officer of the society in the matter of elections to the board of directors or misfeasance proceedings shall be recoverable from the said officer by the society if the proceedings are decided against him.

CHAPTER - VII

Management of Societies

58. General body.— (1) Subject to the provisions of this Act and the rules made thereunder, the final authority of every society shall vest in the general body of members, in general meeting summoned in such a manner as may be specified in the bye-laws.

(2) Where, because of spread of number of members a society feels the need for constituting a representative general body for more effective decision making, it may constitute a representative general body in such manner and with such functions as may be specified in the bye-laws.

(3) Subject to the provisions of this Act and the bye-laws, the following matters shall be dealt with by the general body in the general meetings:-

- (a) amendments to bye-laws;
- (b) removal of directors;
- (c) consideration of-
 - (i) annual audited financial statement of the society and its subsidiaries, if any;
 - (ii) annual report of activities;

- (iii) auditors report and audit rectification report.
- (iv) annual operational plan and budget.
- (v) Approval of excess budgetary expenditure of the previous year;
- (vi) long term perspective plan and budget, if any;
- (vii) special audit report or inquiry report, if any;
- (d) appointment and removal of statutory auditors⁶³[***];
- (e) appropriation of net surplus;
- (f) management of deficits;

(g) fixation of remuneration and other facilities to be allowed to the chairman, any directors or member of any committee or internal auditor in connection with his duties in that capacity or his attendance at related meetings;

- (h) amalgamation, division re-constitution and partnership with any other society;
- (i) sale and disposal of business undertakings;
- (j) dissolution of society;

⁶⁴[(k) acquisition of an immovable property involving an amount of rupees twenty lakhs and above by following the codal formalities and the guidelines issued by the Registrar, subject to the funds being provisioned in the building fund, and or by way offunds raised by voluntary contribution received from share holders without expecting any returns;

(l) disposal of immovable property involving an amount of rupees twenty lakhs and above as per the guidelines issued by the Registrar from time to time]

⁶⁵[(m)] all other functions expected of the general body under the other provisions of this Act.

⁶⁶[**58A. Special general meeting.**— (1) A special general meeting may be called,—

- (i) at any time by the Chairman; or
- (ii) within one month from the date of submission of a requisition in writing to that effect by atleast one-tenth of the total number of members of the society or by atleast one-tenth of the total number of elected representatives or by such number of members as specified in the bye-laws for the purpose; or
- (iii) at the instance of the Registrar; or
- (iv) in the case of a society which is a member of a federal society, at the instance of the committee of such federal society.

(2) Where, any officer or a member of the committee, whose duty is to call such meeting, fails, without reasonable excuse, to call such meeting, the Registrar may, by Order, declare such member as disqualified for being a member of the committee for such period not exceeding five years, as he may specify in such order or impose on such officer a penalty not exceeding one hundred rupees for each day of default. Before making an order under this sub-section, the Registrar shall give, or cause to be given, a reasonable opportunity to the person concerned for showing cause as to why the action proposed should not be taken against him.

(3) If a special general meeting of a society is not called in accordance with the requisition referred to in clause (ii) of sub-section (1), the Registrar or any person authorized by him in this behalf, shall have power to call such meeting and that such meeting, when called, shall be deemed to be a meeting duly called by the committee.

(4) The Registrar shall have the power to order that the expenditure incurred in calling a meeting under sub-section (3) shall be paid out of the funds of the society or by such person or persons who, in the opinion of the Registrar, were responsible for the refusal or failure to convene a meeting.]

⁶⁷[**59. Board of directors.**— (1) The management of every society shall vest in a board which shall exercise such powers and perform such duties as may be conferred or imposed by this Act, rules and bye-laws.

(2) The term of office of elected members of the board and its office bearers shall be five years from the date of election and the term of office bearers shall be conterminous with the term of the board:

Provided that, the board may fill a casual vacancy on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the board is less than half of its original term.

(3) The size of the board shall be in accordance with the bye-laws, subject to a maximum of twenty-one directors. The Chief Executive shall be an ex officio director of the board.

(4) There shall be reservation of one seat for Scheduled Castes or the Scheduled Tribes and two seats for women on board of every co-operative society consisting of individuals as members and having members from such class or category of persons.

⁶⁸[Provided that till the seats of reserved categories are not filled such reserved seats shall not be counted as members of Board of Directors or for quorum of its meeting;

Provided further that if for any reason, a full -fledged board could not be constituted, it shall be competent for the Registrar to appoint remaining directors on the board by granting relaxation to the eligibility criteria and such appointment shall be co-terminous with the elected board.]

(5) The society shall make provisions for co-option of persons to be members of the board having experience in the field of banking, management, finance, accounts, audit, human resource or specialization in any other field relating to the objects and activities undertaken by the co-operative society, as members of the board of such society:

Provided that, the number of such co-opted members shall not exceed two in addition to twenty-one directors specified in sub-section (3) of this section as such co-opted directors may or may not be the members of the society and shall not have the right to vote in the affairs and in any election of the co-operative society in their capacity as such member or to be eligible to be elected as office bearers of the board:

Provided further that, the functional directors of a co-operative society shall also be the members of the board and such members shall be excluded for the purpose of counting the total number of directors.

(6) The board shall have a chairman and such other office bearers as may be provided in the bye-laws who shall be elected from amongst the elected directors/appointed directors in terms of section 67A of this Act, in the manner provided in the bye-laws:

Provided that, member of the board shall file the return about their loan transactions and their dealings with the society in the form specified by the Registrar from time to time depending upon the type of society:

Provided further that, no person shall be, or shall continue to be, chairman and⁶⁹ [office bearer of a Apex Society or Federal Society], for a consecutive period of more than ten years and at the expiration of that period any such person shall cease to be chairman and or the office bearer of that society, and shall not be eligible for being re-elected or re- appointed as a Chairman or office bearer, until a period of five years has elapsed after expiry of the aforesaid period of ten years:

⁷⁰ [Provided also that, should the administrator be appointed or the Chairman and other office bearers are removed by no confidence motion or resign voluntarily within twenty- four months before the date on which the consecutive period of ten years would, but for such appointment or removal or resignation have been completed, the Chairman or office bearers shall be deemed to have completed the period of ten years on appointment of administrator or removal or resignation of Chairman or office bearers, as the case may be:]

⁷¹ [*** Omitted]

(7)The board may constitute sub-committees from among it's directors and other office bearers for specific purpose and such committees shall submit their reports with recommendations or observations to the board for action, within the time specified by the board.

(8) Every director and employee of a society while exercising his power and discharging his duties shall,—

(a) act honestly and in good faith and in the best interest of the society; and

(b) exercise such care, diligence and skill as a reasonably prudent person would exercise in similar circumstances.

(9) A director or employee who is guilty of misappropriation, breach of trust or any other omission or commission, resulting in loss to the society shall be personally liable to make good that loss, without prejudice to such criminal action to which he is liable under the law.

(10) The members of the board and/or committee, as the case may be, shall be jointly liable for the decisions taken by the board and/or committee during its term relating to the business of the society. The members of the board and/or committee shall be jointly liablefor all the acts and omissions detrimental to the interest of the society:

Provided that, before fixing any responsibility mentioned above, the Registrar shall inspect the records of the society and decide as to whether the losses incurred by the society are on account of acts or omissions on the part of the members of the board or of the committee or on account of any natural calamities, business complications, economic fluctuations, market fundamentals, accident or any circumstances beyond the control of such members:

Provided further that any member of the board or member of the committee who does not agree with any of the resolution or decision of the board or of the committee, as the case may be, may express his dissenting opinion which shall be recorded in the proceedings of the meeting and such member shall not be held responsible for the decision embodied in such resolution/decision and/or for any act or omission committed by the board or the committee as per such resolution/decision. Such dissenting member if he so desires may also communicate in writing his dissenting opinion to the Registrar within seven days from the date of such resolution/decision:

Provided also that any member who is not present for the meeting of the board or committee in which the business of the society was transacted, and who has not subsequently confirmed the proceedings of that meeting, such member shall also not be held responsible for any of the business transacted in such meeting.

(11) If the Auditor, Enquiry Officer or Inspecting Officer during the course of audit or enquiry or inspection has found certain discrepancies in the working of the society which are irregular, illegal in nature and detrimental to the interest of the society, the Registrar may take the cognizance of such irregularities or illegalities and after giving due opportunity to the Directors concerned of being heard, may disqualify him to continue on the board.].

⁷²[*Explanation.— For the purpose of sub-section (11), the expression “to continue on the board” shall mean disqualification against such director to hold the post of director forever*].

⁷³[**59 A Motion of no confidence against officers of societies.**— (1) A President, Vice-President, Chairman, Vice-Chairman, Secretary, treasurer ⁷⁴[***] or any other officer, by whatever designation called, who holds office by virtue of his election to that office shall cease to be such President, Vice-President, Chairman, Vice-Chairman, Secretary, treasurer ⁷⁵[***] or any other officer, as the case may be, if a motion of no confidence is passed at a special meeting of the board of directors/committee of management of society by a simple majority of the total number of the members of board of directors/committee who are for the time being entitled to attend and vote at any meeting of the board of directors/committee and the office of such President, Vice- President, Chairman, Vice-Chairman, Secretary, treasurer ⁷⁶[***] or any other officer, as the case may be, shall thereupon be deemed to be vacant.

(2) The requisition for convening special meeting of the board of directors/committee for considering such motion of no confidence shall be signed by not less than one-third of the total number of members of the board of directors/committee who are for the time being entitled to attend and vote at any meeting of the board of directors/committee and shall be delivered to the Registrar:

Provided that no such requisition for a special meeting shall be made within a period of six months from the date on which any person/officer referred to in sub-section (1) has entered upon his office.

(3) The Registrar shall, within seven days from the date of receipt of requisition under sub-section (2), convene a special meeting of the board of directors/committee which

shall be held not later than fifteen days from the date of issue of the notice of such meeting.

(4) The special meeting called under sub-section (3) shall be presided over by the Registrar or any person authorized by him in this behalf. The Registrar or such person shall, when presiding over the meeting of the board of directors/committee, have the same powers as the President or Chairman when presiding over a board of directors'/committee's meeting has, but shall not have the right to vote.

(5) The meeting called under this section shall not be adjourned for any reason.

(6) Voting at the meeting shall be by raising of hands. The names of the directors/members of the committee voting for, and against the motion, shall be read in the meeting and recorded in the minute book of the special meeting of the board of directors/committee:

Provided that if one-third of the directors/members of the committee present so demand, the voting shall be by secret ballot.

⁷⁷[Provided further that when there is an equality of votes, the motion shall be deemed to have lapsed.]

(7) If the motion of no confidence is rejected, no fresh motion of no confidence shall be brought before the board of directors/committee within a period of six months from the date on which the motion is rejected.].

60. Disqualification for being director.— (1) In addition to such criteria as maybe specified in the bye-laws, a person shall be ineligible for being chosen as a director, if he,—

(a) has at any time, lost the right to vote as a member as specified in the bye-laws;

⁷⁸[(b) shall have attended three annual general meetings of the society during the period of five years preceding the election;]

⁷⁹[(c) shall have availed for three years in the preceding period of five years the service of a society to a minimum level as specified in the bye-laws.].

(c) is a defaulter of any society;

Explanation.— For the purpose of this clause, the term “defaulter” includes—

(i) in the case of a resource society, a member who defaults the payment of the crop loan on the due date;

(ii) in the case of a society which lends term loaning, a member who defaults the payment of any instalment of the loan granted to him;

(iii) in the case of any society,—

(a) a member who has taken anamat or advance; or

(b) a member who has purchased any goods or commodities on credit or availed himself of any services from the society for which charges are payable; and fails to repay the full amount of such anamat or advance or pay the price of such goods or commodities or charges for such service, after receipt of notice of demand by him from

the concerned society or within thirty days from the date of withdrawal of anamat or advance by him or from the date of delivery of goods to him or availing of services by him, whichever is earlier;

(iv) in the case of resource society the principle object of which is to provide credit for non-agricultural purposes, a member who defaults the payment of three consecutive instalments of the loan granted;

(v) in the case of Co-operative housing societies, a member who defaults the payment of dues to the society within three months from the date of service of notice in writing served by post under certificate of posting demanding the payment of dues;

(d) carries on business of the kind carried on by the society, either in his name or in the name of any member of his family or he or any member of his family is a partner in a firm or a director in a company which carries on business of the kind carried on by the society;

Explanation.— For the purposes of this clause, the expression “family” means a wife, husband, father, mother, brother, sister, son, daughter, son-in-law, or daughter-in-law; or

(e) is a salaried employee of the society or holds any office of profit under the society; or

(f) has incurred any other disqualification under this Act or the rules made thereunder.

(2) A person shall cease to be a director if such person incurs any of the disqualifications specified in sub-section (1) or—

(a) absents himself from three consecutive board meetings without leave of absence;

(b) absents from three consecutive general meetings.

(c) is penalised under this Act.

(3) In order to be eligible for being chosen as director of the board of directors of a society which has been in existence for more than⁸⁰[three years] , a member,—

(a) shall have been a voting member of the society for at least ⁸¹[three years] immediately preceding the year of election;

(b) shall have attended two general meetings of the society held immediately preceding the elections.

61. ⁸²[Disqualification of all directors of the board.] — Notwithstanding anything contained in the foregoing section, all the Directors of the Board shall incur disqualification not exceeding six years as may be decided by the Registrar after giving an opportunity of being heard, if during their term as Directors of the Society—

(a) they did not conduct the annual general meeting within six months of closure of the society’s accounting year;

(b) they did not conduct a requisitioned general meeting within the specified time;

(c) they did not place the audited accounts for the preceding co-operative year before the general body at its annual general meeting;

(d) they willfully allow any of the disqualified directors to continue on the board;

(e) they did not file the returns within stipulated time as provided under section 81;

(f) they are held responsible for not providing the information as required under section 32 of the Act:

Provided that if it is proved that the aforesaid omission or commission was with the consent or connivance of or is attributed to any gross negligence on the part of any Auditor, Director, Chief Executive, Managing Director or any other officer of the society, such Auditor, Director, Chief Executive, Managing Director or any other officer of the society shall be guilty and shall be liable for disqualification or misconduct, as the case may be and for penalty which shall not be less than rupees one hundred but not exceeding rupees twenty-five thousand.]

62. Powers and functions of the board of directors.— (1) Without prejudice to the generality of the powers of the board under section 59, the board shall have powers to—

(a) admit members;

(b) elect and remove the office bearers;

(c) accept or reject the resignation of the directors on the board; .

(d) appoint and remove the chief executive;

(e) fix the staff strength;

(f) frame policies concerning—

(i) business of the society;]

(ii) recruitment and service conditions of the staff;

(iii) mobilisation, utilisation and investment of various funds;

(iv) maintenance of accounting systems;

(v) management information systems;

(vi) such other subjects and matters necessary for the effective performance of the society;

(g) place the annual report, annual financial statements, annual plan and budget for the approval of the general body;

(h) consider audit and compliance reports and place these before the general body;

(i) ⁸³[acquire or dispose of immovable property of value not exceeding rupees twenty lakhs];

(j) take such other measures or do such other acts as may be prescribed or required under this Act.

(2) The chairperson shall be elected by the board from among the ⁸⁴ [elected members/directors appointed under section 67A of the Act] and shall, in accordance with the bye-laws—

(a) preside at meetings of the board and the general body;

(b) have only a casting vote in the event of equality of votes on any matters being decided

upon by the board.

(c) exercise such other powers as may be delegated by the board and specified in the policies framed or resolutions adopted by the board.

63. Chief Executive.— (1) There shall be a Chief Executive, by whatever designation called, of every society, to be appointed by the board and he shall be a full time employee of such society.

(2) The Chief Executive shall be a member of the board and of the committees as may be constituted under the provisions of the bye-laws.

(3) Where the Government has subscribed to the extent of more than one half of the share capital of a society, it shall be obligatory on such a society to seek prior approval of the Government to the appointment of the Chief Executive.

64. Powers and functions of Chief Executive.— The Chief Executive shall exercise the power and discharge the functions specified below, namely:—

(a) day-to-day management of the business of the society;

(b) operating the accounts of the society and be responsible for making arrangement for safe custody of the cash;

(c) signing on the documents for and on behalf of the society;

(d) making arrangements for the proper maintenance of various books and records of the society and for the correct preparation and timely submission of the periodical statements and returns in accordance with the provisions of this Act, the rules and the bye-laws;

(e) convening meetings of the general body of the society, the board and the other committees constituted by the board and maintaining proper record of such meetings;

(f) making appointments to posts in the society in accordance with the directions of the board;

(g) assisting the board in the formulation of policies, objectives and planning;

(h) appraising the board with periodical information necessary for the operations and functions of the society;

(i) performing such other duties and exercising such other powers as may be prescribed or as may be specified in the bye-laws of the society.

65. Society's nominee on other society not eligible to be office bearer except in a federal society.— No member of a society who is nominated to represent it on any other society shall be eligible for being elected as office bearer of the other society, unless the other society is its federal society.

66. Election to board of directors of societies. — ⁸⁵[(1) The election of a board shall be conducted before the expiry of the term of the board so as to ensure that the newly elected members of the board assume office immediately on the expiry of the office of members of the outgoing board.]

(2)⁸⁶[Where the Registrar or authority or body, responsible for conduct of election, fails to hold election to the board of a society where there is no Government share holding or Government loan or Government financial assistance or any guarantee given by the Government in respect of loans raised], the term of office of the members of the board of that society shall be deemed to have been extended till the date immediately preceding the date of the first meeting of the newly elected board.

(3) The voting at election shall be by secret ballot.

(4) The expenses for holding any such elections shall be borne by the concerned society.

⁸⁷[(5) The elections to the board ⁸⁸[***] of all the societies, shall be conducted by the Registrar or by such authority or body as may be authorized by the Government by a notification in the Official Gazette and in such manner, as may be prescribed.];

⁸⁹[Provided that, in case of co-operative housing society and Self-Help Group members not exceeding two hundred and in the case of panivatap societies, primary dairy co-operative societies and resource societies having working capital less than Rupees fifty lakhs, the elections of the Board or committee shall be conducted by such societies in the General Body before the expiry of the term of office of the members of the outgoing board, in accordance with the rules as prescribed.]

⁹⁰[(6) The election of the office bearers, except in case of co-operative housing societies and self-help groups having not more than two hundred members and panivatap societies, primary dairy co-operative societies and the resource societies having working capital less than rupees fifty lakhs, shall be conducted by the authorized person/ authority/body within thirty days from the date of declaration of the result of the election to the board:

Provided that the election of office bearers of co-operative housing societies and self-help group having not more than two hundred members and panivatap societies, primary dairy Co-operative Societies and the resource societies having working capital less than rupees fifty lakhs, may be conducted in the first board meeting of the newly elected board as per the rules as prescribed:

Provided further that subsequent vacancy or vacancies on the board caused due to retirement, resignation, death etc. shall be filled by election of new office bearer by remaining directors as per provisions of bye-laws of the societies:

Provided also that in all such cases where the elections are held by the society and not by the authorized person appointed by the Registrar a copy of the proceeding of the meeting conducting of such elections shall be mandatorily required to be submitted to the Assistant Registrar.]

67. Vacancies on the Board of Directors. — ⁹¹[(1) Where there is a vacancy or vacancies on the Board of Directors, the remaining directors may exercise all the powers of the board or may fill the vacancies on the board by co-option for the remainder of the term from eligible persons out of the same class of members in respect of which the casual vacancy has arisen, if such vacancies are not more than one-third of the total number of directors of the board and the term of office of the board is less than half of its original term.]

(2) Where there is a vacancy or vacancies on the board in excess of one-third of the total number of directors of the board, the remaining directors shall call upon the Registrar to hold election for electing members to fill the vacancies for the remaining period.

(3) The term of office of the directors who are appointed or nominated or co-opted on the board to fill the vacancy shall be co-terminus with the term of office of the elected directors

notwithstanding the date of their such appointment, nomination or co-option to fill the vacancy.

⁹²[(4) Any member of the board may resign his office by writing under his hand a letter on a plain paper addressed and submitted to the Chairman and the Chairman may resign his office by writing under his hand a letter on a plain paper addressed and submitted to the Chief Executive. In the event of resignation of office bearer, the election of new office bearer shall be done in accordance with the provisions of bye-laws of the society. In the event where the resignation is from majority of the members on the board including the Chairman, or otherwise, such resignations shall be handed over to the Chief Executive who shall forward the same to the Registrar. The Registrar, after receiving the resignations of the majority of the members of the board shall assess the situation and decide the course of action in accordance with the provisions of the Act.]

⁹³[(5) Resignation under sub-section (4) shall become effective on expiry of ten days from the date of submission of resignation letter under subsection (4), unless before the expiry of said period of ten days such member by writing under his hand a letter addressed to the Chairman, Vice-Chairman, Chief Executive or the Registrar, as the case may be, withdraws his resignation.

(6)The member of the board shall be deemed to have vacated his post and he shall cease to hold such post from the date his resignation becoming effective under sub-section (5).

(7)After such resignation becoming effective, the Chief Executive shall within seven days convene a meeting of board and place such resignation for information of the board.

(8)The Chief Executive shall submit a detailed report of the vacancy arising due to resignation to the Registrar within 15 days from the date of resignation becoming effective.

(9)The member who has resigned from the post of director or office bearer shall not be subject to any duties or liabilities of such post under this Act or Rules or bye-laws of the Society concerned from the date of his resignation becoming effective under this section.

(10)Notwithstanding the fact that a member has resigned from the post of director or office bearer of Society, all outstanding dues payable by him as on the date of his resignation taking effect shall be paid by such member to the Society failing which the same shall be recovered from him in the same manner as provided under this Act for recovery from a member of the Society.

(11)In the event of such post of director or office bearer as the case may be falling vacant, the same shall be filled in accordance with the provisions of this Act and the rules as may be applicable.]

⁹⁴**67A. Appointment of Directors, New Board of Directors or Administrator.—** (1) Where the Registrar is satisfied that,—

(a) at the first constitution of the Board of Directors of any society there is a failure to elect all or any of the members of the Board of Directors;

(b) the term of the Board of Directors of any society or of any of its members has expired or for any other reason election is held and there is a failure to elect all or any of the

Directors required to fill the vacancies;

(c) any Director is prevented from entering upon his office;

(d) new Directors have failed to enter upon office on the date on which the term of office of the existing Board of Directors expired; or

(e) a new Board of Directors cannot, for any reason, be constituted before the expiry of the term of Office of the existing Board of Directors, he may, either suo motu or on an application of any officer of the society, by *order*, appoint,

(i) any member or members of the society to be the member or members of the Board of Directors to fill the vacancy/vacancies; or

(ii) a committee, consisting of not more than three members of the society, or one or more administrators, other than the member/s of the society, to manage the affairs of the society till the new Board of Directors enters upon office:

Provided that before making such order, the Registrar shall publish a notice on the notice board at the head office of the society, inviting objections and suggestions with respect to the proposed order within a period specified in the notice and consider all objections and suggestions received by him within that period:

Provided further that it shall not be necessary to publish such notice in case where the Registrar is satisfied that immediate action is required to be taken or that it is not reasonably practicable to publish such notice.

⁹⁵[(f) any member of board attracts disqualification under the Act;

(g) majority of the members of the board resigns.].

(2) The Board of Directors or administrator so appointed shall be subject to the control of the Registrar and obey such instructions as the Registrar may, from time to time give, and shall have power to discharge all or any of the functions of the Board of Directors or of a director, as the case may be, and take all such actions as may be required to be taken in the interest of the society.

(3) The Board of Directors or administrator so appointed shall make necessary arrangements to constitute a new Board of Directors for enabling the new Board of Directors to enter upon office or to fill the vacancy/vacancies of the Directors, as the case may be, within such period or extended period as the Registrar may specify].

⁹⁶[(4) the Registrar may fix the remuneration payable to the administration which shall be paid from the funds of the society.]

68. Government's power to give directions in the interest of Co-operative movement.— (1) If the Government, on receipt of a report from the Registrar or otherwise, is satisfied that in the interest of Co-operative movement or for the purpose of securing proper implementation of co-operative production and other development programmes approved or undertaken by the Government or to secure the proper management of the business of the society generally, or for preventing the affairs of the society being conducted in a manner detrimental to the interests of the members, or of the depositors or the creditors thereof, it is necessary to issue directions to any class of societies in particular, the Government may issue directions to them from time to time, and all societies or the society concerned, as the case may be, shall be, bound to comply with such directions.

(2) The Government may modify or cancel any directions issued under sub-section (1) and in modifying or cancelling such directions may impose such conditions as it may deem fit.

⁹⁷[***]

⁹⁸**[68A. Power to seize the records, etc.—** (1) Where the Registrar is satisfied that the books and records of a society are likely to be suppressed, tampered with or destroyed, or the funds and property of a society are likely to be misappropriated or misapplied, the Registrar or the person authorized by him in this behalf, may apply to the Executive Magistrate within whose jurisdiction the society is functioning for seizing and taking possession of the records and property of the society.

(2) On receipt of an application under sub-section (1), the Executive Magistrate may authorize any police officer, not below the rank of a sub-inspector, to enter and search any place where the records and property are kept or likely to be kept, and to seize them and hand over possession thereof to the Registrar or the person authorized by him, as the case may be.].

⁹⁹**[69. Directions by the Registrar for successful conduct of business.—** (1) The Registrar may, from time to time, issue such directions or directives to a co-operative society or a class of co-operative societies as he considers necessary for successful conduct of business, in the interest of shareholders and all matters incidental thereto and such directions or directives shall be binding on them.

(2) In case of failure to comply with direction issued under sub-section (1), the Registrar may, by order,—

(a) if such defaulter is a member of the committee of the society, remove the member from the committee and appoint any other person as a member of the committee for the remainder of the term of his office and declare him to be disqualified to be such member for a period not exceeding six years from the date of the order;

(b) if such defaulter is an employee of the society, by order direct the committee to remove such person from employment of the society forthwith, and if any member or members of the committee, without any good reason or justification, fail to comply with such order, remove the member or members of the committee and appoint any other person as members and declare him disqualified as provided in clause (a):

Provided that, before making any such order under this sub-section, the Registrar shall give a reasonable opportunity of being heard to the person concerned.

(3) The Registrar may, on representation made to him or on his own motion, modify or cancel any direction issued under subsection (1), and in so modifying or cancelling any direction may impose such conditions as he may think fit, subject to which the modification or cancellation shall have effect.

(4) Any person aggrieved by the decision of the Registrar, may prefer an appeal to the Secretary (Co-operation) to the Government within thirty days from such decision.]

70. Qualifications of Chief Executive Officers or any other officers.— The qualifications for the appointment of the chief executive officers or any other officers of a society shall be such as may be specified in the bye-laws.

¹⁰⁰**[71. Supersession and suspension of board and interim management.—** (1)

Notwithstanding anything contained in any law for the time being in force, no board shall be superseded or kept under suspension for a period exceeding six months:

Provided that, the board may be superseded or kept under suspension in case,—

- (a) of its persistent default; or
- (b) of its negligence in the performance of duties; or
- (c) the board has committed any act prejudicial to the interests of the co-operative society or its members; or
- (d) there is stalemate in the constitution or functioning of the board; or
- (e) the Registrar or authority or body as referred to in sub-section (5) of section 66 of the Act failed to conduct elections in accordance with this Act:

Provided further that the board of any such society shall not be superseded or kept under suspension where there is no Government shareholding or loan or financial assistance or any guarantee by the Government:

Provided further that in case of a co-operative society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 (Central Act 10 of 1949) shall also apply:

Provided also that in case of a co-operative society, other than a multi-State Co-operative society, carrying on the business of banking, the provisions of this section shall have the effect as if for the words “six months”, the words “one year” had been substituted.

(2) Before making such order the Registrar shall give an opportunity to the board of being heard in the matter, within fifteen days, from the date of issue of notice and by order supersede the board and appoint one or more administrator, who may or may not be the member of the society, to manage the affairs of the society for the period specified in sub-section (1).

(3) In case of supersession of board, the administrator appointed to manage the affairs of such society shall arrange for conduct of elections within the period specified in sub-section (1) and hand over the management to the elected board.

(4) The administrator so appointed shall have power to execute all or any of the functions of the board and to take all such actions as may be required in the interest of the society except admission of members.

(5) The Registrar may fix the remuneration payable to the administrator which shall be paid from the funds of the society.].

72. Meetings and minutes.— (1) The bye-laws of the society shall specify the frequency of and the manner in which the meetings of the board shall be held, so however that the board shall meet at least once in every three months.

¹⁰¹ [(2) Every society shall hold the annual general body meeting of its members within six months from the close of the co-operative year. At every annual general meeting of a society, the board shall lay before the society an audited balance sheet and profit and loss account for the year in the manner specified by the Registrar by general or special order in this behalf.

Explanation:— In the case of a society not carrying on business for profit, an income and expenditure account shall be placed before the society at the annual general meeting instead of profit and loss account; and all the references to “profit and loss account”, “profit”

and “loss” in this Act, shall be construed in relation to such society as references, respectively, to the “income and expenditure account”, “income over expenditure” and “excess of expenditure over income.”];

(3) The board shall convene a general meeting within thirty days of receipt of requisition for convening a general meeting signed by at least one-tenth of the members of the society¹⁰²[***] and any such requisition shall contain the proposed agenda and the reasons why the meeting is felt necessary.

(4) Where the board fails to convene the annual or requisitioned general meeting within due time, it shall be competent for the Registrar to convene the requisitioned or annual general meeting, as the case may be.

(5) Every society shall record in separate minute books, minutes of all proceedings of every general meeting, every meeting of its board of directors and every committee meeting.

(6)¹⁰³[***]

(7) The minutes of the board meetings so recorded shall be signed by the person who chaired the said meeting, or by the chairman of the succeeding meeting, and minutes of the general meeting shall be signed by the person who chaired the meeting within thirty days from the date of the meeting or in the event of his unwillingness or inability, by a director duly authorised by the board for the purpose.

CHAPTER - VIII

¹⁰⁴[Accounts, Audit, Inquiry and Inspection]

73. Accounts and records.— (1) Every society shall maintain at its office the following accounts, records and documents, namely:—

- (a) copy of its registered bye-laws with amendments made from time to time;
- (b) the minute book of the board of directors meetings and committee meetings;
- (c) the minute book of the general meetings;
- (d) accounts of all sums of money received and expended by the society;
- (e) accounts of all purchases and sales of goods made by the society;
- (f) accounts of all assets and liabilities of the society;
- (g) a register showing member wise patronage of various services provided by the society;
- (h) an up-to-date register of all members;
- (i) copies of the annual statement of accounts, directors report and auditors report;
- (j) all such other accounts, records and documents as may be required by this Act or other laws.

(2) The books of accounts and other records shall be open for perusal by any director during business hours.

(3) The books of accounts of every society, together with supporting records and vouchers, shall be preserved for such period as may be prescribed subject to any other laws for the time being in force.

¹⁰⁵[(4) Every society within forty-five days of the close of the financial year, shall prepare the Receipt and Payment statements/Trial Balance, Trading/Manufacturing Accounts, Profit and Loss Account/Income and Expenditure Account and Balance Sheet and within fifteen days from such preparation submit a copy thereof to the Registrar and the auditor.].

¹⁰⁶[(5) Where the society fails to comply with provision contained in sub-section (4) the society shall be liable for a fine which shall not exceed rupees five hundred per day till such society complies with the provisions of sub-section (4). The fine so imposed shall be paid by the offenders within 30 days from the date of passing of order. All such fine so imposed if not paid within specified time, shall be recovered as arrears of land revenue.]

¹⁰⁷[**74. Audit.**— (1) Every society shall maintain accounts and records as provided under section 73 and such accounts shall be audited at least once in each financial year.

(2) The Registrar shall, with prior approval of the Government, constitute a panel of auditors from among the departmental auditors, chartered accountants within the meaning of the Chartered Accountants Act, 1949 (Central Act 38 of 1949) and who are members of the Institute of Chartered Accountants of India, holding certificate of practice and having their registered address within the State of Goa, and certified auditors from amongst the retired officers of the Government, who are holding diploma in co-operation of a institute of repute or having working experience of at least ten years in co-operative Audit. ¹⁰⁸[The penal of auditors so constituted by the Registrar shall be renewed after every three years with due consent of the concerned Chartered Accountants and certified auditors on payment of such renewal fees as may be prescribed.]

¹⁰⁹[Provided that before constituting the panel of auditors, the registrar may call for the applications from the Chartered Accountant and Certified Auditors for being appointed on the panel of Auditors.]

(3) Every society shall cause to be audited by an auditor referred in sub-section (2), appointed by the general body of the society:

Provided that, no society shall appoint same auditor consecutively for more than two years.

(4) The accounts of every society shall be audited within six months of the close of the financial year to which such accounts relate.

¹¹⁰[Provided that the Registrar may in any particular case, extend the aforesaid period by such period as he may consider necessary where he is satisfied that such extension shall be in the interest of the society;

Provided further that in the event of pendency of audit, the Registrar shall appoint an auditor from the panel of auditors constituted under sub-section (2) and cause the audit.]

¹¹¹[(5) The audit fees payable to the auditors enlisted on the panel of auditors shall be fixed by the Registrar with the approval of the Government.]

(6) The auditor shall be given notice of every general meeting and he shall be entitled to attend the meeting.

(7) The audit report of the accounts of an apex society shall be laid before the State Legislature in such manner as may be prescribed.

(8) If the Registrar finds it necessary or expedient to re-audit any or all accounts of the society, he may, by order, direct such re-audit and the provisions of this Act, applicable to

audit of accounts of society, shall apply to such re-audit.].

¹¹²[(9) Notwithstanding anything contained in this section and section 75 in case of housing co-operative society and self help group having membership not exceeding two hundred members and panivatap society, primary dairy co-operative society and service resource society having working capital less than Rupees fifty lakh, the Chief Executive of such society shall prepare the statement of accounts or audit report and submit to the Board. The Board shall discuss in its meeting the statement of accounts and the audit report so submitted by the Chief executive and record its approval and within six months from the close of the co-operative year place such statement of accounts and the audit report before the general body for its approval. The Chief executive while preparing the statement of accounts and audit report shall exercise all due diligence and exercise the powers and duties of the auditors as specified under section 75 of the Act:

Provided that in all such cases where the annual statement of accounts and audit report is prepared by the Chief executive, after due approval by the General Body, a copy of such audit report or the statement of accounts shall be submitted to the Assistant Registrar for scrutiny:

Provided further that any discrepancies or shortcoming pointed out by the Assistant Registrar on such statement of accounts or audit report shall be made good by the Board of Directors of such society. Any audit compliance in such statement of accounts or audit report shall be placed before the General Body and a copy of the action taken on such audit compliances shall be submitted to the Assistant Registrar.]

¹¹³[Provided also that in any case of the above societies, if there is no paid employee or if the employee/s available and/or the Chief Executive is, in the opinion of the board of directors not capable of preparing such statement of accounts and audit report as required under sub-section (9) of this section, then, the board of directors may adopt a resolution to appoint an Auditor from the panel of Auditors prepared under this section and obtain audit report instead of statement of accounts by the chief executive and may comply with the provisions of sub-section (9) by using such audit report in place of statement of account by chief executive.]

75. Powers and duties of the auditor.— (1) Every auditor of a society shall have right of access at all times to the books of accounts and vouchers of the society, whether maintained at the head office or at the branches or elsewhere, and shall be entitled to require from the society such information and explanations as the auditor may think necessary for the performance of his duties as an auditor.

(2) The auditor shall, after examination of the books of accounts and records, report:-

(a) Whether the society has maintained proper books of accounts and records as required by this Act;

(b) Whether he has obtained all the information and explanations, which to the best of his knowledge and belief were necessary for the purposes of his audit;

(c) Whether the final statement of accounts prepared are in agreement with the books of accounts and records maintained;

(d) Whether the final statement of accounts gives true and fair view,—

(i) in the case of balance sheet, of the state of affairs of the society as at the end of the

co-operative year.

(ii) in the case of income and expenditure account, of the surplus or deficit for the co-operative year.

(e) Whether report of the branch auditors, not audited by him has been considered, and how he has dealt with the same in preparing his report;

(3) The auditor of the society shall also examine the following before he submits his report.

(a) Whether a society has maintained proper records showing particulars including quantitative details and situation of fixed assets;

(b) Whether the fixed assets have been periodically physically verified by the management of the society and the discrepancy, if any, is considered in the books;

(c) Whether loans and advances made by the society on the basis of security have been properly secured and whether the terms and conditions are not prejudicial to the interest of the society;

(d) Whether any personal expenses have been charged to income and expenditure account;

(e) Whether capital expenses have been charged to income and expenditure account;

(f) Whether any expenditure incurred by the society is not in accordance with or not in consonance with its objectives;

(g) Whether the society has utilised the financial assistance granted by the Government or any Government undertakings, for the purpose it is granted;

(h) Whether there are adequate internal control procedures, commensurate with the size of the society and nature of its business;

(i) Whether any purchases and sales are made during the year exceeding Rs. 50,000/- in aggregate from any relative of any director or any company or firm in which directors are interested;

(j) Whether any manpower requirement is assessed and recruited as per the recruitment rules.

¹¹⁴[(4) The auditor of the society shall submit a copy of the audit report together with the accounts to the Registrar in such form as may be specified by the Registrar, within thirty days from the date of the audit.].

¹¹⁵[(5) On completion of the statutory audit, the auditor shall award audit classification to the society whose accounts he has audited in accordance with the instructions issued by the Registrar from time to time.

(6) The Registrar or the person authorized by him to conduct the audit may summon any person in possession or responsible for the custody of any such books, accounts, papers, documents to produce the same at any place at the Headquarters of the society or any branch thereof.].

¹¹⁶[(7) The Auditor shall discuss his findings during the course of audit with the board and issue certificate to the effect that he has duly notified his findings/observations to the board of the society.

¹¹⁷[(8) In the event of mismanagement, misappropriation of society's funds, the auditor shall file special report to the Registrar, failing which, he shall be held responsible for willful omission or failure to report to the Registrar which shall constitute an offence under section 118 of this Act.]

76. Special audit. — (1) A society dealing with the funds from the Government or any other external individual or institutions may be subject to a special audit initiated by the Registrar at the request of such creditor, on such specific terms of reference as agreed to by the Registrar.

(2) The cost and expenses of the special audit under sub-section (1) shall be met by such creditor.

(3) Every special audit shall be completed, and report submitted to the Registrar within four months from the date of appointment.

(4) The special audit report shall contain a statement of:—

(a) every payment which appears to the auditor to be contrary to law;

(b) the amount of any deficiency, waste or loss which appears to have been caused by the gross negligence or misconduct of any person in the performance of his duties;

(c) the amount received which ought to have been accounted for but is not brought into account; and

(d) any material impropriety or irregularity which he may observe in the expenditure or in the recovery of money due.

(5) The Registrar shall, within a period of thirty days from the date of the receipt of the special audit report, communicate copies of the same to—

(a) the applicant creditor; and

(b) the society concerned.

¹¹⁸**76A. Enquiry and/or Inspection of societies.**— (1) The Registrar may, on the request made by a creditor or federal Institution or not less than one third of the total number of members of the board of directors or not less than one fifth of the total number of members, of a society, ^{28-A}[or of his own motion, by himself, or by a person duly authorised by him in writing in this behalf, undertake inspection] and inquiry into the constitution, working and financial condition of such society and submit a report thereon.

(2) Where a complaint is made by a member of society in writing about the affairs of a society or board of directors, the Registrar or any person authorized by him in this regard who shall be not below the rank of Deputy Registrar is prima facie satisfied, after affording an opportunity of being heard, that an inquiry is required to be instituted, he may, order an inquiry to be made by a person not below the rank of Co-operative Officer or special auditor.

(3) For the purpose of inspection/inquiry under sub-sections (1) and (2), the person conducting inspection or inquiry shall, at all times, have access to all books of accounts, papers, vouchers, securities, stock and other documents of that society and may, in the event of serious irregularities discovered during inquiry and inspection, take the same into custody and report to the Registrar. He shall have power to verify the cash balance of the society. The Registrar may call a meeting of the board of directors or a general body meeting of the society, as he may deem fit.

(4) Every officer or member of board of directors shall furnish such information with regard to working of the society as the Registrar or the person making inquiry or inspection may require.

(5) A copy of the report of the inquiry and/or inspection carried out under this section shall be forwarded to the society within a period of ninety days from the date of completion of such inquiry and/or inspection.].

¹¹⁹[(6) in case the complaint is found to be false or frivolous, the cost and expenses of the inquiry or inspection initiated under sub-section (2) of section 76 A shall be borne by such person on whose complaint such inquiry or inspection is conducted.]

¹²⁰[**76B Inspection and scrutiny of co-operative credit society and other co- operative societies engaged in credit business:-** (1) Notwithstanding anything to contrary contained in section 76-A of the Act, the Registrar shall at least once in a financial year, cause an inspection of books of accounts of co-operative credit society or other co-operative societies engaged in credit business, by an officer not below the rank of Co-operative Officer with the assistance of one or more Senior/junior Auditors if required. Such officer shall provide to the society, a copy of its report on such inspection.]

Explanation: For the purpose of this section, -

(i) ‘Co-operative officer” means a person appointed as Co-operative Officer by the Registrar.

(ii) “Senior/ junior auditor” means person appointed as Senior/ junior auditor by the Registrar.

(2) Notwithstanding anything to the contrary contained in any other State law for the time being in force and without prejudice to the provisions of sub-section (1), the Registrar may at any time, cause a security to be made by an officer not below the rank of Co- operative Officer not below the rank of Co-operative Officer and if required with the assistance of one or more Senior/ Junior Auditors, of the affairs of any Co-operative credit society or other society, if such society makes a request for the same or if any adverse action is contemplated against such society on the basis of the scrutiny.

(3) it shall be the duty of every Director or other officer or employee of the co- operative credit society or other society, as the case may be, to produce before any officer making an inspection under sub-section (1) or a inquiry under sub-section (2), all such books of accounts and other documents in his custody or power and to furnish him with any statements and information relating to the affairs of such society as the said officer may require within such time as such officer may specify. Any person making an inspection under sub-section (1) or a inquiry under sub-section (2) may obtain written statement of any Director or other officer or employee of the co-operative credit society or other society in relation to its business.

(4) The Registrar, after considering the report if he is of the opinion that the affairs of such society are being conducted to the detriment of the interest of its depositors he may, -

- (a) prohibit the society from receiving fresh depositors;
- (b) prohibit the society from advancing fresh loans or reduce the loan sanctioning limit;
- (c) issue direction to reduce the administrative and capital cost;
- (d) issue such other direction as he may deem fit in the interest of such society in particular

and members at large;

(e) if the Registrar is satisfied that the inspection report reveals serious financial or administrative irregularities or violation of the provisions of the Act, Rules, Bye-laws or any guidelines or notification or if he is satisfied that the financial or administrative affairs of the society are managed in a manner detrimental to the interest of the members, he shall recover such sum of money equivalent to the loss caused to the society from every person responsible for causing such loss and such act shall constitute offence in terms of section 118 of this Act.;

(f) direct to amalgamate, merge with other society or may order for liquidation for winding up of its affairs:

Provided that the Registrar after assessing the financial position of such society, may cancel or modify or relax any such order passed under clause (a), (b),

(c) or (d) of sub-section (4) upon such terms and conditions as he may deem fit.

76C. Ailing Co-operative Credit societies.— (1) For the purposes of this section an Ailing Co-operative credit society shall mean a Co-operative credit society and such other co-operative societies engaged in the business of credit which does not fulfil any of the financial parameters specified in sub-section (2) to qualify to be a financially healthy cooperative society:—

(2) A financially healthy co-operative credit society means a co-operative credit society which fulfills the following financial parameters, namely:—

(A) Resources— The collective wealth of a society or its means of producing wealth or increasing its business. The collective wealth of the cooperative credit society is determined on the basis of the following financial parameters

(i) Share Capital: The funds raised by the Cooperative Credit Society against the shares allocated to its members. For a financially healthy cooperative credit society the share capital should be 5 % of the total liabilities in the annual balance sheet of such society.

(ii) Reserves and other funds: the funds created out by way of appropriation of the net surplus or profits earned. For a financially healthy cooperative credit society the total reserves and other such funds as are provided in section 52 of this Act shall be in the proportion of 6 % of the total liabilities in the annual balance sheet of such society.

(iii) Deposits and Borrowings: The total deposits and borrowings of a financially healthy cooperative credit society shall be 84 % of the total liabilities in the Annual Balance sheet of such society.

(iv) Other liabilities: A financially healthy cooperative credit society may have other liabilities resulting out of its business operations, which may be specified and the same shall be 3 % of the total liabilities on the annual balance sheet of such society.

(v) Net surplus: Net surplus or net Profit of the financially healthy cooperative credit society shall be 1 % to 2 % of total liabilities in the annual balance sheet of such

society.

(vi) Non Performing Assets (N.P.A.): Net N.P.A. of a healthy co-operative society shall not exceed 10% of advances at any point of time.

Explanation: “Non Performing Assets” means assets which do not generate income. In case any loan account, which does not generate income for more than 180 days, it should be treated as non performing assets.

(b) Utilization: The practical and effective use of funds of the society as per the directives of the Registrar or in accordance with the Bye Laws and the business of the society. The following financial parameters shall determine the Utilization of the cooperative credit society.

(i) Loans and Advances: The total Loans and Advances extended by the financially healthy Cooperative Credit society shall be 70 % of the liabilities in the balance sheet.

(ii) SLR: SLR or Statutory Liquidity Ratio is the minimum percentage of deposits that a bank has to maintain in form of gold, cash or other approved securities. The Proportion of SLR for a financially healthy cooperative credit society shall be 20 % of the total deposits (i.e. 16.80 % of the total liabilities).

(iii) CRR: CRR or Cash Reserve Ratio refers to a certain percentage of total deposits of the cooperative credit society which is required to be maintained in the form of cash reserve with a central Bank. The Proportion of CRR for a financially healthy cooperative credit society shall be 5% of the total deposits (i.e. 4.2 % of the total liabilities)

(iv) Fixed Assets: Land, buildings, equipments or any assets which are purchased by the society for term use and are not likely to be converted quickly into cash. For a financially healthy cooperative credit society the total liability on account of Fixed assets shall be 4% of the total liabilities in the balance sheet.

(v) Other assets: Means miscellaneous assests that cannot be classified as current assets, fixed assets or intangible assets. For a financially healthy cooperative credit society the total liability on account of Fixed assets shall be 5 % of the total liabilities in the annual balance sheet.

(3) Where a Co-operative credit society does not fulfill the financial parameters as specified in sub-section 2, such co-operative credit society shall be classified as ailing Co-operative credit society. The Registrar shall direct the Board of Directors of such ailing co-operative credit society to submit detailed action plan complying the requirements of financial parameters as contained in sub-section (2) above. The Registrar may suggest measures to streamline the functioning of such ailing societies and may also seek assistance of any person appointed under sub-section (3) of section 4 of this Act so that such co-operative credit societies fulfil the specified financial parameters confirming their financial health.

(2) The Registrar shall display on his website a list of such ailing co-operative credit societies for information of depositors and general public.

76D. Inquiry into working of ailing cooperative credit societies. — (1) The Registrar may make such inquiry as he may deem fit, to ascertain the financial condition of the ailing co-operative credit society, upon information received or upon his own knowledge about such ailing cooperative credit society.

(2) The Registrar may, if he deems necessary or expedient so to do require by order, the Deputy Registrar or any subordinate officer to enquire into the affairs of such ailing co-operative credit society and make a report with respect to matters as specified in the order.

(3) The Deputy Registrar or any subordinate officer so appointed under subsection (2) above shall complete its inquiry as expeditiously as possible and submit its report to the Registrar within thirty days from the date of such order:

Provided that the Registrar may extend the said period upto fifteen days by recording the reasons in writing.

(4) The Registrar shall conclude its inquiry as expeditiously as possible and pass final order suggesting the action for such ailing co-operative credit society within sixty days from the commencement of the inquiry:

Provided that the Registrar may extend the said period to ninety days with the approval of Government, by recording the reasons for such extension. An opportunity of hearing shall be granted to such ailing co-operative credit society and to present their cases so also to comply with the requirements of the financial parameters as contained in sub-section (2) of section 76 C.

76E. Powers of the Registrar to make suitable order on completion of inquiry of an ailing Co-operative credit society.— (1) The Registrar, after making an inquiry under section 76D, by an order in writing, decide whether it is practicable for the ailing credit co-operative society to achieve the financial parameters as contained in sub-section (2) of section 76C within reasonable time frame. The Registrar shall, subject to such restrictions or conditions as may be specified in the order, give such time to the ailing co-operative credit society to achieve the financial parameters.

(2) If the Registrar decides under subsection (1) that it is not practicable for an ailing Co-operative Society to achieve the financial parameters as contained in subsection 2 of section 76C, within a reasonable time and that it is necessary or expedient in the public interest to adopt all or any of the measures specified in section 76E in relation to the said ailing co-operative credit society, he may, as soon as may be, by order in writing, direct any of his subordinate officer under whose jurisdiction the society is functioning or apex society specified in the order to prepare such scheme as may be specified in the order providing for measures in relation to such ailing co-operative credit society.

(3) The Registrar may, — (a) if order made under sub-section (2) is not complied with by the ailing co-operative credit society concerned; or

(b) if the ailing co-operative credit society fails to revive in pursuance of the said order, pass a fresh order in respect of such ailing co-operative credit society.

(4) An appeal shall lie to the Secretary (Cooperation) to the Government upon any such order passed by the Registrar under section 76 D or section 76 E within a period of 30 days from the date of such order.

76F. Preparation and sanction of schemes.— Where an order is made under sub-section (3) of section 76D in relation to any ailing co-operative credit society, the subordinate officer under whose jurisdiction the society is functioning or Apex society specified in the order shall prepare as expeditiously as possible and ordinarily within a period of sixty days from the date of such order, a scheme in terms of said order with respect to such ailing co-operative credit society.

76G. Reference to the Government by the Registrar.— The Registrar shall make an annual report to the Government of ailing co-operative credit societies with particular reference to their activities and suggestions, if any, for the strengthening of such ailing co-operative credit societies.]

77. Inquiry. — (1) Every society shall furnish all relevant information required by the Registrar in order to enable him to satisfy whether the society has conducted its affairs in accordance with the co-operative principles and the provisions of this Act.

(2) The Registrar may, of his own motion, and shall, on the application of a Federation to which the society concerned is affiliated, or of a creditor to whom the society is indebted or of not less than one-third of the directors, or of not less than one-tenth of the members, cause an inquiry to be made into the specific matter or matters relating to any gross violation of any of the provisions of this Act by the society.

(3) The cost and expenses of the inquiry shall be met by such persons at whose instance the inquiry is conducted.

(4) The inquiry shall be completed within a period of four months from the date of ordering the inquiry.

(5) The Registrar shall, within a period of thirty days from the date of the completion of the inquiry, as specified in sub-section (4), communicate the report of the inquiry or the reasons for the non-completion of the inquiry, as the case may be—

- (a) to the society concerned;
- (b) to the applicant Federation, if any;
- (c) to the applicant-credit or if any;
- (d) to the person designated by the applicant directors, if any;
- (e) to the person designated by the applicant members, if any;
- (f) to any person, on payment of fee fixed by the Registrar.

(6) The inquiry officer acting under this section shall, among others, specifically state the amount of deficiency, waste or loss which appears to have been caused by the gross negligence or misconduct of any person in the performance of his duties.

78. Powers to summon and examine persons and documents.— (1) The person authorised to conduct special audit under section 76 or inquiry under section 77 shall give the concerned society, not less than fifteen days notice in writing of the date on which he proposes to commence the special audit or inquiry:

Provided that, for special reasons to be recorded in writing, he may give a shorter notice than fifteen days or commence a special audit or inquiry on the authority of the Registrar without such notice.

(2) For the purpose of any special audit or inquiry under this Act, the person conducting such audit or inquiry may,—

(a) require in writing the Chairman or other authority concerned to produce at the head office of the society such receipts, vouchers, statements, returns, correspondence, notes or any other documents as he may consider necessary for the purpose of special audit or inquiry;

(b) require in writing:—

(i) any employee of the society or other authority or person accountable for or having the custody or control of such receipts, vouchers, statements, returns, correspondence, notes or other documents to appear in person, or

(ii) any person having, directly or indirectly, any share or interest in any contract with the society to appear in person or by an authorised agent, before him at the head office of the society and answer any question or sign a declaration with respect thereto;

(c) in the event of any explanation being required from the Chairman or any other authority concerned, direct that it may be communicated to him in writing and request him to furnish the explanations at the head office of the society, or

(d) exercise such other powers as can be reasonably said to be necessary for the purpose of this section.

(3) The person conducting special audit or inquiry may fix a reasonable period of not less than seven days for the purpose of compliance of the provisions of sub-section (2) and such compliance shall be mandatory on the persons required to provide information under sub-section (2).

(4) It shall be competent for the Registrar to withdraw any special audit or inquiry from the officers to whom it is entrusted and to hold the inquiry himself or entrust it to any other person or persons as he deems fit.

¹²¹**[79. Action on special audit or inquiry report or inspection report.—** On communication of a special audit report under sub-section (5) of section 76 or an enquiry or inspection report under subsection (5) of section 76A or an inquiry report under sub-section (5) of section 77 to the persons concerned, the Registrar may, where the special audit or inquiry report or inspection report reveals mismanagement on the part of any or all of the office bearers or directors, without prejudice to any civil or criminal proceedings to which they may be liable, direct the board to convene a general meeting within such reasonable time as he may specify so as to enable him to bring to the notice of the general meeting, either directly or through his nominee, the findings of the special audit or inquiry report or inspection report, for necessary action.]

80. Audit rectification report.— If the auditor of a society has pointed out any defects in the working of the society, the society shall, within three months from the date of audit report, explain to the Registrar, the defects or the irregularities pointed out by the auditor and steps taken to rectify the defects and remedy the irregularities. The Registrar may make an order directing the society, to take such action as may be specified in the order to remedy the defects within the time specified therein.

¹²²[**81. Filing of returns.**— Every co-operative society shall file returns, within six months of the close of every co-operative year, to the Registrar, ¹²³[along with the filing fees as prescribed] including the following matters, namely:—

- (a) annual report of its activities;
- (b) its audited statement of accounts;
- (c) its audit rectification report, if any;
- (d) plan for surplus disposal as approved by the general body of the co-operative society;
- (e) list of amendments to the bye-laws of the co-operative society, if any;
- (f) declaration regarding date of holding of its general body meeting along with notice, proceedings and number of members who attended such meetings;
- (g) declaration regarding date of conduct of elections when due;
- (h) names and addresses of the directors and their term of office;
- (i) any other information required by the Registrar in pursuance of any of the provisions of this Act.]

81. Power of the ¹²⁴[Registrar] to order recovery of losses.— (1) A member, director, chairman of the society, ¹²⁵[***] or any officer authorised by the Registrar may, file a copy of the report of the auditor or the special auditor or the inquiry officer, before the ¹²⁶[Registrar] with an application for necessary action against the person on account of whose conduct the society has incurred loss. The ¹²⁷[Registrar] may, on the basis of such report, disallow every item of expenditure incurred contrary to law and order recovery of the same from the person incurring or authorising the incurring of such expenditure, or held responsible in the said report for any deficiency, loss or unprofitable outlay occasioned by his negligence or misconduct of any such amount which ought to have been accounted but is not brought into account by that person and shall, in every such case, specify the amount liable to be paid by such person to the society.

Explanation:— It shall not be open to any person whose negligence or misconduct has caused or contributed to any such deficiency or loss, to contend that notwithstanding his negligence or misconduct, the deficiency or loss would not have occurred, but for the negligence or misconduct of some other person.

(2) The ¹²⁸[The Registrar or Registrar's Nominee or the person authorized by the Registrar] shall state in writing] the reasons for its decision in respect of every disallowance or surcharge and a copy of such decision shall be served on the person against whom it is made in the manner laid down for the service of summons in the Code of Civil Procedure, 1908 (V of 1908):

Provided that ¹²⁹[The Registrar or Registrar's Nominee shall not pass] any order of recovery under this section unless the person against whom any such order is passed had an opportunity of making a representation either by himself or through a Counsel.

¹³⁰[Provided further that the Registrar or Registrar's nominee shall not pass any order of recovery under this section unless the person against whom any such order is passed is given an opportunity of being heard;

Provided also that where any matter is referred for decision to the Registrar's nominee or the person authorized by him, the Registrar may, at any time, withdraw such matter from such nominee or person authorized by him and may decide the matter himself, or refer it again, for decision to any other nominee or person to be authorized by him.]

(3) Any person aggrieved by an order passed under this section may, within sixty days after the date of service on him of the order by the ¹³¹[Registrar], file an appeal against such order in the Co-operative tribunal.

(4) Where an appeal is filed in the Co-operative Tribunal under sub-section (3), the persons who filed the application before the ¹³²[Registrar] or his representative shall be the sole respondent thereto, and the applicant shall not make any other person a party to the proceedings.

(5) Every order passed by the ²⁹Registrar or order passed by the Co-operative Tribunal shall be executed in the same manner as a decree of a Civil Court under the Code of Civil Procedure, 1908 (V of 1908).

(6) Where a person is held liable by the ¹³³[Registrar] for misappropriation, fraud, breach of trust, cheating or any other act involving moral turpitude, resulting in a loss to the society, he shall be punishable under the relevant provisions of the Indian Penal Code, 1860 (45 of 1860).

¹³⁴[CHAPTER - IX

Disputes and Arbitration

82. Dispute.— ¹³⁵[(1) Notwithstanding anything contained in any other law for the time being in force, any dispute touching the election to the Board of Directors ¹³⁶[or office bearers] of society shall be referred by any of the parties to the dispute, to the Co-operative Tribunal within a period of 30 days from the date of declaration of the result of the election:

Provided that, the Co-operative Tribunal may entertain such dispute after expiry of such period if the party aggrieved satisfies the Co-operative Tribunal that he had sufficient cause for not referring the dispute within aforesaid period.].

¹³⁷(2) Notwithstanding anything contained in any other law for the time being in force, any dispute touching the constitution, ¹³⁸[***], conduct of general meetings, management or business of a society shall be referred by any of the parties to the dispute, or by a federal society to which the society is affiliated, or by a creditor of the society, as the case may be, to the Registrar, if both the parties thereto are one or other of the following:—

(a) a society, its Board, any past Board, any past or present officer, any past or present agent, any past or present servant or nominee, heir or legal representative of any deceased

officer, deceased agent or deceased servant of the society, or the Liquidator of the society;

(b) a member, past member or a person claiming through a member, past member or a deceased member of a society, or a society which is a member of the society;

(c) a person, other than a member of the society, who has been granted a loan by the society, or with whom the society has or had transactions and any person claiming through such a person;

(d) a surety of a member, past member, or a deceased member, or a person other than a member who has been granted a loan by the society whether such a surety is or is not a member of the society;

(e) any other society, or the Liquidator of such a society.

¹³⁹(3) When any question arises whether for the purposes of the foregoing sub-section a matter referred to for decision is a dispute or not, the question shall be considered by the Registrar, whose decision shall be final.

¹⁴⁰(4) Save as otherwise provided under sub-section (3) of section 86, no Court shall have jurisdiction to entertain any suit or other proceedings in respect of any dispute referred to in sub-section (1).

¹⁴¹[(5) Where the Registrar is satisfied that, any person against whom the order has been passed under this section has failed to comply with the directions, he may impose a penalty of two hundred and fifty rupees for each day of delay, however, the total amount of such penalty shall not exceed fifty thousand rupees.]

Explanation 1.— A dispute between the Liquidator of a society and the members of the same society shall not be referred to the Registrar ¹⁴²[under the provisions of sub-section (2)].

Explanation 2.— For the purpose of this section, a dispute shall include,—

(i) a claim by or against a society for any debt or demand due to it from a member or due from it to a member, past member or the nominee, heir or legal representative of a deceased member or servant or employee whether such a debt or demand be admitted or not;

(ii) a claim by a surety for any sum or demand due to him from the principal borrower in respect of a loan of a society and recovered from the surety owing to the default of the principal borrower, whether such a sum or demand be admitted or not;

(iii) a claim by a society for any loss caused to it by a member, past member or deceased member, by any officer, past officer or deceased officer, by any agent, past agent or deceased agent, or by any servant, past servant or deceased servant, or by its board of directors, past or present, whether such loss be admitted or not;

(iv) a refusal or failure by a member, past member or a nominee, heir or legal representative of deceased member to deliver possession to a society of land or any other asset resumed by it for breach of conditions of the assignment.

83. Powers of an apex co-operative bank to proceed against members of a society for recovery of moneys due to it from such society.— (1) If any society is unable to pay its debts to a Central Bank by reasons of any of its members committing default in the payment of the moneys due by them to the society, the apex co-operative bank may direct such society to refer to the Registrar under section 83, the dispute between the society and

defaulting members thereof:

Provided that if such society fails to refer the dispute as aforesaid within a period of ninety days from the date of receipt of such direction, the apex co-operative bank itself may refer to the Registrar the said dispute:

Provided further that, in case of a reference, the bye-laws of the defaulting society shall apply as if all references to the society or its board of directors in the said bye-laws were references to the apex co-operative bank.

(2) Where a apex co-operative bank has obtained a decree or award against any society in respect of the moneys due to it by such society, the apex co-operative bank may proceed to recover such moneys firstly from the assets of that society and secondly from the members of that society to the extent of the moneys due by them to that society.

84. Limitation.— (1) Notwithstanding anything contained in the Limitation Act, 1963 contract (Act 36 of 1963) but subject to the specific provisions made in this Act, the period of limitation in the case of a dispute referred to the Registrar under the last preceding section shall,—

(a) when the dispute relates to the recovery of any sum, including interest thereon, due to a society by a member thereof, be computed from the date on which such member dies or ceases to be a member of the society;

(b) when the dispute is between a society or its board of directors, and any past board of directors, any past or present officer, or past or present agent, or past or present servant or the nominee, heir or legal representative of a deceased officer, deceased agent or deceased servant of the society or a member, or past member or the nominee, heir or legal representative of a deceased member, and when the dispute relates to any act or omission on the part of the either party to the dispute, be six years from the date on which the act or omission with reference to which the dispute arose, took place;

(c) when the dispute is in respect of any matter touching the constitution, management or business of a society which has been ordered to be wound up under section 92, or in respect of which a nominated board of directors or an administrator has been appointed under section 71, be six years from the date of the order issued under section 92, or section 71, as the case may be;

(d) when the dispute is in respect of an ¹⁴³[election of the board and office bearers] of the society, be ¹⁴⁴[thirty days] from the date of the declaration of the result of the election.

(2) The period of limitation in the case of any other dispute except those mentioned in the foregoing sub-section which are required to be referred to the Registrar under the last preceding section shall be regulated by the provisions of the Limitation Act, 1963 (Central Act 36 of 1963) as if the dispute is a suit and the Registrar a Civil Court.

(3) Notwithstanding anything contained in sub-sections (1) and (2), the Registrar may admit a dispute after the expiry of the limitation period, if the applicant satisfies the Registrar that he has sufficient cause for not referring the dispute within such period and the dispute so admitted shall be dispute which shall not be barred on the ground that the period of limitation had expired.

85. Settlement of disputes.— (1) If the Registrar is satisfied that any matter referred to him or brought to his notice is a dispute within the meaning of section 83, the Registrar shall,

subject to the rules, decide the dispute himself or refer it for disposal to a nominee, or a board of nominees, appointed by the Registrar.

(2) Where any dispute is referred under the foregoing sub-section for decision to the Registrar's nominee or board of nominees, the Registrar may, at any time, for reasons to be recorded in writing, withdraw such dispute from his nominee or board of nominees, and may decide the dispute himself, or refer it again, for decision to any other nominee, or board of nominees, appointed by him.

¹⁴⁵[(3) Notwithstanding anything contained in section 83, the Registrar may,—

(a) if he thinks fit, suspend proceedings in regard to any dispute, if the question at issue between a society and a claimant or between different claimants, is one involving complicated questions of law and fact, until the question has been tried by a regular suit instituted by one of the parties or by the society. If any such suit is not instituted within two months from the date of the Registrar's order suspending proceedings, the Registrar shall take action as is provided in sub-section (1).

(b) on requisition from the society, and with the approval of the Government and subject to such conditions as he may think fit to impose, appoint any empanelled Registrar's Nominee to decide the matter. After being satisfied that the matter referred to him or brought to his notice is a dispute within the meaning of section 83, shall subject to the rules, decide the dispute.

(c) With the approval of Government, by notification in the Official Gazette and subject to such conditions as it may think fit to impose, appoint a retired officer not below the rank of Assistant Registrar of Co-operative Societies having working experience of at least five years, to decide the disputes as specified under section 83 of this Act and to exercise such powers as specified in the notification. The Officer so appointed shall work under the general guidance, supervision and control of the Registrar.]

86. Procedure for settlement of disputes and power of Registrar, his nominee or board of nominees.— (1) The Registrar, or his nominee or board of nominees, hearing a dispute under the last preceding section shall hear the dispute in the manner prescribed, and shall have power to summon and enforce attendance of witnesses including the parties interested or any of them and to compel them to give evidence on oath, affirmation or affidavit, the production of documents by the same means and as far as possible in the same manner, as is provided in the case of a Civil Court by the Code of Civil Procedure, 1908 (5 of 1908).

(2) Except with the permission of the Registrar or his nominee or board of nominees, as the case may be, no party shall be represented at the hearing of a dispute by a legal practitioner.

(3) (a) If the Registrar or his nominee or board of nominees is satisfied that a person, whether he be a member of the society or not, has acquired any interest in the property of a person who is party to a dispute, he may order that the person who has acquired the interest in the property may join as a party to the dispute, and any decision that may be passed on the reference by the Registrar or his nominee or board of nominees shall be binding on the party so joined, in the same manner as if he was an original party to the dispute.

(b) Where a dispute has been instituted in the name of the wrong person or where all the defendants have not been included, the Registrar or his nominee or board of nominees may,

at any stage of the hearing of the dispute, if satisfied that the mistake was bonafide, order any other person to be substituted or added as a plaintiff or a defendant, upon such terms as he thinks just.

(c) The Registrar, his nominee or board of nominees may, at any stage of the proceeding, either upon or without the application of either party, and upon such terms as may appear to the Registrar, his nominee or board of nominees, as the case may be, to be just, order that the name of any party improperly joined whether as plaintiff or defendant, be struck out, and that the name of any person who ought to have been joined whether as plaintiff or defendant or whose presence before the Registrar, his nominee or board of nominees, as the case may be, may be necessary in order to enable the Registrar, his nominee or board of nominees effectually and completely to adjudicate upon and settle all the questions involved in the dispute, be added.

(d) Any person who is a party to the dispute and entitled to more than one relief in respect of the same cause of action may claim for all or any of such reliefs, but if he omits to claim for all such reliefs, he shall not forward a claim for any relief so omitted, except with the leave of the Registrar, his nominee or board of nominees, as the case may be.

87. Attachment before award and interlocutory orders.— (1) Where a dispute has been referred to the Registrar or his nominee or board of nominees under ¹⁴⁶[section 82 or section 86 or section 95] the Registrar or his nominee or board of nominees, if satisfied on enquiry or otherwise that party to such dispute with intent to defeat, delay or obstruct the execution of any award or carrying out of any order that may be made,—

(a) is about to dispose of whole or any part of his property, or

(b) is about to remove the whole or any part of his property from the jurisdiction of the Registrar, may, unless adequate security is furnished, direct conditional attachment of the said property, and such attachment shall have the same effect as if made by a competent Civil Court.

(2) Where the Registrar, his nominee or board of nominees direct attachment of property under the foregoing sub-section, he shall issue a notice calling upon the person whose property is so attached to furnish security which he thinks adequate within a specified period and if the person fails to provide the security so demanded, the Registrar or his nominee or board of nominees may confirm the order and, after the decision in the dispute or the completion of the proceedings referred to in the foregoing sub-section, may direct the disposal of the property so attached towards the claim if awarded.

(3) Attachment made under this section shall not affect the rights, subsisting prior to the attachment of the property, of person not party to the proceedings in connection with which the attachment is made, or bar any person holding a decree against the person whose property is so attached from applying for the sale of the property under attachment in execution of such decree.

(4) The Registrar, his nominee or board of nominees, as the case may be, may, in order to prevent the ends of justice being defeated, make such interlocutory orders pending the decision in a dispute referred to in sub-section (1) as may appear to be just and convenient.

88. Decision of Registrar or his nominee or board of nominees. — When a dispute is referred to arbitration, the Registrar or his nominee or board of nominees may, after giving a reasonable opportunity to the parties to the dispute to be heard, make an award on the

dispute, on the expenses incurred by the parties to the dispute in connection with the proceedings, and the fees and expenses payable to the Registrar or his nominee or, as the case may be, board of nominees. Such an award shall not be invalid merely on the ground that it was made after the expiry of the period fixed for deciding the dispute by the Registrar, and shall, subject to appeal or review or revision, be binding on the parties to the dispute.

89. Appeal against decision of Registrar or his nominee or board of nominees.— Any party aggrieved by any decision of the Registrar or his nominee or board of nominees under the last preceding section, or an order passed under section 88 may, within two months from the date of the decision or order, appeal to the Tribunal.

90. Money how recovered. — Every order passed by the Registrar or his nominee or board of nominees under section 88 or 89 every order passed in appeal under the last preceding section, every order passed by a liquidator under section 95, every order passed by the State Government in appeal against orders passed under section 105 shall if not carried out,—

(a) on a certificate signed by the Registrar or a Liquidator, be deemed to be a decree of a Civil Court and shall be executed in the same manner as a decree of such Court; or

(b) be executed according to the law and under the rules for the time being in force for the recovery of arrears of land revenue:

Provided that, any application for the recovery in such manner of any such sum shall be made to the Collector, and shall be accompanied by a certificate signed by the Registrar, or by any Assistant Registrar as duly authorized by the Registrar in this behalf. Such application shall be made within twelve years from the date fixed in the order and if no such date is fixed, from the date of the order.

91 A. Private transfer of property made after issue of Certificate void against society. — Any private transfer or delivery of, or encumbrance or charge on, property, made or created after the issue of certificate of the Registrar, Liquidator, or Assistant Registrar, as the case may be, under section 91 shall be null and void as against the society on whose application the said certificate was issued.

91 B. Transfer of property which cannot be sold.— (1) When in any execution of an order sought to be executed under section 91, any property cannot be sold for want of buyers, if such property is in occupancy of the defaulter, or of some person in his behalf, or of some person claiming under a title created by the defaulter, subsequently to the issue of the certificate of the Registrar, Liquidator or the Assistant Registrar, under clause (a) or (b) of section 91, the Court or the Collector or the Registrar, as the case may be, may, notwithstanding anything contained in any law for the time being in force, direct that the said property or any portion thereof, shall be transferred to the society which has applied for the execution of the said order, in the manner prescribed.

(2) Where property is transferred to the society under the foregoing sub-section, or where property is sold under section 91, the Court, the Collector or the Registrar, as the case may be, may, in accordance with rules, place the society or the purchaser, as the case may be, in possession of the property transferred or sold.

(3) Subject to such rules as may be made in this behalf, and to any rights, encumbrances, charges or equities lawfully subsisting in favour of any person, such property or portion thereof shall be held under sub-section (1) by the said society on such terms and conditions

as may be agreed upon between the Court, the Collector or the Registrar, as the case may be, and the said society subject to the general or special orders of the State Government, the Collector or the Registrar may delegate to an officer, not below the rank of the Deputy Collector or the Assistant Registrar, power exercisable by the Collector or the Registrar under this section.

91C. Recovery of any sum advanced by a resource society.— (1) Notwithstanding anything contained in sections 83, 86 and 91, on an application made by a ¹⁴⁷*** society for the recovery of arrears of any sum advanced by it to any of its members and on its furnishing statement of accounts in respect of such arrears, the Registrar may after making such inquiries as he may deem fit, grant a certificate for the recovery of the amount stated therein to be due as arrears.

(2) Where the Registrar is satisfied that a ¹⁴⁸*** society has failed to take action under the foregoing sub-section in respect of arrears of any sum advanced by it to any of its members, the Registrar may on his own motion, after making such inquiries as he may deem fit, grant a certificate for the recovery of the amount stated therein to be due as arrears.

(3) A certificate granted by the Registrar under sub-section (1) or sub-section (2) shall be final and conclusive proof of the arrears stated to be due therein and the same shall be recoverable according to the law for the time being in force for the recovery of arrears of land revenue.

¹⁴⁹[(4) The Collector shall exercise powers as vested under the Goa Land Revenue Code, 1968 (Act 9 of 1969) or any law for the time being in force, until the arrears due to the concerned society, together with interest and any incidental charges incurred in the recovery of such arrears, are paid, or security for payment of such arrears is furnished to the satisfaction of the Registrar.]

91D. Registrar's powers to recover certain sums by attachment and sale of property.— (1) The Registrar or any officer subordinate to him or ¹⁵⁰[an officer of a Federal Institution or Chief Executive as defined under clause (9) of section 2, duly empowered by him by special order,] may subject to such rules as may be made by the State Government, but without prejudice to any other mode of recovery provided by or under this Act, recover,—

(a) any amount due under a decree or order of Civil Court obtained by a society;

(b) any amount due under a decision, award ¹⁵¹[or certificate granted under section 91C] or order of the Registrar, arbitrator or Liquidator or Tribunal;

(c) any sum awarded by way of costs under this Act;

(d) any sum ordered to be paid under this Act as a contribution to the assets of the society together with interest, if any due on such amount or sum and costs of process by the attachment and sale or by sale without attachment of the property of the person against whom such decree, decision, award or order has been obtained or passed.

(2) The Registrar or the officer empowered by him shall be deemed, when exercising the powers under the foregoing sub-section or when passing any orders on any application made to him for such recovery, to be a Civil Court for the purpose of article 136 of the Schedule to the Limitation Act, 1963 (Central Act 36 of 1963).]

CHAPTER - X

Liquidation

91. Winding up.— (1) If the Registrar,—

(a) after an inquiry has been held under section 77 or on the report of the auditor auditing the accounts of the society, or

(b) on receipt of an application made upon a resolution carried by three-fourths of the members of a society present at a special meeting called for the purpose, or

(c) of his own motion, in the case of a society which—

(i) has not commenced working, or

(ii) has ceased working, or

(iii) possesses shares or members' deposits not exceeding five hundred rupees, or

(iv) has ceased to comply with any conditions as to registration and management in this Act or the rules or the bye-laws, is of the opinion that a society ought to be wound up, he may issue an interim order directing it to be wound up.

(2) A copy of such order made under sub-section (1) shall be communicated in the prescribed manner to the society calling upon it to submit its explanation to the Registrar within a month from the date of the issue of such order, and the Registrar, on giving an opportunity to the society of being heard, may issue a final order, vacating or confirming the interim order. The final order shall be published in the Official Gazette.

¹⁵²[**92A. Winding up of co-operative bank at the direction of the Reserve Bank:**—

(i) Notwithstanding anything to the contrary contained elsewhere in this Act, the Registrar shall make an order for the winding up of a co-operative bank, if so required by the Reserve Bank in the circumstances mentioned in section 13D of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961).

92B. Reimbursement to the Deposit Insurance and Credit Guarantee Corporation by liquidator.—(1) Where a co-operative bank being an insured bank within the meaning of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961) is wound up and the Deposit Insurance and Credit Guarantee Corporation has become liable to the depositors of the insured bank under sub-section (1) of section 16 of that Act, the Deposit Insurance and Credit Guarantee Corporation shall be reimbursed by the liquidator or such other person in the circumstances, to the extent and in the manner provided in section 21 of that Act.

¹⁵³[(2) Notwithstanding anything contained in this Act, in the case of an insured co-operative bank,—

(i) an order for the winding up, or an order sanctioning a scheme of compromise or arrangement, or of amalgamation, or reconstruction (including division or re-organisation), of the bank may be made only with the previous sanction in writing of the Reserve Bank of India;

(ii) if so required by the Reserve Bank of India in the public interest or for preventing the affairs of the bank from being conducted in a manner detrimental to the interests of the depositors or for securing the proper management of the bank, an order shall be made for the

supersession (removal) of the committee of management of society and the appointment of an Administrator therefor for such period or periods, not exceeding five years in the aggregate, as may from time to time be specified by the Reserve Bank of India, and the Administrator so appointed shall, after the expiry of his term of office, continue in office until the day immediately preceding the date of the first meeting of the new committee of management of society.

(3) An order for the winding up of the bank or an order sanctioning a scheme of compromise or arrangement or of amalgamation or reconstruction (including division or re-organisation) or an order for the supersession (removal) of the committee of management of society and the appointment of an Administrator therefor made with the previous sanction in writing or on the requisition of the Reserve Bank of India shall not be liable to be called in question in any manner and the liquidator or the insured co-operative bank or the transferee bank, as the case may be, shall be under an obligation to repay the Deposit Insurance Corporation established under the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (Central Act 47 of 1961), in the circumstances, to the extent and in the manner referred to in section 21 of that Act.

Explanation.—

(a) the expression “an insured Co-operative bank” means a society which is an insured bank under the provisions of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (Central Act 47 of 1961);

(b) the expression “the transferee bank” has the same meaning as assigned to it in that Act.”]

92. Appointment of Liquidator.—¹⁵⁴[(1) When an interim order or a final order is passed under section 92 or an order is passed under section 92A, as the case may be, for the winding up of a society, the Registrar may, in accordance with the rules appoint a person to be the liquidator of the society, and fix his remuneration;];

(2) ¹⁵⁵[On issue of the interim order under section 92 or on the issue of an order under section 92A, as the case may be,] the officers of the society shall hand over to the Liquidator the custody and control of all the property, effects and actionable claims to which the society is or appears to be entitled, and of all books, records and other documents pertaining to the business of the society, and shall have no access to any of them.

(3) ¹⁵⁶[When a final order is passed confirming the interim order under section 92 or an order is passed under section 92A, as the case may be”, the officers of the society shall vacate their offices, and while the winding up order remains in force, the general body of the society shall not exercise any powers.

(4) The person appointed under this section as Liquidator shall, subject to the general control of the Registrar, exercise all or any of the powers mentioned in section 95. The Registrar may remove such person and appoint another in his place, without assigning any reason.

(5) The whole of the assets of the society shall on the appointment of Liquidator under this section, vest in such Liquidator, and notwithstanding anything contained in any law for the time being in force, if any immovable property is held by a Liquidator on behalf of the society, the title over the land shall be complete as soon as the mutation of the name of his office is effected, and no Court shall question the title on the ground of dispossession, want

of possession or physical delivery of possession.

(6) In the event of the interim order being vacated, the person appointed as Liquidator shall hand over the property, effects and actionable claims and books, records and other documents of the society to the officers who had delivered the same to him. The acts done, and the proceedings taken by the Liquidator, shall be binding on the society, and such proceedings shall, after the interim order has been cancelled under the preceding section, be continued by the officers of the society.

93. Appeal against order of winding up.— (1) The board of directors or any member of the society ordered to be wound up, may, within two months from the date of the issue of the final order made under section 92, appeal to the Co-operative Tribunal.

(2) No appeal from a member under this section shall be entertained unless it is accompanied by such sum as security for the costs of hearing the appeal, as may be prescribed.

¹⁵⁷**[94A. No appeal in certain cases.**— Notwithstanding anything contained in this Act, where, with the previous sanction in writing of, or on requisition by the Reserve Bank, a co-operative bank:—

(a) is being wound up; or

(b) in respect of which a scheme of amalgamation or re-organization is given effect to, no appeal there against shall lie or be permissible, and the sanction or requisition of the Reserve Bank shall not be liable to be called in question].

94. Powers of Liquidator.— (1) The Liquidator appointed under section 93 shall have power, subject to the rules and the general supervision, control and direction of the Registrar,—

(a) to institute and defend any suit and other legal proceedings, civil or criminal, on behalf of the society, in the name of his office;

(b) to carry on the business of the society, so far as may be necessary, for the beneficial winding up of the same;

(c) to sell the immovable and movable property and actionable claims of the society by public auction or private contract, with power to transfer the whole or part thereof to any person or body corporate, or sell the same in parcels;

(d) to transfer by sale assets valued at market price to a society registered with similar objects or to a Government undertaking which carries on the same business as of the society under liquidation;

(e) to lease to other societies or to Government undertakings, with prior approval of the Registrar, the property of the society to run the same business as that of the society under liquidation;

(f) to raise, on the security of the assets of the society, any money required;

(g) to investigate all claims against the society and, subject to the provisions of the Act, to decide questions of priority arising out of such claims, and to pay any class or classes of creditors in full or rate-able according to the amount of such debts, the surplus being applied in payment of interest from the date of liquidation at a rate to be approved by the Registrar, but not exceeding the contract rates;

(h) to make any compromise or arrangement with creditors or persons claiming to be creditors, or having or alleging themselves to have any claim, present or future, whereby the society may be rendered liable;

(i) to compromise all calls or liabilities to calls and debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent, subsisting or supposed to subsist between the society and a contributory or alleged contributory or other debtor or person apprehending liability to the society, and all questions in any way relating to or affecting the assets or the winding up of the society, on such terms as may be agreed, and take any security for the discharge of any such call, liability, debt, or claim, and give a complete discharge in respect thereof;

(j) to determine, from time to time, after giving an opportunity to answer the claim, the contribution to be made or remaining to be made by the members or past members or by the estate, of deceased members, or by any officer, past officer or the estate of deceased officer to the assets of the society, such contribution being inclusive of debts due from such members or officers;

(k) to refer orders for execution to ¹⁵⁸[Registrar] under section 91;

(l) to refer or to get referred any dispute to the ¹⁵⁹[Registrar] for decision;

(m) to determine by what persons and in what proportion the costs of the liquidation shall be borne;

(n) to fix the time within which the creditors shall prove their debts and claims or be included for the benefit of any distribution made before those debts or claims are proved;

(o) to summon and enforce the attendance of witnesses and to compel the production of books, accounts, documents, securities, cash or other properties belonging to or in the custody of the society by the same means and in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure, 1908 (V of 1908);

(p) to do all acts, and to execute in the name and on behalf of the society, all deeds, receipts and other documents, as may be necessary to such winding up;

(q) to take such action as may be necessary under section 16 with the prior approval of the Registrar, if there is reason to believe that the society can be reconstructed.

(2) Notwithstanding anything contained in sub-section (1), the Liquidator shall not have the right to vote on behalf of the society in liquidation, at the election of the board of directors or of the office bearers of any other society.

95. Effect of order of winding up.— After expiry of the period for appeal against the order made under section 92 ¹⁶⁰[or where the appeal has been dismissed or where an order has been passed under section 92A,] the order for winding up shall be effective and shall operate in favour of all the creditors and of all the contributories of the society as if it had been made on the joint petition of creditors and contributories. When a winding up order becomes effective, the Liquidator shall proceed to realise the assets of the society by sale or otherwise, and no dispute shall be commenced or, if pending at the date of the winding up order, shall be proceeded with, against the society, except by leave of the Registrar and subject to such terms as the Registrar may impose.

96. Bar of suit in winding up and dissolution matters.— Save as expressly provided in this Act, no Civil Court shall take cognizance of any matter connected with the winding up

or dissolution of a society under this Act; and when a winding up order has been made, no suit or other legal proceedings shall lie or be proceeded with against the society or the liquidator, except by leave of the Registrar, and subject to such terms as he may impose:

Provided that, where the winding up order is cancelled, the provisions of this section shall cease to operate so far as the liability of the society and of the members thereof to be sued is concerned, but they shall continue to apply to the person who acted as Liquidator.

97. Audit of Liquidator's accounts.— (1) The Liquidator shall, during his tenure of office, at such times as may be prescribed, but not less than twice each year, present to the Registrar an account in the prescribed form of his receipts and payments as Liquidator. The Registrar shall cause the accounts, to be audited in such manner as he thinks fit; and for the purpose of audit, the Liquidator shall furnish the Registrar with such vouchers and information as he, or the person appointed by him, may require.

(2) The Liquidator shall cause a summary of audited accounts to be prepared, and shall send a copy of such summary to every contributory.

(3) The Liquidator shall pay such fees as the Registrar may direct, for the audit of the accounts and books kept by him in the manner prescribed.

(4) The Liquidator shall be held liable for any irregularities which might be discovered in the course or as a result of audit in respect of transactions subsequent to his taking over the affairs of the society, and may be proceeded against as if it were an act against which action could be taken under section 82:

Provided that, no such action shall be taken unless the irregularities have caused or are likely to cause loss to the society, and have occurred due to gross negligence or want or omission, in carrying out the duties and functions.

98. Termination of liquidation proceedings.— (1) The winding up proceedings of a society shall be closed as soon as practicable within six years from the date of the final order¹⁶¹[under sub-section (2) of section 92 or from the date of the order under section 92A, as the case may be,] unless the period is extended by the Registrar:

Provided that, the Registrar shall not grant any extension for a period exceeding one year at a time and four years in the aggregate, and shall, immediately after the expiry of ten years from the date aforesaid, deem that the liquidation proceedings have been terminated, and pass an order terminating the liquidation proceedings.

Explanation.— In the case of a society which is under liquidation at the commencement of this Act, an order for the winding up of the society shall be deemed for the purpose of this section to have been passed on the date of such commencement.

(2) Notwithstanding anything contained in the foregoing sub-section, the Registrar shall terminate the liquidation proceedings on receipt of the final report from the Liquidator. The final report of the Liquidator shall state that the liquidation proceedings of the society have been closed, and how the winding up has been conducted and the property of and the claims of the society have been disposed of and shall include a statement showing a summary of the account of the winding up including the cost of liquidation, the amount (if any) standing to the credit of the society in liquidation, after paying off its liabilities including the share or interest of members, and suggest how the surplus should be utilised.

(3) The Registrar, on receipt of the final report from the Liquidator, shall direct the

Liquidator to convene a general meeting of the members of the society for recording his final report.

99. Disposal of surplus assets.— The surplus assets, as shown in the final report of the Liquidator of a society which has been wound up, may either be divided by the Registrar, with the previous sanction of the Government, amongst its members in such manner as may be prescribed or be devoted to any objects provided in the bye-laws of the society, if they specify that such a surplus shall be utilised for the particular purpose or may be utilised for both the purposes. Where the surplus is not so divided amongst the members and the society has no such bye-laws, the surplus shall vest in the Registrar, who shall hold it in trust and shall transfer it to the reserve fund of a new society registered with a similar object, and serving more or less an area which the society, to which the surplus belonged, was serving:

Provided that, where no such society exists or is registered within three years of the cancellation of the society whose surplus is vested in the Registrar, the Registrar may distribute the surplus, in the manner he thinks best, amongst any or all of the following:-

- (a) an object of public utility and be recommended by the members under the preceding section; of local interest as may general meeting held
- (b) a federal society with similar objects to which the cancelled society was eligible for affiliation or, where no federal society exists, the State federal society which may be notified in this behalf by the Government; and
- (c) for the purpose of development of the Co-operative movement.

CHAPTER - XI

Special Provisions for Co-operative Housing Societies

100. Application.— This Chapter shall apply to:—

- (a) all co-operative housing societies registered or deemed to be registered before the commencement of the Goa Co-operative Societies Act, 2001, or under any law relating to Co-operative Societies in force in the State of Goa, and the registration of which has not been cancelled before such commencement, and
- (b) all co-operative housing societies registered or deemed to be registered under this Act.

101. Definitions.— In this Chapter, unless the context otherwise requires,—

- (a) “allottee” means a member of a co-operative housing society to whom a plot of land, or site, or a tenement in a building held by it, is allotted by the society;
- (b) “building fund” means a fund created by the collection of contribution from members for—
 - (i) the purchase and or acquisition of land; or
 - (ii) the land development; or
 - (iii) the construction of a dwelling unit or building; or
 - (iv) the purpose of providing any other common amenities to achieve the objectives of the society.

(c) “building maintenance fund” means a fund created by collection of the contributions from its members at such rate as may be specified in the bye-laws for carrying out repairs or structural additions, improvements or alterations to the property of the co-operative housing society which are likely to increase the life of such property and to maintain the property of the said society in good and habitable condition at all times;

(d) “commercial unit” means office, shop, godown, garage or such other premises used for commercial or industrial purpose;

(e) “co-operative housing society” means a society—

(i) registered or deemed to be registered as a co-operative housing society under any law relating to co-operative societies in force in the State of Goa;

(ii) the principal object of which is to provide its members open plots, dwelling units or commercial units (whether in a multi-storeyed building or otherwise) and in case where open plots or dwelling units are already acquired, to provide its members common amenities and services including services relating to the arrangement of finances facilitating construction of dwelling units in order to solve their needs of dwelling units through mutual aid in accordance with the co-operative principles, and includes a co-ownership housing society, co-partnership housing society, co-operative housing maintenance society, and any other co-operative society of like nature and purpose;

(f) “co-ownership housing society” means a society in which the land is held either on lease-hold or free-hold basis by the society and the houses constructed on it, are owned or to be owned by its members;

(g) “co-partnership housing society” means a society in which land and buildings are held by the society on lease-hold or free-hold basis and members are allotted flats, tenements or such other premises in such buildings with a right to occupy the same in accordance with the bye-laws;

(h) “co-operative house mortgage society” means a credit society which lends money to its members for a certain period of time against certain securities for the construction of houses for their dwellings;

(i) “co-operative housing maintenance society” means a society formed by the owners of dwelling units or commercial units in a building for the purpose of maintenance of the building and provision of common amenities;

(j) “dwelling unit” includes a house, flat, apartment, and tenement for the purpose of dwelling;

(k) “external repairs” means all structural repairs and repairs required to be carried out to the property of the society the use of which is common to two or more members, and includes repairs of common walls, external walls, roads, lifts, water tanks, electric pumps, staircases, terraces and parapet walls, roofs of flats, street lights, electric lines, all leakages of water, water pipelines, compound walls, septic tanks, fencing, drainage, gates and other like common amenities;

(l) “internal repairs” means such repairs as are not external repairs;

(m) “occupancy right” means the right of an allottee to possess and use the plot of land, site or dwelling unit or commercial unit allotted to him with power to give it on hire or on leave and licence or to mortgage it or to donate or to transmit it by will or by inheritance or to

transfer it;

¹⁶² [(*ma*) “other co-operative housing society” means a co-operative housing society other than defined under clauses (*e*), (*f*), (*g*), (*h*) and (*i*) of this section;].

(n) “outgoings” means ground rent, if any, municipal and other local taxes, cesses, charges, water charges, electricity charges, revenue assessments, expenses of management and maintenance, repairs to or replacement of any property, insurance premium, other like expenses in respect of the society;

(o) “sub-allottee” means an individual or body of persons, whether incorporated or not, in whose favour the possession of the dwelling unit or part thereof is transferred for a period of not less than three months, and includes a tenant, licensee, paying guest and caretaker thereof.

102. Limit on membership.— A co-operative housing society shall not admit to its membership persons exceeding the number of dwelling units and commercial units or plots, as the case may be, available for allotment in the society.

103. Allotment of plots, dwelling units and commercial units.— (1) Every member of a society, whether registered before or after the commencement of this Act, to whom plots of land, dwelling units or commercial units have been allotted, shall be issued certificate of allotment by the society under its seal and signature in such form as may be prescribed.

(2) Any allotment (including re-allotment) of a plot of land or dwelling unit or commercial unit in a building of a co-operative housing society to its member in accordance with its bye-laws shall entitle such member to hold such plot of land or dwelling unit or commercial unit with such title or interest as may be specified in the bye-laws and the certificate of allotment shall be conclusive evidence of such title or interest in favour of such member.

(3) A member of a co-operative housing society shall not be entitled to any title or interest in any plot of land or dwelling unit or commercial unit in a building of the society until he has made such payment as may be specified by the society towards the cost of such plot of land or construction of such dwelling unit or commercial unit or both, as the case may be, to the co-operative housing society.

(4) The right, title and interest in a plot of land or dwelling unit or commercial unit in a building of the society (including the undivided interest in common areas and facilities) shall constitute a heritable and transferable immovable property within the meaning of any law for the time being in force:

Provided that notwithstanding anything contained in any other law for the time being in force, such land or building shall not be partitioned for any purpose whatsoever.

(5) Every member of a co-operative housing society shall be entitled to an undivided interest in the common areas and facilities pertaining to the plot of land or dwelling unit or commercial unit allotted to him.

(6) Every member of a co-operative housing society in whose favour a plot of land or a dwelling unit or commercial unit has been allotted shall have the right to use the common areas and facilities as aforesaid for the purpose for which they are intended without interfering with or encroaching upon the lawful rights of other members in whose favour similar allotment has been made.

(7) The work relating to the maintenance, repair and replacement of the common areas and facilities (including additions or improvements thereto) shall be carried out in accordance with the bye-laws of the co-operative housing society and the building rules of the concerned municipality, or other competent authority, as the case may be, and the costs thereof shall be apportioned amongst the members of the co-operative housing society in such manner as may be specified in the bye-laws of that society.

¹⁶³[**104A. Conversion of Co-partnership Cooperative Housing Society.**— (1) All the existing co-partnership Co-operative housing Societies shall be converted as co-ownership co-operative housing societies and shall be governed accordingly.

(2) All such co-partnership co-operative housing societies being converted to co-ownership co-operative housing society in view of sub-section (1) above, shall adopt the relevant byelaws of the Co-ownership co-operative housing society, within a period of 30 days from the date of coming into force of the Goa Co-operative Societies (Amendment) Act, 2021:

Provided that, until such co-operative housing society adopts the bye laws of co-ownership co-operative housing society, such co-operative society shall be governed by existing bye laws.

(3) After conversion under sub-section (1) the rights of the co-partnership Co-operative housing societies shall stand transferred, along with encumbrances and liabilities, to the members of the Co-ownership co-operative housing society according to their proportionate shares.

104B. Enforcement of transfer of title.— (1) Any existing member of such cooperative housing society converted under sub-section (1) of section 104A, may produce the agreement for sale executed with the promoter or the builder along with the document of subsequent sale, if any, or a share certificate issued by such cooperative housing society for authentication by the Registrar.

(2) The Registrar, on receiving such application, within reasonable time and in any case not later than 6 months after making such enquiry as deemed necessary, may authenticate either the sale agreement or share certificate and send a copy of such authentication certificate online to the registration officer appointed under the Registration Act, 1908.

Explanation 1: The Registrar shall do a limited inquiry to confirm the authenticity of the sale agreement or share certificate and in case of registered sale agreement only the fact of registration to be confirmed.

Explanation 2: Any dispute relating to title shall be dealt by the competent civil court.

(3) After the authentication by the Registrar, the document to be any member of such cooperative society shall present the document before the registration officer appointed under the Registration Act, 1908, for registration as a document under the relevant provision of the Registration Act, 1908.]

104. Rights of a member in a co-ownership housing society.— In a co-ownership housing society, the society, which holds free-hold or lease-hold land, shall execute deeds of lease or sub-lease, as the case may be, in favour of its members to whom the plots are allotted for such period and with such covenants as may be specified in the bye-laws of the society.

105. Provisions for nomination.— (1) Every member of a co-operative housing society shall nominate a person or persons to whom the occupancy right shall be transferred in the event of his death.

(2) The member shall have the right to change the nomination at any time.

(3) There shall not be more than one nomination subsisting at any time.

(4) On the death of the member, only occupancy right shall vest in the nominee and the succession to the property shall be governed by the law relating to succession and wills.

106. Restriction on letting out.— (1) Notwithstanding anything contained in any other law for the time being in force, no member of a co-operative housing society who has been allotted a plot of land or dwelling unit in a building over a period of three months shall part with the possession of such plot or dwelling unit, as the case may be, without the written consent of the board of directors of the society. On an application made in this behalf by the member concerned, the board of directors ¹⁶⁴[may, subject to payment of prescribed non-occupancy fees to the society, give its consent] or refuse such consent for reasons to be recorded in writing and communicate its decision to the member within thirty days from the date of receipt of his application.

(2) If the board of directors fails to take decision on the application within thirty days from the date of its receipt or refuses such consent, the member shall have a right to appeal to the ¹⁶⁵[Registrar].

107. Restriction on transfer of share or interest of a member.— Subject to the provisions of this Act, in the case of a co-operative housing society, no transfer of share or interest of a member in the society or the occupancy right, except the transfer to his heir or a nominee, shall be effective, unless:—

(a) the transferor vacates and gives possession of the premises to the transferee provided that the transferor may give possession of the premises pending the society's approval for transfer;

(b) the dues of the society are paid or transferred to the transferee with the consent of the society;

(c) the transfer fees or transfer charges, as may be specified in the society's bye-laws, are duly paid;

(d) the previous permission of the society has been obtained in this behalf in writing and the transferee has been admitted as member.

108. Permission for transfer of occupancy right not to be ordinarily refused and provision for appeal.— (1) No co-operative housing society shall ordinarily refuse to grant to its member permission for transfer of his occupancy right in the property of the society, unless the transferee is not qualified to be a member under the provisions of this Act, rules and bye-laws of the society:

Provided that nothing contained in any agreement, contract or the said bye-laws regarding eligibility for membership stipulated therein shall apply to a nominee, representative of the deceased member for membership of the society heir or legal representative of the deceased member for his admission to membership of the society.

(2) The decision of the co-operative housing society on any application for permission to

such transfer shall be communicated to the member within fifteen days from the date of the decision or within thirty days from the date of receipt of the application, whichever is earlier.

(3) Any person aggrieved by the decision of the co-operative housing society refusing permission for such transfer may, within thirty days from the date on which the refusal of permission is communicated to him, appeal to the ¹⁶⁶[Registrar].

109. Creation, maintenance and utilisation of building maintenance fund.— (1) A co-operative housing society, which owns land or building, shall maintain a building maintenance fund by collecting from its members contributions to the extent and in the manner as may be provided in its bye-laws.

(2) The building maintenance fund shall be utilised only for the purposes of repairs and ¹⁶⁷[maintenance of the building, common facilities and amenities] and for carrying out such structural additions and alterations to the building which are likely to increase its life.

(3) The building maintenance fund of the co-operative housing society, when not required by it for its immediate use, shall ordinarily be invested with the ¹⁶⁸[apex housing finance society of the State or as per the provisions contained under section 55 of this Act].

110. Miscellaneous.— (1) Notwithstanding anything contained in the laws relating to rents or any other corresponding law for the time being in force in any part of the State, any dispute relating to the occupation or recovery of possession of any plot, dwelling unit or commercial unit in any society, the recovery of dues payable by a member or sub-allottee to a co-operative housing society or vice-versa arising on or after the date of commencement of this Act and suits or proceedings pending in any other court on the date after such commencement, shall be deemed to be a dispute within the meaning of section 83 of this Act, and shall be decided in accordance with the provisions of this Act, and no court or other tribunal or authority shall have jurisdiction to entertain and decide any proceedings in respect of such dispute.

(2) Notwithstanding anything contained in the law relating to rents or any other corresponding law for the time being in force, no licensee, caretaker, or sub-allottee who is occupying the dwelling unit or commercial unit, or plot of land in a co-operative housing society shall be a tenant of such dwelling unit or commercial unit or plot of land within the meaning of that law.

¹⁶⁹[(3) Notwithstanding anything contained in any other law for time being in force, no complaint or dispute from any defaulting member shall be entertained until the default is made good.]

111. Unit of assessment.— Notwithstanding anything contained in any other law for the time being in force, each plot of land or dwelling unit or commercial unit in a building (including the undivided interest in the common areas or facilities) shall constitute a separate unit for the purpose of assessment of rates and taxes to be realised by a local authority or any other authority competent in this behalf.

112. Certain portion of land acquired by' the Government for housing to be utilised on co-operative principles.— Where the Government or any development authority under its control acquires any land for the purpose of housing, then, having regard to the purposes of such acquisition and all other relevant factors in this behalf, the Government shall endeavour to utilise, at least one-third portion of the land so acquired, on co-operative principles for the said purpose.

¹⁷⁰[**113A. Constitution of Panel of Reconciliators.**— (1) The Registrar shall with prior approval of the Government, constitute a panel of Reconciliators from amongst the persons having experience in the field of law, banking, management, finance, accounts, audit, human resource or specialization in any other field relating to the objects and activities undertaken by the Co-operative Societies, and having their office address within the State of Goa.

(2) Every Co-operative housing society having more than five members shall appoint in its General Body meeting a Reconciliator from the Panel of Reconciliators constituted under subsection (1).

(3) Any dispute or difference of opinion arising amongst the members or any non-compliance or delay in compliance affecting the members/society shall be referred to such Reconciliator for decision.

(4) The Reconciliator shall hear the matter referred to him under sub-section (3).

(5) The Reconciliator shall after giving an opportunity of being heard to all the affected parties, pass an award which shall be binding on all the parties to the dispute.

(6) The Reconciliator shall complete reconciliation proceedings as early as possible, within a period of three months.

(7) Person aggrieved with the decision of the Reconciliator may prefer appeal to such authority as prescribed.

(8) The Reconciliator shall keep all the records of the proceedings which shall form part of the records of the society.

(9) Co-operative housing society or member of such society or any person affected by such society or managing committee shall not approach the Registrar or any judicial forum without exhausting the remedy before the Reconciliator or the failure is reported by the Reconciliator to the board.

(10) The fee of the Reconciliator shall be such as may be notified by the Registrar with prior approval of the Government and the same shall be paid equally by the parties to dispute or as may be ordered in the order for costs subject to maximum limits as notified.]

CHAPTER - XII

Appeals, Review and Revision

113. Goa Co-operative Tribunal.— (1) The Government shall constitute a Tribunal called the Goa Co-operative Tribunal to exercise the powers and to discharge the functions conferred on it by or under this Act.

¹⁷¹[(2) The Co-operative Tribunal shall consist of a President and an Additional President both of whom shall be appointed by the Government. Both, the President and the Additional President, shall have co-extensive powers and concurrent jurisdiction to deal with the cases filed in the Co-operative Tribunal. The Additional President shall decide such cases as are made over to him by the President.”;],

¹⁷²[(3)(a) ^{43-A}[The President or the Additional President of the Co-operative Tribunal] shall be a person who is qualified to be appointed as a District Judge or is or has been a Judicial Officer for a period of seven years or has held the post of the President of the Goa, Daman and Diu Co-operative Tribunal for a period of five years or is holding or has held the post of Registrar of Co-operative Societies for a period not less than three years or has been a

Secretary to the Government of Goa.

(b) ^{43-B}[Two other members of the Co-operative Tribunal shall be persons of ability, integrity and standing, and having adequate educational qualifications, knowledge, experience of at least five years in dealing with problems relating to Co-operatives and/or persons having served in the Co-operative Department for a minimum period of twenty years and holding or held the post atleast in Group 'A' Junior grade in Goa Civil Service for minimum period of five years.]

(4) The Government may appoint ¹⁷³[The President or the Additional President of the Co-operative Tribunal] appointed under the Goa Administrative Tribunal Act, 1965 (Act No. 6 of 1965) to be the President of the Co-operative Tribunal.

(5) The Co-operative Tribunal shall frame regulations consistent with the provisions of this Act and the rules made thereunder, for regulating its procedure and the disposal of its business.

(6) The regulations made under sub-section (4), shall be published in the Official Gazette. The regulations governing the procedure of the Goa, Daman and Diu Co-operative Tribunal constituted under section 149 of the Maharashtra Co-operative Societies Act, 1960 (Maharashtra Act XXIV of 1961), as applied to the State of Goa, shall continue to be in force till such publication.

(7) The Co-operative Tribunal may call for and examine the record of any proceeding in which an appeal lies to it, for the purposes of satisfying itself as to the legality or propriety of any decision or order passed. If in any case, it appears to the Co-operative Tribunal that any such decision or order should be modified, annulled or reversed, the Co-operative Tribunal may pass such order thereon as it may deem just.

(8) Where an appeal or application is made to the Co-operative Tribunal under this Act, it may, in order to prevent the ends of justice being defeated, make such inter- locutory orders pending the decision of the appeal or application, as the case may be, as may appear to it to be just and convenient, or such orders as may be necessary for the ends of justice, or to prevent the abuse of the process of the tribunal.

(9) An order passed in appeal or in revision under sub-section (6), or in review under section 115 by the Co-operative Tribunal, shall be final and conclusive, and shall not be called in question in any Civil or Revenue Court.

(10) (a) The President of the Goa, Daman and Diu Co-operative Tribunal functioning immediately before the commencement of this Act, shall be deemed to be the President of the Goa Co-operative Tribunal constituted for the purpose of this Act; and all appeals and other proceedings pending before the said Goa, Daman and Diu Co-operative Tribunal shall be heard and disposed of by the Co-operative Tribunal constituted under this Act from the stage they reached before such commencement.

(b) Anything done or any action taken including any orders passed or regulations made by the said Goa, Daman and Diu Co-operative Tribunal, shall be deemed to have been done or taken by the Co-operative Tribunal constituted under this Act and shall continue in operation until duly modified or annulled.

(c) Any reference to the said Goa, Daman and Diu Co-operative Tribunal in any law or instrument, for the time being in force, shall, with effect from the commencement of this Act, be construed as a reference to the Co-operative Tribunal constituted under this Act.

Explanation.— The Co-operative Tribunal hearing an appeal under this Act shall exercise all the powers conferred upon an Appellate Court by section 97 and Order XLI in the First Schedule of the Code of Civil Procedure, 1908 (V of 1908).

¹⁷⁴[**114A. Appeals.**— (1) An appeal against an order or decision under section 10, 15, 16, 19, 20, 22(3), 25, 26, 59A, 66, 67A, 71, 88 and 92 shall lie to the Co-operative Tribunal.

(2) An appeal under this section shall be filed within 60 days of the date of the order or decision.

(3) Save as provided in this Act, no appeal shall lie against any order, decision or award passed in accordance with this Act, and every such order, decision or award shall be final, and where any order is passed on appeal, the same shall be final and no further appeal shall lie against it.].

114. Review of orders by the Co-operative Tribunal.— (1) The Co-operative Tribunal may, either on the application of the Registrar, or on the application of any party interested, review its own order in any case, and pass in reference thereto such order as it thinks just:

Provided that, no such application made by the party interested shall be entertained, unless the Co-operative Tribunal is satisfied that there has been discovery of new and important matter of evidence, which after the exercise of due diligence was not within the knowledge of the applicant or could not be produced by him at the time when its order was made, or that there has been some mistake or error apparent on the face of the record, or for any other sufficient reason:

Provided further that, no such order shall be varied or revised, unless notice has been given to the parties interested to appear and be heard in support of such order.

(2) An application for review under the foregoing sub-section by any party, shall be made within ninety days from the date of the communication of the order of the Co-operative Tribunal.

115. Co-operative Tribunal to have powers of civil court.— (1) In exercising the functions conferred on it by or under this Act, the Co-operative Tribunal shall have the same powers as are vested in a Court in respect of,—

- (a) proof of facts by affidavit;
- (b) summoning and enforcing the attendance of any person and examining him on oath;
- (c) compelling discovery or the production of documents; and
- (d) issuing commissions for the examination of witnesses.

(2) In the case of any such affidavit, any officer appointed by the Co-operative Tribunal in this behalf may administer the oath to the deponent.

116. Extension of period of limitation by Co-operative Tribunal in certain cases.— In all cases in which it is provided under this Act that an appeal may be filed against any decision or order within a specified period, the Tribunal may admit an appeal after the expiry of such period, if the appellant satisfies the Tribunal that he had sufficient cause for not preferring the appeal within such period.

CHAPTER - XIII

Offences and Penalties

117. Offences.— The following shall constitute offences under this Act:—

(a) Functioning, trading or carrying on business under any name or title of which the word “Co-operative” or its equivalent in any language forms part, except in the case of a society registered or deemed to be registered under this Act or any other State or Central Act or the family name of any person;

¹⁷⁵ [(b) Any co-operative society or any officer or member thereof, willfully makes a false return or furnishes false information or willfully or without any reasonable excuse disobeys any summons, requisition or lawful written order issued under the provisions of this Act, or willfully does not furnish the information required from it or him under the provisions of this Act;

(c) Any employer, without sufficient cause, fails to pay to a society the amount deducted by him under section 45 within a period of fourteen days from the date on which such deduction is made;

(d) Any officer or person having custody of the records, cash, etc., of any co-operative society willfully fails to hand over the custody of books, accounts, documents, records, cash, security and other property belonging to a co-operative society to a person authorised to have a custody of the same under this Act;

(e) Any person who acts in contravention of the provisions of this Act and whoever, before, during or after the election of members of the board or office bearers, adopts any corrupt practice;

(f) The board or any officer or employee of a co-operative society falsify or tamper with the records of the co-operative society;

(g) Any officer or employee of a co-operative society who dishonestly or fraudulently misappropriates, misuses or otherwise converts for his own use or intentionally causes loss to, the property of a society entrusted to him or under his control as such officer or employee or allows another person to do so.]

¹⁷⁶ [(h) Board or employee or any officer of co-operative societies fails to obey the direction or instructions issued by the Registrar in accordance with the Act.]

118. Penalties.— A person who commits any of the offences specified in section 118 of the Act shall be liable for a fine not exceeding Rs. ¹⁷⁷[500/-] per day for each of the offences committed, so long as the offence continues, without prejudice to the civil or criminal liability that may arise on such person under any other laws for the time being in force. ¹⁷⁸ [The penalty so imposed shall be paid by the offender within thirty days from the date of passing of the order. On conviction, a member of a society shall be debarred from contesting election of a board f

119.

120. or a period of six years.].

121. Authority to take cognizance.— (1) No court inferior to that of a Judicial Magistrate First Class shall try any offences under this Act.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (Act 2

of 1974), it shall be lawful for a Judicial Magistrate of the First Class to pass sentence of fine or imprisonment on any person convicted of an offence under clauses (e) and (f) of section 118 of this Act, in excess of his powers under section 29 of that Code.

(3) No prosecution under this Act shall be lodged except with the previous sanction of the Registrar. Such sanction shall not be given except after hearing the parties¹⁷⁹[;]
¹⁸⁰[***].

¹⁸¹[Provided that the Registrar may appoint an authority competent to compound any offence under the provisions of this Act.

Provided further that no prosecution shall be carried out against any offender under the provisions of this Act where such offence is compounded by imposition of penalty by such compounding authority appointed by the Registrar, on payment of such sum as provided under the provisions of this Act or as may be provided under section 119 of this Act to the Government, however, such sum shall not, in any case, exceed the maximum amount of the penalty prescribed.]

122. Contempt of ¹⁸²[] Co-operative Tribunal.- (1) If any person—

(a) when ordered by a ⁴⁵[] the Co-operative Tribunal to produce or deliver up any document or to furnish information, being legally bound so to do, intentionally omits to do so; or

(b) when required by a ⁴⁵[] Tribunal to bind himself by an oath or affirmation to state the truth, refuses to do so;

(c) being legally bound to state the truth on any subject to a ⁴⁵[] Tribunal, refuses to answer any question demanded of him touching such subject by the ⁴⁵[] Tribunal; or

(d) intentionally offers any insult or causes any interruption to a Tribunal at any stage of its judicial proceeding, he shall, on conviction, be punished with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(2) If any person refuses to sign any statement made by him when required to do so by a ¹⁸³[] or the Co-operative tribunal, he shall, on conviction, be punished with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

(3) If any offence under sub-sections (1) or (2) is committed in the view or presence of a ⁴⁶[] Tribunal concerned, the said ⁴⁶[] tribunal may, after recording the facts constituting the offence and the statement of the accused as provided in the Code of Criminal Procedure, 1973 (II of 1974), forward the case to a Magistrate having jurisdiction to try the same, and may require security to be given for the appearance of the accused person before such Magistrate or, if sufficient security is not given, shall forward such person in custody to such Magistrate. The Magistrate to whom any case is so forwarded shall proceed to hear the complaint against the accused person in the manner provided in the Code of Criminal Procedure, 1973 (II of 1974).

(4) If any person commits any act or publishes any writing which is calculated to improperly influence a ⁴⁶[] the Co-operative Tribunal to bring any such ⁴⁶ [] Tribunal into disrepute or contempt or to lower its or his authority, or to interfere with the lawful process of the ¹⁸⁴[said Tribunal] , such person shall be deemed to be guilty of contempt of the ⁴⁶[said Tribunal].

(5) In the case of contempt of itself, the Co-operative Tribunal shall record the facts constituting such contempt, and make a report in that behalf to the High Court.

(6) ¹⁸⁵[omitted]

(7) When any intimation or report in respect of any contempt is received by the High Court under sub-section (5) or

(8) The High Court shall deal with such contempt as if it were contempt of itself, and shall have and exercise in respect of it the same jurisdiction, powers and authority in accordance with the same procedure and practice as it has and exercises in respect of contempt of itself.

CHAPTER - XIV

Miscellaneous

123. Recovery of sums due to Government.— (1) Unless otherwise provided by this Act, ¹⁸⁶[all sums and penalties due from directors or an office bearer]

or member or past member or a deceased member of a society as such to the Government, may be recovered according to the law and under the rules for the time being in force for the recovery of arrears of land revenue.

(2) Sums due from a society to the Government and recoverable under the foregoing sub-section may be recovered, firstly from the property of the society and secondly from the members or past members or the estate of deceased members subject to the limit of their liability.

(3) The liability of past members or estate of deceased members shall in all cases be subject to the provisions of section 33.

124. Branches, etc. of societies outside the State.— (1) No society shall open a branch or a place of business outside the State of Goa, and no co-operative society registered under any law in any other State shall open a branch or a place of business in the State of Goa, without the permission of the Registrar.

(2) Every co-operative society registered under any law in any other State, and permitted to open a branch or a place of business in the State of Goa under the foregoing sub-section, or which has a branch or a place of business in the State of Goa at the commencement of this Act, shall, within three months from the opening of such branch or place of business or from the commencement of this Act, as the case may be, file with the Registrar a certified copy of the bye-laws and amendments and, if these are not written in English language, a certified translation thereof in English or Hindi, and shall submit to the Registrar such returns and information as are submitted by similar societies registered under this Act in addition to those which may be submitted to the Registrar of the State where such society is registered.

¹⁸⁷[**123A. Handing over records and property to new Chairman on election.**— (1) On the election of a new Board of Directors and its Chairman, the retiring Chairman in whose place the new Chairman is elected, shall hand over charge of the office and all papers and property, if any, of the society in his possession or any officer thereof, to the new Chairman of the Board of Directors¹⁸⁸[immediately after assuming office by him]

(2) If the retiring Chairman fails or refuses to hand over charge, or to hand over the papers and property of the society as aforesaid, the Registrar, or any person authorised by him in this behalf, may, by order in writing, direct him to forthwith handover such charge and property.

¹⁸⁹[(3) If the retiring Chairman to whom a direction has been issued under sub-section (2) without sufficient cause fails to comply with such direction, he shall be liable to pay fine of rupees two thousand per day of delay in handing over of charge to the newly elected Chairman from the date of issuance of directions by the Registrar till the actual date of handover of charge. Such fine shall not be paid from the funds of the society but shall be recovered from the defaulting retired Chairman];

¹⁹⁰[(4) The retiring Chairman shall pay such fine so payable under sub-section (3) to the Registrar by way of challan in the Government treasury and a self attested copy of the receipt of the paid challan shall be submitted to the Registrar within thirty days of handing over the charge.

(5) On failure of the retiring chairman to pay fine within the time limits specified under sub-section (4), the same shall without prejudice to any other mode of recovery, be recoverable as an arrears of land revenue.

(6) The provisions of sub-sections (3), (4) and (5) shall mutatis mutandis apply in case, the newly elected/nominated Chairman, Administrator or any other Office bearer, as the case may be, without sufficient cause, fails to take over custody of books, records, cash, security and other property belonging to a co-operative society.]

¹⁹¹[**123B. Power to delegate.**— (1) The Registrar may, by notification in the Official Gazette and subject to such conditions as he may deem fit, delegate any of his powers under this Act to any institution or to any officer thereof, and such institution or officer shall work under the general guidance, superintendence and control of the Registrar as specified in the notification.

¹⁹²[***]

125. Registrar and other officers to be public servants.— The Registrar, a person exercising the powers of the Registrar, a person appointed to audit the accounts of a society or to hold an inquiry or to make an inspection, or a person appointed as a Co-operative Authority, the Co-operative Tribunal or a Liquidator shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (XLV of 1860).

126. Indemnity for acts done in good faith.— No suit, prosecution or other legal proceedings shall lie against the Registrar or any person sub-ordinate to him or acting on his authority, in respect of anything in good faith done, or purported to be done by him by or under this Act.

127. Bar of jurisdiction of Courts.— (1) Save as expressly provided in this Act, no Civil or Revenue Court shall have any jurisdiction in respect of—

(a) the registration of a society or its bye-laws, or the amendment of its bye-laws, or the dissolution of the board of directors of a society, or the management of the society on dissolution thereof, or

(b) any dispute required to be referred to the ¹⁹³[Registrar] for decision;

(c) any matter concerned with the winding up and dissolution of a society.

(2) While a society is being wound up, no suit or other legal proceeding relating to the business of such society shall be proceeded with or instituted against the society or any member thereof, or any matter touching the affairs of the society, except by leave of the Registrar and subject to such terms as he may impose.

(2) All orders, decisions or awards passed in accordance with this Act or the rules, shall, subject to the provisions for appeal or revision in this Act, be final; and no such order, decision or award shall be liable to be challenged, set aside, modified, revised or declared void in any Court upon the merits or upon any other ground whatsoever.

¹⁹⁴[**126A. Power to exempt societies from provisions of this Act.**— The Government may, by general or special order, to be published in the Official Gazette, exempt any society or class of societies from any of the provisions of this Act, or may direct that such provision shall apply to such society or class of societies with such modifications not affecting the substance thereof as may be specified in the order:

Provided that no order to the prejudice of any society shall be passed, without an opportunity being given to such society to present its case.].

128. Rules.— (1) The Government may, for the whole or any part of the State and for any society or class of societies, make rules for the conduct and regulation of the business of such society or class of societies, and for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may,—

(i) subject to the provisions of section 4, prescribe the designation of officers who shall exercise powers vested in the Registrar; .

(ii) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society under section 7 and the procedure in the matter of such application;

(iii) prescribe the classes and sub-classes of Societies and the criteria thereof;

(iv) prescribe the matters in respect of which a society may make, or the Registrar may direct a society to make bye-laws and the conditions to be followed in making, altering and abrogating bye-laws and the conditions to be satisfied prior to such making, alteration or abrogation;

(v) prescribe the procedure to be followed and conditions to be observed for change of name or liability, amalgamation, transfer, division, conversion or re-construction of society;

(vi) prescribe the form and procedure for an application under section 16 and the procedure for re-construction of a society under that section;

(vii) prescribe the manner of giving public notice of the proceedings of deregistration of societies;

(viii) prescribe the manner for entering into collaboration by any society or societies with any Government undertaking or any undertaking approved by the Government for carrying on any business;

(ix) prescribe the conditions subject to which the Official Assignee shall realise the assets and liquidate the liabilities, under sub-section (3) of section 20;

(x) prescribe the manner of giving public notice and the remuneration and allowances to be paid to the Official Assignee, under sections 20 (1) and 20 (4) respectively;

(xi) prescribe the conditions to be complied with by a person applying for admission or admitted as a member and provide for the payment to be made and the interests to be acquired before the exercise of the right of membership;

(xii) prescribe, in the case of a federal society, the manner of exercising voting rights by individual members;

(xiii) prescribe the procedure for the admission of joint members and minors and persons of unsound mind inheriting the share or interest of deceased members and provide for their rights and liabilities;

(xiv) provide for the withdrawal, removal or expulsion of members and for the payments to them and for the liabilities of past members and the estate of deceased members;

(xv) prescribe the conditions and procedure for the transfer of share or interest;

(xvi) provide for nomination of a person to whom the share or the interest of a deceased member may be paid or transferred;

(xvii) provide for ascertaining the value of a share or interest of a past member or deceased member;

(xviii) provide for the inspection of bye-laws and documents in the Registrar's office and the levy of fee for inspection and granting certified copies of the same;

(xix) provide for the procedure for registering the address of a society and the change of its address;

(xx) prescribe the particulars to be entered in the register of members besides the particulars mentioned in section 37(1);

(xxi) prescribe the fees to be levied by the Registrar for inspection of bye-laws and list of members of the board of directors of the societies registered under the Act.

(xxii) prescribe the manner of certifying the entries in the book, register or list kept by a society in the course of its business;

(xxiii) provide for the procedure to be adopted by a society with limited liability in order to reduce its share capital;

(xxiv) prescribe the period for and terms upon which Government aid may be given to societies and terms under which the Government may subscribe to the share capital of and guarantee the payment of the principal of and interest on debentures issued by societies;

(xxv) prescribe the manner in which funds may be raised by a society or class of societies

by means of shares or debentures or otherwise and the quantum of funds so raised;

(xxvi) prescribe the forms in which a Society shall send requisition to employer under section 45(2);

(xxvii) prescribe the manner in which the employees provident fund shall be administered;

(xxviii) prescribe the modes of investment of funds under section 55 (g);

(xxix) prescribe other measures or acts besides those mentioned in section 60 (1) (a) to (f);

(xxx) prescribe the forms and procedure for elections to the board of directors of societies to be conducted by the Registrar;

(xxxi) prescribe the forms and procedure for election of representative general body of societies mentioned in section 69;

(xxxii) prescribe the period for which the books of accounts and supporting records and vouchers shall be preserved by the societies;

(xxxiii) prescribe the form for the rectification of defects discovered in the course of audit;

(xxxiv) prescribe the fees for filing the returns with the Registrar;

(xxxv) ¹⁹⁵[]

(xxxvi) ⁵¹[]

(xxxvii) ⁵¹[]

(xxxviii) provide for the issue and service of processes and for providing of service thereof;

(xxxix) prescribe the procedure for and the method of recovery of any sums due under this Act or the Rules;

(xl) prescribe the procedure to be followed for the custody of property attached under section 88;

(xli) prescribe the manner of communication of interim order of winding up;

(xlii) prescribe the procedure to be followed in the execution of awards and orders of the ¹⁹⁶[], Registrar and Liquidator;

(xliii) prescribe the manner in which any property shall be delivered to, and the terms and conditions subject to which such property shall be held by a society in execution proceedings;

(xliv) prescribe the procedure for attachment and sale of property for the realisation of any security given by a person in the course of execution proceedings;

(xlv) prescribe the manner of appointing a Liquidator under section 93 (1);

(xlvi) prescribe the form and period of submitting the Liquidators accounts to the Registrar for audit;

(xlvii) prescribe the procedure and conditions for the exercise of the powers conferred under section 95 and the procedure to be followed by a Liquidator and provide for the

disposal of surplus assets;

(*xlvi*) prescribe the matters in which an appeal shall lie from the order of Liquidator appointed under section 93;

(*xlix*) prescribe the form of certificate of allotment under section 104 (1);

(1) prescribe the period of office of the President of the Co-operative Tribunal and the terms and conditions of his appointment’ ;

(*li*) prescribe the method of communicating or publishing any order, decision or award required to be communicated or published under this Act or the Rules;

(*lii*) provide for all other matters expressly required or allowed by this Act, to be prescribed by rules.

(3) The power to make rules conferred by this section shall be subject to the condition of the rules being made after previous publication.

(4) All rules made under this section shall be laid for not less than thirty days before the State Legislature as soon as possible after they are made, and shall be subject to such modification as the Legislature may make during the session in which they are so laid, or the session immediately following.

129. Repeal, saving and construction.- (1) The Maharashtra Co-operative Societies Act, 1960 (Maharashtra Act XXIV of 1961) as applied to in the State of Goa, is hereby repealed:

Provided that, the repeal shall not affect the previous operation of the Act so repealed and anything done or action taken or deemed to have been done or taken including any appointment or delegation made, application or other document filed, certificate of registration granted, agreements executed, notification, order, direction or notice issued, regulation, form or bye-law framed, rule made or deemed to be made or proceeding instituted before any Registrar, arbitrator, liquidator or tribunal or other officer, authority or person by or under the provisions of that Act shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act, and shall continue in force unless and until superseded by anything done or any action taken under this Act.

(2) Accordingly, all societies registered or deemed to be registered under the repealed Act the registration of which is in force at the commencement of this Act, shall on such commencement, be deemed to be registered under this Act; and all proceedings pending immediately before such commencement before any Registrar or his nominee, liquidator or Co-operative Tribunal or other officer, authority or person under the provisions of the repealed Act shall stand transferred, where necessary, to the Registrar, Co-operative Authority, Liquidator or Co-operative Tribunal or other corresponding officer, authority or person under this Act, and if no such officer, authority or person exists or if there be a doubt as to the corresponding officer, authority or person, to such officer, authority or person as the Government may designate and shall be continued and disposed of before such officer, authority or person in accordance with the provisions of this Act.

(3) Any reference to the repealed Act or to any provisions thereof, or to any officer, authority or person entrusted with any functions thereunder, in any law for the time being in force or in any instrument or document, shall be construed, where necessary, as a reference to this Act or its relevant provisions or the corresponding officer, authority or person

functioning under this Act, and the corresponding officer, authority or person, as the case may be, shall have and exercise the functions under the repealed Act or under the instrument or document.

130. Companies Act not to apply.- For the removal of doubt, it is hereby declared that the provisions of the Companies Act, 1956 (I of 1956), shall not apply to societies registered, or deemed to be registered, under this Act.

¹ Inserted vide Amendment Act 34 of 2021.

² Re-numbered as (1A) vide Amendment Act 34 of 2021.

³ Inserted by Amendment Act, 2004 (Goa Act 22 of 2004).

⁴ Inserted by the Amendment Act 20 of 2014.

⁵ Substituted by the Amendment Act 20 of 2014 original clause read as follows: “(6) “board of directors” means the governing body or the committee of management of a society, by whatever name called, in which the management of the affairs of a society is vested;”

⁶ Inserted by the Amendment Act 20 of 2014

⁷ Clause 16 omitted by the Amendment Act 20 of 2014. Omitted clause read as follows :- “co-operative authority” means the authority constituted under section 84 of this Act to decide disputes referred to it under any of the provisions of this Act;”

⁸ Inserted by the Amendment Act 20 of 2014.

⁹ Inserted by the Amendment Act 20 of 2014.

¹⁰ Inserted by Amendment Act, 2004 (Goa Act 22 of 2004).

¹¹ Inserted by the Amendment Act 20 of 2014

¹² Substituted by the Amendment Act 20 of 2014 original clause read as follows “(29) “multi State society” means a co- operative society which is registered or deemed to be registered under the Multi State Co-operative Societies Act, 2002 (Central Act 39 of 2002)”

¹³ Inserted by the (Amendment) Act, 2009 and re numbered as (30a) by the amendment Act 20 of 2014.

¹⁴ Inserted by the Amendment Act 20 of 2014

¹⁵ Substituted by the Amendment Act 20 of 2014 original clause read as follows : “(31) “officer” means a person elected or appointed to any office of a society according to its bye-laws; and includes a chairman, vice-chairman, president, vice-president, secretary, treasurer, member of the board of directors, managing director, chief executive, manager and any other person elected or appointed under this Act, the rules or the bye-laws, to give directions in regard to the business of such society;”

¹⁶ Inserted vide Amendment Act 34 of 2021.

¹⁷ Inserted by the Amendment Act 20 of 2014 and Re-numbered vide Amendment Act 34 of 2021

¹⁸ Inserted by the Amendment Act 20 of 2014.

¹⁹ Inserted by the Amendment Act 20 of 2014.

²⁰ Inserted by the Amendment Act 20 of 2014.

²¹ Inserted by the Amendment Act 20 of 2014.

²² Sub-section(3) inserted vide Amendment Act 34 of 2021

²³ Inserted by the Amendment Act 20 of 2014.

²⁴ Expression “In case no refusal is communicated within the said period of forty five days, the society shall be deemed to have been refused registration under this Act.” omitted by the Amendment Act 18 of 2015.

²⁵ Expression “or deemed refusal, as the case may be” omitted by the Amendment Act 18 of 2015.

²⁶ Inserted by the Amendment Act 20 of 2014

²⁷ Inserted by Amendment Act, 2004 (Goa Act 22 of 2004), thereafter Substituted by the Amendment Act 20 of 2014.

²⁸ Inserted by Amendment Act, 2004 (Goa Act 22 of 2004).

²⁹ Substituted by the Amendment Act 18 of 2015 Original sub section (2) read as follow: “(2) If the society fails to make the amendment within the time specified, the Registrar may refer the matter to the co-operative tribunal for its decision. If the co-operative tribunal, after giving the society an opportunity of being heard, orders registration of the amendment, the bye-laws shall be deemed to have been duly amended accordingly with effect from the date of the order of the Co-operative Tribunal and the bye-laws, as amended, shall, subject to appeal, if any, be binding on the society and its members”.

³⁰ Inserted by the (Amendment) Act, 2009.

³¹ Omitted vide Amendment Act 6 of 2010

³² Inserted by the (Amendment) Act, 2009.

³³ Inserted by Amendment Act, 2004 (Goa Act 22 of 2004)

³⁴ Inserted vide Amendment Act 34 of 2021.

³⁵ The words “who is a citizen of India and” omitted by the Amendment Act 20 of 2014.

³⁶ Substituted in place of word “firm” by the Amendment Act 20 of 2014.

³⁷ Inserted by the (Amendment) Act, 2009.

³⁸ Proviso omitted by (Amendment) Act, 2009. Original proviso read as under “Provided that in the case of co-operative banks and co-operative credit societies, an Administrator appointed under section 71 may admit members only for the purpose of sanction of loans.”

³⁹ Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009.

⁴⁰ Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009.

⁴¹ Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009.

⁴² Inserted by the Amendment Act 20 of 2014.

⁴³ Inserted by the Amendment Act 20 of 2014.

⁴⁴ Section 24 substituted vide Amendment Act 42 of 2023. Original Section read as follows:- “**24. Cessation of membership.**— A person shall cease to be a member of a society on his resignation from the membership thereof being accepted or on the transfer of the whole of his share or interest in the society to another member, or on his death, or removal or expulsion from the society or ceasing to hold the qualification for the membership under the bye-laws of the society or where a firm, company, any other corporate body, society or trust is a member, on its dissolution or ceasing to exist.”

⁴⁵ In place of word and figure “two” the word and figure “five” Substituted by the (Amendment) Act, 2009.

⁴⁶ In place of word and figure “three” the word and figure “five” substituted by the (Amendment) Act, 2009.

⁴⁷ Inserted by the (Amendment) Act, 2009.

⁴⁸ Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009.

^{14-A} Inserted vide amendment Act 6 of 2010.

⁴⁹ The words “A society” are substituted vide amendment Act 34 of 2021

⁵⁰ Sub-sections (3) to (5) inserted vide Amendment Act 34 of 2021.

⁵¹ Section 41 substituted vide Amendment Act 34 of 2021. Original Section read as follows:- *“A society shall receive deposits and loans from members and other persons, only to such extent, and under such conditions, as may be prescribed.”*

⁵² Sub-section (2) substituted by the Amendment Act No.42 of 2023. Original sub-section read as follows:- (2) *Notwithstanding anything contained in the foregoing sub-section, a society may make a loan to a depositor on the security of his deposit.*

⁵³ Sub-section (3) and (4) inserted vide Amendment Act 42 of 2023.

⁵⁴ Sub-Section (5) of Section 45 omitted by the Amendment Act 24 of 2016. Original section read as follows :-

“(5) This section shall not apply to the surety of a loanee member.”

⁵⁵ Section 51 omitted vide Amendment Act 34 of 2021. Original section read as follows :-

[51.Restrictions on loans].— (1) *A society may raise loans and receive amounts from external sources to such extent and under such conditions as may be specified in the bye-laws.*

(2) *The total amount of deposits received and/or loans raised during any financial year shall not exceed ten times of the sum of paid-up share capital, reserve fund, building fund and accumulated profit less accumulated loss, if any, of the society:*

Provided that, with prior written approval of the Registrar, the society may specify the limit of borrowings upto twenty- five times of its paid-up share capital, reserve fund, building fund and accumulated profit less accumulated loss, if any.

(3) *A mutually aided society shall not accept share capital from the Government but may accept other funds or guarantee from the Government on such terms and conditions as are mutually agreed upon through a memorandum of understanding.*

(4) *A society may accept funds from the Government or other financing institution on such terms and conditions as are mutually contracted upon. Such conditions may include the right of the Government or other financier to nominate its representative on the board of directors of the society, subject, however, to the restriction that such representative shall not have the right to vote in the meetings of the society.]*

⁵⁶ Inserted by the Amendment Act 20 of 2014.

⁵⁷ Renumbered as sub section (2) by the Amendment Act 20 of 2014.

⁵⁸ The expression “The society shall, out of its net surplus”, the expression “If provided in it’s bye-laws, the society shall, out of it’s net surplus” is substituted by the (Amendment) Act, 2009.

^{15-A} Substituted vide Amendment Act 6 of 2010.

⁵⁹ Clause (c) substituted by the Amendment Act 24 of 2016 and thereafter vide Act No.34 of 2021.

⁶⁰ Proviso inserted vide Amendment Act 34 of 2021.

⁶¹ Inserted by the (Amendment) Act, 2009.

⁶² The expression *“An annual interest equal to the Bank rate shall be credited to the accounts of such funds annually.”* Omitted by the Amendment Act 20 of 2014.

⁶³ The expression *“ of mutually aided society”* omitted by the Amendment Act 24 of 2016

⁶⁴ Clauses (k) and (l) inserted vide Amendment Act 34 of 2021.

⁶⁵ Clause (k) re numbered as clause (m) vide Amendment Act 34 of 2021.

⁶⁶ Inserted by the (Amendment) Act, 2009.

⁶⁷ Substituted by the Amendment Act 20 of 2014.

⁶⁸ Inserted by the Amendment Act 34 of 2021.

⁶⁹ Substituted by the Amendment Act 18 of 2015 in place of expression *“such other office bearers as may be provided in the bye laws”*

⁷⁰ Substituted by the Amendment Act 18 of 2015 in place of expression *“Provided also that, should the administrator is appointed or the Chairman is removed by no confidence motion within twenty-four months from the date on which the consecutive period of ten years would, but for such appointment or removal, have been completed, the Chairman shall be deemed to have completed the period of ten years on appointment of administrator or removal of Chairman, as the case may be:*

⁷¹ By the amendment Act 18 of 2015 in place of expression *“Provided also that, no member shall hold the post of office bearer of more than one Apex or Federal society”* following proviso was substituted *“Provided that no member shall hold the post of board of directors of more than one Apex Society or Federal Society or two other societies.”* Subsequently vide Amendment Act 5 of 2020 the entire forth proviso is omitted with immediate effect.

⁷² Inserted vide Amendment Act 16 of 2023 and deemed to come into force w.e.f. 23-10-2014.

⁷³ Inserted by the (Amendment) Act, 2009.

⁷⁴ The words “or Director” omitted by the Amendment Act 20 of 2014.⁷⁵ The words “or Director” omitted by the Amendment Act 20 of 2014.⁷⁶ The words “or Director” omitted by the Amendment Act 20 of 2014.

⁷⁷ Inserted vide Amendment Act 34 of 2021.

⁷⁸ Substituted by the Amendment Act 20 of 2014.

⁷⁹ Inserted by the Amendment Act 20 of 2014.

⁸⁰ Substituted by the Amendment Act 18 of 2015 in place of expression two years⁸¹ Substituted by the Amendment Act 18 of 2015 in place of expression two years⁸² Section 61 substituted vide Amendment Act 34 of 2021.

⁸³ Clause substituted vide Amendment Act 34 of 2021. Original clause read as follows: - *“acquire or dispose of immovable property”*

⁸⁴ Substituted by the Amendment Act 20 of 2014.

⁸⁵ substituted by the Amendment Act 20 of 2014 original sub section read as follows : *“(1) The elections to the board of directors of all the societies and representative general bodies under section 69(d) and (e) of this Act, except those mentioned in sub-section (5) of this section, shall be conducted by the Registrar in such manner as may be prescribed”.*

⁸⁶ Substituted by the amendment Act 18 of 2015 in place of expression *“Where the Registrar fails to hold election to the board of any society”*

⁸⁷ Substituted by the Amendment Act 20 of 2014

⁸⁸ Expression *“and office bearers”* omitted vide Amendment Act 34 of 2021.

⁸⁹ Proviso inserted vide Amendment Act 34 of 2021.

⁹⁰ Sub-section (6) substituted vide Amendment Act 34 of 2021. Original subsection read as follows: -“(6) *The election of the office bearers shall be conducted by the authorized person/authority/body within thirty days from the date of declaration of the result of the election to the board.*”

⁹¹ Sub-section (1) substituted vide Amendment Act 34 of 2021. Original sub-section read as follows:- (1) *Where there is a vacancy or vacancies on the board of directors, the remaining directors may exercise all the powers of the board or may fill the vacancies for the remainder of the term from eligible persons through co-option if such vacancies are not more than one-third of the total number of directors of the board.*]

⁹² Substituted by the Amendment Act 20 of 2014, thereafter vide Amendment Act 42 of 2023 substituted provisions read as follows-
[*(4) Any member of the board may resign his office by writing under his hand addressed to the Chairman and the Chairman may resign his office by writing under his hand addressed to the Chief Executive Officer who shall place the same in meeting of the board for consideration and acceptance. In the event of resignation of office bearer and acceptance of the same, the election of new office bearer shall be by-laws of the society. In the event where the resignation is from majority of the members on the board including the Chairman, or otherwise such resignations shall be handed over to the Chief Executive Officer who shall forward the same to the Registrar. The Registrar, after receiving the resignations of the majority of the members of the board shall assess the situation and decide the course of action in accordance with the provisions of the Act.*]

⁹³ Sub-section (5) to (11) inserted vide Amendment Act 42 of 2023.

⁹⁴ Inserted by the (Amendment) Act, 2009.

⁹⁵ Inserted by the Amendment Act 20 of 2014.

⁹⁶ Inserted vide Amendment Act 34 of 2021.

⁹⁷ Sub-section (3) and (4) omitted vide Amendment Act 34 of 2021. Said sub-sections read as follows:- (3) *Where the Registrar is satisfied that any person was responsible for not complying with any directions, the Registrar may, by order:—*

(a) *if the person is a member of the committee of the society, remove the member from the committee and appoint any other person as a member of the committee for the remainder of the term of his office and declare him to be disqualified to be such member for a period of six years from the date of the order;*

(b) *if the person is an employee of the society, direct the committee to remove such person from employment of the society forthwith, and if any member or members of the committee, without any good reason or justification, fail to comply with this order, remove the members and appoint any other person as members and declare them disqualified as provided in clause (a):*

Provided that, before making any order under this sub-section, the Registrar shall give a reasonable opportunity of being heard to the person or persons concerned and consult the federal society to which the society is affiliated.

(4) *Any order made by the Registrar under this section shall be final.*]

⁹⁸ Inserted by the (Amendment) Act, 2009.

⁹⁹ Substituted by the Amendment Act 20 of 2014 and thereafter vide Amendment Act 34 of 2021. substituted section read as follows:- **Directions by the Registrar for successful conduct of business.** — (1) *the Registrar may, from time to time, issue such directions or directives to a co-operative society as he considers necessary for successful conduct of business, in the interest of shareholders and all matters incidental thereto and such directions or directives shall be binding on them.*

¹⁰⁰ Substituted by the Amendment Act 20 of 2014.

¹⁰¹ substituted by the Amendment Act 20 of 2014

¹⁰² The expression “*or one tenth of the representatives of a representative general body of the society constituted under section 69 of the Act*” omitted by the amendment Act 20 of 2014.

¹⁰³ Sub-section (6) omitted by the amendment Act 20 of 2014. Said sub-section read as follows: (6) *Such minutes shall be communicated to all persons invited for the meeting within forty five days of the conclusion of the meeting.*

¹⁰⁴ Substituted by the (Amendment) Act, 2009.

¹⁰⁵ Inserted by the (Amendment) Act, 2009 and substituted by the Amendment Act 20 of 2014 original section read as follows : (4) *Every society, immediately after close of the financial year, shall prepare the Receipt and Payment statements/Trial Balance/Trading/Manufacturing Accounts, Profit and Loss Account/Income and Expenditure Account and Balance Sheet and shall submit the same to the Registrar, within a period of 45 days prior to filing the returns as specified under section 81*

¹⁰⁶ Inserted vide Amendment Act 34 of 2021.

¹⁰⁷ Substituted by the Amendment Act 20 of 2014 original section read as follows: **74. Audit.** — (1) *The Registrar shall constitute a panel of auditors from among the chartered accountants within the meaning of the Chartered Accountants Act, 1949 (XXXVIII of 1949) and who are fellow members of the Institute of Chartered Accountants of India, holding certificate of practice, who have their registered address within the State of Goa, and retired officers of the Government, who are holding higher Diploma in Co-operation or having working experience of ten years in Co-operative Audit.*

(2) *The Registrar shall appoint auditors to audit the accounts of State aided societies, and other societies with paid up capital exceeding Rupees one lakh as may be notified by the Registrar from time to time, from among the departmental auditors or the panel of auditors. Provided that any society which is not notified under sub-section (2) may request in writing to the Registrar that its audit shall be conducted by the departmental auditors and the Registrar may allow to do so for such period as may be requested by the society Explanation.— For the purpose of this sub-section any society or class of societies irrespective of share capital limit which are either been assisted by the Government in the form of subsidy, loan, trade and commercial concession, price support and/or offered any type of incentives, relaxation, considering the social, circumstantial aspects and in the interest of particular occupation, community or public interest at large, and involving the deposit of the public, the Registrar shall decide over the nature as to whether such society is to be notified or otherwise and accordingly the audit of such society or class of societies shall be entrusted to the departmental auditors or the panel of auditors, by general or special order. The decision of the Registrar in this matter shall be final.*

(3) *A mutually aided society which is not notified under sub-section (2) above shall appoint an auditor from among the panel of auditors by resolution in the annual general meeting and such appointment shall be valid till the conclusion of next annual general meeting: Provided that the first auditor shall be appointed from among the said panel by the board of directors in the first meeting held after the registration of the society and such appointment shall be valid till the conclusion of the first annual general meeting.*

(4) *The remuneration of all auditors shall be fixed by the Registrar.*

(5) *The auditor shall be given notice of every general meeting and will be entitled to attend the meeting.*

(6) *Where a mutually aided society fails to get its accounts audited within nine months from the end of the co-operative year, the Registrar shall be empowered to appoint the auditor and get the accounts audited.*

(7) *If the Registrar finds it necessary or expedient to re-audit any or all accounts of the society, he may, by Order, direct such re-audit and the*

provisions of this Act, applicable to audit of accounts of society, shall apply to such re-audit.

¹⁰⁸ Inserted vide Amendment Act 34 of 2021.

¹⁰⁹ Inserted vide Amendment Act 34 of 2021.

¹¹⁰ Inserted by the amendment Act 18 of 2015 and substituted vide Amendment Act 34 of 2021, earlier proviso read as follows: - *“Provided that if any society fails to get its account audited within the said period, the Registrar shall appoint an auditor from the panel of auditors constituted under sub-section (2).”*

¹¹¹ Sub-section (5) substituted vide Amendment Act 34 of 2021. Earlier provisions read as follows:- *“(5) The remuneration of all auditors from the panel of auditors and audit fees for those societies audited by the departmental auditors shall be fixed by the Registrar.”*

¹¹² Inserted vide Amendment Act 34 of 2021

¹¹³ Proviso inserted vide Amendment Act 42 of 2023.

¹¹⁴ Substituted by the (Amendment) Act, 2009.

¹¹⁵ Inserted by the (Amendment) Act, 2009.

¹¹⁶ Inserted by the Amendment Act 20 of 2014.

¹¹⁷ Sub-section (8) substituted vide Amendment Act 34 of 2021. Earlier provisions read as follows:- *“(8) The Auditors shall be responsible for willful omission or failure to report to the Registrar, of mismanagement, misappropriation of societies funds or violation of any provision of the Act.”*

¹¹⁸ Inserted by the (Amendment) Act, 2009.

^{28-A} Substituted vide Amendment Act 6 of 2010.

¹¹⁹ Inserted vide Amendment Act 34 of 2021

¹²⁰ Section 76 B to 76G inserted vide Amendment Act 34 of 2021. However Section 76 C to 76 G are not yet brought into force.

¹²¹ Section substituted vide Amendment Act 34 of 2021. Original section read as follows: -

“79. Action on special audit or inquiry report.— On communication of a special audit report under sub-section (5) of section 76 or an inquiry report under sub-section (5) of section 77 to the persons concerned, the Registrar may, where the special audit or inquiry report reveals mismanagement on the part of any or all of the office bearers or directors, without prejudice to any civil or criminal proceedings to which they may be liable, direct the board to convene a general meeting within such reasonable time as he may specify so as to enable him to bring to the notice of the general meeting, either directly or through his nominee, the findings of the special audit or inquiry report, for necessary action.”

¹²² Substituted by the Amendment Act 20 of 2014. Original section read as follows :

80. Filing of returns.— Every year, within thirty days from the date of holding of the annual general meeting, every society shall file the following documents with the Registrar alongwith the filing fees as may be prescribed:—

- (a) Annual audited or unaudited statement of accounts;
- (b) Report of the board of directors;
- (c) Auditors report;
- (d) Audit rectification report, if any;
- (e) Notice convening the annual general meeting;
- (f) Name and address of the directors and their terms of office;
- (g) List of amendment to the bye-laws, if any;
- (h) Declaration regarding the date of holding of the general meeting and number of members who attended such meetings.

¹²³ Inserted by the Amendment Act 24 of 2016.

¹²⁴ The words “Co-operative Authority”, the word; “Registrar” is substituted by the (Amendment) Act, 2009.

¹²⁵ The words “Registrar” deleted by the (Amendment) Act, 2009.

¹²⁶ Substituted in place of expression “Cooperative authority” vide Amendment Act 3 of 2009

¹²⁷ Substituted in place of expression “Cooperative authority” vide Amendment Act 3 of 2009

¹²⁸ The words “Co-operative Authority” is substituted by the word “Registrar” by the (Amendment) Act, 2009. Thereafter provisions further amended vide Amendment Act 6 of 2010. Vide Amendment Act 34 of 2021 the expression *“The Registrar or the person authorised by him”* substituted vide present entry.

¹²⁹ The expression *“the Registrar shall not pass”* substituted vide Amendment Act 34 of 2021.

¹³⁰ Inserted vide Amendment Act 34 of 2021

¹³¹ Substituted in place of expression “Cooperative authority” vide Amendment Act 3 of 2009¹³² Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009. ¹³³ Substituted in place of expression “Cooperative authority” vide Amendment Act 3 of 2009¹³⁴ Chapter IX is substituted by the (Amendment) Act 2009.

¹³⁵ Inserted by the Amendment Act 20 of 2014

¹³⁶ Inserted by the Amendment Act 24 of 2016

¹³⁷ Re-numbered by the amendment Act 20 of 2014.

¹³⁸ Expression “elections of the office bearers” omitted by the Amendment Act 24 of 2016

¹³⁹ Re-numbered by the amendment Act 20 of 2014.

¹⁴⁰ Re-numbered by the amendment Act 20 of 2014.

¹⁴¹ Inserted vide Amendment Act 34 of 2021

¹⁴² Substituted in place of expression *“under the provisions of sub-section (1)”* vide Amendment Act 34 of 2021.

¹⁴³ substituted by the Amendment Act 20 of 2014 in place of expression “election of an office-bearer”

¹⁴⁴ substituted by the Amendment Act 20 of 2014 in place of expression “one month”

¹⁴⁵ Sub-section (3) substituted vide Amendment Act 34 of 2021. Original sub-section (3) read as follows: - *“(3) Notwithstanding anything contained in section 83, the Registrar may, if he thinks fit, suspend proceedings in regard to any dispute, if the question at issue between a society and a claimant or between different claimants, is one involving complicated questions of law and fact, until the question has been tried by a regular suit instituted by one of the parties or by the society. If any such suit is not instituted within two months from the date of the Registrar's order suspending proceedings, the Registrar shall take action as is provided in sub-section (1)”*.

¹⁴⁶ Substituted by the Amendment Act 18 of 2015 in place of expression *“section 86, or under section 95,”*

- ¹⁴⁷ The word “resource” omitted vide Amendment Act 34 of 2021.
- ¹⁴⁸ The word “resource” omitted vide Amendment Act 34 of 2021.
- ¹⁴⁹ Inserted vide Amendment Act 34 of 2021
- ¹⁵⁰ Substituted in place of expression “*an officer of a Federal Institution duly empowered by him in this behalf,*” vide Amendment Act 34 of 2021.
- ¹⁵¹ Inserted by the Amendment Act 20 of 2014.
- ¹⁵² Section 92-A, 92-B are inserted by Amendment Act, 2004 (Goa Act 22 of 2004)
- ¹⁵³ Existing provisions of section 92B numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the sub-sections (2),(3) inserted by the (Amendment) Act, 2009.
- ¹⁵⁴ Sub section (1) substituted by Amendment Act, 2004 (Goa Act 22 of 2004)
- ¹⁵⁵ for the expression “*On issue of the interim order,*”, the expression “On issue of the interim order under section 92 or on the issue of an order under section 92A, to the case may be,” substituted by Amendment Act, 2004 (Goa Act 22 of 2004)
- ¹⁵⁶ In sub-section (3), for the expression “When a final order is passed confirming the interim order.”, the expression “When a final order is passed confirming the interim order under section 92 or an order is passed under section 92A, as the case may be,” substituted by Amendment Act, 2004 (Goa Act 22 of 2004)
- ¹⁵⁷ Inserted by Amendment Act, 2004 (Goa Act 22 of 2004) .
- ¹⁵⁸ Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009.
- ¹⁵⁹ Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009.
- ¹⁶⁰ for the expression “or where the appeal has been dismissed,”, the expression “or where the appeal has been dismissed or where an order has been passed under section 92A,” substituted by Amendment Act, 2004 (Goa Act 22 of 2004)
- ¹⁶¹ for the expression “under sub-section (2) of section 92,”, the expression “under sub-section (2) of section 92 or from the date of the order under section 92A, as the case may be,” substituted Amendment Act, 2004 (Goa Act 22 of 2004)
- ¹⁶² Inserted by the Amendment Act 20 of 2014.
- ¹⁶³ Section 104A and 104 B inserted vide Amendment Act 34 of 2021, however same are not brought into force.
- ¹⁶⁴ For the words “may give its consent” the expression “may, subject to payment of prescribed non-occupancy fees to the society, give its consent” substituted by Amendment Act, 2004 (Goa Act 22 of 2004)
- ¹⁶⁵ Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009.
- ¹⁶⁶ Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009.
- ¹⁶⁷ substituted by the Amendment Act 20 of 2014 in place of expression “maintenance of the building”
- ¹⁶⁸ substituted by the Amendment Act 20 of 2014 in place of expression “apex housing finance society of the State”
- ¹⁶⁹ Sub-section inserted vide Amendment Act 34 of 2021
- ¹⁷⁰ Section 113-A inserted vide Amendment Act 34 of 2021.
- ¹⁷¹ Substituted by the (Amendment) Act, 2009.and thereafter vide Amendment Act 6 of 2010
- ¹⁷² Substituted by the (Amendment) Act, 2009.
- ^{43-A} Substituted by the Amendment Act 6 of 2010
- ^{43-B} Clause (b) omitted by the Amendment Act 6 of 2010
- ¹⁷³ Substituted by the (Amendment) Act, 2009.
- ¹⁷⁴ Inserted by the Amendment Act 20 of 2014.
- ¹⁷⁵ Substituted by the Amendment Act 20 of 2014 in place of clause (b) to (f) which read as follows: “(b) *Willful neglect or refusal to do any act required to be done under this Act, or any rule, by any officer of any societies or of a co-operative society as mentioned in section 123;*
(c) *Willfully making a false return or furnishing false information or failing to file the documents with the Registrar specified in section 81 of the Act;*
(d) *Failure to hand over the records of the Society to the person authorised to have the custody of the records;*
(e) *Indulging in fraudulent activities concerning the constitution, management and business of the Society;*
(f) *Misuse of the funds and property of the Society by any officer or employee of the society.*”
- ¹⁷⁶ Inserted vide Amendment Act 34 of 2021
- ¹⁷⁷ substituted by the Amendment Act 20 of 2014 in place of figure “100/-”
- ¹⁷⁸ Added by the Amendment Act 20 of 2014.
- ¹⁷⁹ Substituted in place of expression “*concerned,*”
- ¹⁸⁰ Expression “*by an officer authorised in this behalf, by the Government by a general or special order*” omitted by the Amendment Act 24 of 2016.
- ¹⁸¹ Inserted vide Amendment Act 34 of 2021.
- ¹⁸² The words “Co-operative Authority and” omitted by the (Amendment) Act, 2009.
- ¹⁸³ The words “Co-operative Authority or” omitted by the (Amendment) Act, 2009.
- ¹⁸⁴ Substituted by the (Amendment) Act, 2009.
- ¹⁸⁵ Omitted by the (Amendment) Act, 2009.
- ¹⁸⁶ Substituted in place of expression “*all sums due from a society or from an office bearer*” vide Amendment Act 34 of 2021.
- ¹⁸⁷ Inserted by the (Amendment) Act, 2009.
- ¹⁸⁸ Inserted by the Amendment Act 20 of 2014
- ¹⁸⁹ Sub-section (3) substituted vide Amendment Act 5 of 2022. Original sub-section read as follows:- (3) *If the retiring Chairman to whom a direction has been issued as aforesaid does not comply with such direction, he shall, on conviction, be punished with simple imprisonment which may extend to one month, or with fine which may extend to five thousand rupees, or with both and the Registrar may, on the retiring Chairman’s failure to comply with such direction, take may order for seizing the records and property and handing it over to the new Chairman.*”
- ¹⁹⁰ Sub-section (4) to (6) inserted vide Amendment Act 5 to 2022.
- ¹⁹¹ Inserted by the Amendment Act 20 of 2014.

¹⁹² Sub-section (2) omitted vide Amendment Act 34 of 2021. Omitted provisions read as follows: -

(2) The Government may, by notification in the Official Gazette and subject to such conditions as it may think fit to impose, appoint a retired officer not below the rank of Assistant Registrar of Co-operative Societies having working experience of at least five years, to decide the disputes as specified under section 83 of this Act and to exercise such powers as specified in the notification. The Officer so appointed shall work under the general guidance, supervision and control of the Registrar.

¹⁹³ Substituted in place of words “Co-operative Authority” by the Amendment Act 3 of 2009.

¹⁹⁴ Inserted by the (Amendment) Act, 2009.

¹⁹⁵ Omitted by the (Amendment) Act, 2009.

¹⁹⁶ The words “co-operative authority” omitted by the (Amendment) Act, 2009.