The Uttar Pradesh Co-Operative Laws (Amendment) and (Miscellaneous Provisions) Act, 1976
Act 12 of 1976

Keyword(s):
Agricultural Credit Society, Agricultural Occupation, Agricultural Society, Apex society, Central Society, Credit Society, Primary Society
THE UTTAR PRADESH CO-OPERATIVE LAWS (AMENDMENT AND
MISCELLANEOUS PROVISIONS) ACT, 1976
(U. P. ACT NO. 12 OF 1976)

[Authoritative English Text of the Uttar Pradesh Sahkari Vidhi (Sanskodhan Aur
Prakrirn Utpairdhi) Adhiniyam, 1976]

AN

ACT

further to amend the Uttar Pradesh Co-operative Societies Act, 1965 and
to provide for the creation of a trust in respect of certain unclaimed sums
of money and for matters connected therewith.

It is hereby enacted in the Twenty-seventh Year of the Republic of India,
as follows:

1. (1) This Act may be called the Uttar Pradesh Co-operative Laws

(2) Section 7 shall be deemed to have come into force on February 16, 1976,
section 9 shall come into force on such date as the State Government may by
notification, appoint in that behalf, section 22 shall be deemed to have come
into force on November 24, 1975 and rest of the sections shall be deemed to
have come into force on October 3, 1975.

2. In section 2 of the Uttar Pradesh Co-operative Societies Act, 1965, hereinafter referred to as the principal Act—

(i) after clause (a), the following clauses shall be inserted, namely:—

"(a-1) ‘agricultural credit society’ means a credit society majority
of the ordinary members whereof are primarily engaged in agricul-
tural occupation;

(a-2) ‘agricultural occupation’ shall include—

(i) production, processing or marketing of agricultural
crops;

(ii) horticulture, sericulture or animal husbandry which
includes piggery, pisciculture, poultry farming and dairying;

(a-3) ‘agricultural society’ means a co-operative society the
majority of the ordinary members whereof are primarily engaged
in agricultural occupation;

(a-4) ‘apex society’, ‘apex level society’ or ‘state level co-operative
society’ means—

(1) U. P. State Co-operative Land Development Bank Ltd.,
Lucknow;

(2) U. P. Co-operative Bank Ltd., Lucknow;

(3) U. P. Co-operative Federation Ltd., Lucknow;

[For Statement of Objects and Reasons, please see Uttar Pradesh Gazette(Extraordinary),
dated March 31, 1976].
(Passed in Hindi by the Uttar Pradesh Legislative Assembly on April 2, 1976 and by
the Uttar Pradesh Legislative Council on April 6, 1976).
(Received the Assent of the Governor on April 16, 1976 under Article 201 of the Constitu-
tion of India and was published in the Uttar Pradesh Gazette Extraordinary, dated April 19,
1976).
(4) Pradeshik Co-operative Dairy Federation Ltd., Lucknow;
(5) U. P. Co-operative Union Ltd., Lucknow;
(6) U. P. Uphokta Sahkari Sangh Ltd., Lucknow;
(7) U. P. Co-operative Sugar Factories Federation Ltd.;
(8) U. P. Cane Unions Federation Ltd., Lucknow;
(9) U. P. Industrial Co-operative Association Ltd., Kanpur; or
(10) any other central co-operative society fulfilling the following conditions:

(i) it includes in its membership at least one other central co-operative society in the same line of business or trade; and

(ii) its area of operation covers the whole of Uttar Pradesh; and

(iii) its primary object is to facilitate the operation of the co-operative societies affiliated to it as ordinary members;”;

(ii) after clause (d), the following clause shall be inserted, namely:

“(d-1) ‘central society’ or central co-operative society means a co-operative society, which has any other co-operative society as its ordinary member and is not a primary co-operative society;”;

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

“(i-1) ‘credit society’ means a society which has as its primary object the raising of funds to be lent to its members;”;

(iv) after clause (q), the following clause shall be inserted, namely:

“(q-1) ‘primary society’ means a co-operative society ordinary membership whereof is not open to any other co-operative society:

Provided that—

(i) a co-operative marketing society, the area of operation whereof is only a part of a district or part of more than one district shall be deemed to be a primary society whether or not any other co-operative society is its ordinary members;

(ii) a primary co-operative society any share whereof has been purchased under Chapter VI, by a central or apex society shall continue to be a primary society notwithstanding the purchase of such shares;

(iii) a co-operative society, the area of operation whereof is only a part of a district and the primary object whereof is to arrange for the storage and distribution of seeds, fertilizers, pesticides, agricultural appliances or consumers goods to its ordinary members and the membership whereof includes any other co-operative society as its ordinary member, shall be deemed to be primary society notwithstanding the membership of other co-operative society in it;”.
3. In section 3 of the principal Act, after sub-section (2), the following sub-section shall be inserted and be deemed always to have been inserted, namely:

“(3) Where any order has been made under sub-section (2) conferring on any person all or any of the powers of the Registrar under any provision of this Act, such order shall be deemed to confer on him all the powers under that provision as may be amended from time to time.”

4. In section 15 of the principal Act—

(i) for sub-section (2), the following sub-section shall be substituted, namely:

“(2) Notwithstanding any other provision of this Act or of any bye-law of any society, notices of any meeting referred to in sub-section (1) or sub-section (4) shall be given to the members of the societies concerned, and copies of the preliminary resolution shall be served on the members and creditors of such societies in any one or more of the following manners, namely:

(a) by delivery in person under acknowledgement in writing, or

(b) except in respect of any person who has acknowledged receipt in writing under clause (a), by post under certificate of posting at the address of each such person as noted in the society’s records, and also by publication in a newspaper having circulation in the area of operation of the society;”;

(ii) in sub-section (3), in clause (i), for the words “within a period of three months from his receipt of the copy of the preliminary resolution”, the words “within a period of thirty days from the date of receipt of the copy of the preliminary resolution under clause (a) of sub-section (2) or, as the case may be, from the date of its publication in a newspaper under clause (b) of that sub-section” shall be substituted;

(iii) in sub-section (4), for the words “three months from the receipt of the preliminary resolution by all the members and creditors of all societies”, the words “the period referred to in clause (i) of sub-section (3)” shall be substituted.

5. In section 16 of the principal Act—

(i) for sub-section (2), the following sub-section shall be substituted, namely:

“(2) Notwithstanding any other provision of this Act or of any bye-law of such society, notices of any meeting referred to in this section shall be given to the members of the society and a copy of the preliminary resolution shall be served on the members and creditors of the society in any one or more of the manners specified in sub-section (2) of section 15, which shall mutatis mutandis apply.”;

(ii) in sub-section (3), in clause (i), for the words “within a period of three months from the receipt of the preliminary resolution”, the words “within a period of thirty days from the date of receipt of a copy of the preliminary resolution under clause (a) of sub-section (2) of section 15 as applicable by virtue of sub-section (2) of this section, or, as the case may be, from the date of its publication in a newspaper under clause (b) thereof” shall be substituted;

(iii) in sub-section (4), for the words “three months from the receipt of the preliminary resolution by all the members and creditors of the society”, the words, “the period referred to in clause (i) of sub-section (3)” shall be substituted.

6. In section 20 of the principal Act, in the proviso, after clause (a) the following clause shall be inserted, namely:

“(aa) a member shall have no right of vote if—

(i) he is defaulter and has been a defaulter for a period of not less than six months; or

(ii) he is a delegate of a society which is such defaulter as is referred to in sub-clause (i).
**Explanation** — For the purposes of this clause, the word “defaulters” means:

(i) a member (whether individual or body corporate) who has failed to pay any dues of the society concerned on the due date; or

(ii) a member co-operative society which has failed to pay not less than 75 per cent of the total dues on the due date.

7. In section 29 of the principal Act—

(i) in the proviso to sub-section (2), for the words “till fresh elections are held by the society under sub-section (3) or sub-section (4) or nominations are made by the Registrar under sub-section (5)”, the following shall be substituted, namely:

“until fresh elections are held by the society or other arrangements are made by the Registrar under this section”;

(ii) for sub-sections (3), (4), (5) and (6), the following sub-sections shall be substituted, namely:

“(3) It shall be the duty of the Committee of Management to take steps before the expiry of its term for election of members of the Committee of Management as provided in section 32 at an annual general meeting, and the members so elected shall replace the members whose term expires under sub-section (2).

(4) If the society fails to elect the members Committee of Management before the expiry of the term of the outgoing committee of management, the Registrar—

(i) in the case of an apex or a central society, shall appoint an Administrator, and

(ii) in the case of any other society, may appoint an Administrator.

for the management of the affairs of the society until the election of the members of the Committee of Management is held, and he shall have power to make any change in such arrangement from time to time:

Provided that for so long as no Administrator is appointed in an apex or a central society under this sub-section, the Secretary of the society shall be in charge only of the current duties of the Committee of Management for a period not exceeding four weeks.

(5) The Administrator appointed by the Registrar under subsection (4) shall, subject to any directions which the Registrar may from time to time give, have the power to perform all or any of the functions of the Committee of Management or of any officer of the society and shall be deemed for all purposes under this Act, the rules and the byelaws of the society to be the Committee of Management.

(6) The Administrator appointed under subsection (4) shall, within a period of five months from the date of his appointment or from the commencement of the Uttar Pradesh Co-operative Laws (Amendment and Miscellaneous Provisions) Act, 1976, whichever is later, arrange for the reconstitution of the Committee of Management in accordance with this Act, the rules and the byelaws of the society to take over the management of the society from him:

Provided that any period during which the Administrator is restrained from so acting by an order of a court of law, shall be excluded in computing the said period of five months.

(7) Where the term of a Committee of Management has expired before the third day of October, 1975 (hereinafter, in this section, referred to as the said date), then notwithstanding that action had been initiated by the Registrar under subsection (4) as it stood immediately before the said date, the Registrar shall as soon as may be after the said date take action in accordance with subsection (4) as amended by the Uttar Pradesh Co-operative Laws (Amendment and Miscellaneous Provisions) Act, 1976 and thereupon every person holding office either by virtue of the proviso to subsection (2), as it stood before the said date or by virtue of any order under section 9 shall be deemed to have ceased to hold such office forthwith and the Administrator appointed by the Registrar under
sub-section (4) as substituted by the Uttar Pradesh Co-operative Laws (Amendment and Miscellaneous Provisions) Act, 1976, shall alone be competent to exercise the powers of the Committee of Management and of officers of the society."

8. In section 31 of the principal Act—

(a) in sub-section (1), for the words “There shall be a Secretary of every co-operative society”, the words and figures “Save as provided in section 31-A, there shall be a secretary of every Co-operative Society”, shall be substituted, and for the words and figures “sections 121 and 122” the words, figures and letter “sections 121, 122 and 122-A” shall be substituted;

(b) in sub-section (3), for the words and figures “section 121 or section 122” the words, figures and letter “section 121, section 122 or section 122-A” shall be substituted.

9. After section 31 in the principal Act, the following section shall be inserted, namely:—

“31-A. (1) For every apex society there shall be, instead of a Secretary, a Managing Director who shall be a Government servant not below the rank of a class I Officer, nominated by the State Government, and his services shall be deemed to be on deputation with the society and his salary and allowances, as determined by the State Government, shall be paid from the funds of the society.

(2) The Managing Director shall be ex officio member of the Committee of Management.

(3) All references in the Act to Secretary shall in relation to an apex society be construed, wherever practicable, as references to the Managing Director.

(4) The Managing Director shall be the Chief Executive Officer of the apex society and subject to such control of the Committee of Management and the Chairman, as may be provided in the rules and the byelaws of the society he shall have the following duties and responsibilities, namely:—

(i) to have general control over the administration of the society;

(ii) to convene meetings of the Committee of Management and the general body;

(iii) to receive all moneys and securities on behalf of the society and to make arrangements for the proper maintenance and custody of cash balances and other properties of the society;

(iv) to endorse and transfer promissory notes, Government and other securities and to endorse, sign and negotiate cheques and other negotiable instruments on behalf of the society;

(v) to be responsible for the general conduct, supervision and management of the day-to-day business and affairs of the society;

(vi) to sign all deposit receipts and operate the accounts of the society with banks;

(vii) to sign all bonds and agreements in favour of the society;

(viii) to create, subject to provisions contained in the budget of the society, class III and class IV posts for a period of 3 months and to make, as appointing authority, recruitment thereto through the Board as provided in the regulations framed by the State Government in exercise of the powers under sub-section (2) of section 122;

(ix) to determine the powers, duties and responsibilities of the employees of the society;

(x) to institute, conduct, defend, compound or abandon any suit or other legal proceeding by or against the society or otherwise concerning the affairs of the society and also to compound and allow time for payment or satisfaction of any claims or demand by or against the society;

(xi) subject to the regulations, if any, which may be framed by the Committee of Management to enter into negotiations and sanction contracts up to the value of Rs.5 lakhs each during the construction phase and up to Rs.24 lakhs each thereafter and to do all such
acts, deeds and things in the name of and on behalf of the society in relation to any of the matters aforesaid for the purposes of the society;

(xii) to delegate all or any of the powers, authorities and discretions vested in him to an employee or employers of any society, subject to the ultimate control and authority being retained by him."

Amendment of section 34.

10. In section 34 of the principal Act, after sub-section (7) the following sub-section shall be inserted, namely:

"(7-A) Notwithstanding anything contained in this Act or in the bye-laws of a society—

(i) a Government servant may be nominated under this section by the State Government or by the authority specified under sub-section (7) either by name or by official designation;

(ii) a Government servant so nominated by official designation may depute any other officer subordinate to him to attend any particular meeting of the Committee of Management, and such officer shall have the right to participate in the deliberations of the committee and shall also have the right to vote."

Insertion of new section 35-A.

11. After section 35 of the principal Act, the following sections shall be inserted, namely:

"35-A. (1) Without prejudice to other provisions of this Chapter, where for two successive co-operative years (including any period before the commencement of this section) :

(a) more than seventy per cent of the total dues of any primary society, which is a credit society against its members during any co-operative year, remain unpaid at the end of such year; or

(b) the number of defaulting members exceeds seventy per cent of the total number of indebted members of such society, at the end of any such year,

then, the Chairman and all members of the Committee of Management of any such society shall, upon an order coming into effect under sub-section (3), vacate their respective offices as such.

(2) The provisions of sub-section (1), as they apply to a primary credit society, shall mutatis mutandis apply to a financing bank with the substitution of references to 'seventy per cent' by references to 'sixty per cent'.

(3) In relation to any society or bank as referred to in sub-section (1) or sub-section (2), the Registrar may make such arrangements as he thinks proper for the management of the affairs of such society or bank, as he thinks fit and the provisions of sub-sections (3), (4), (5) and (6) of section 35 shall mutatis mutandis apply."

Amendment of section 44.

12. In section 44 of the principal Act in sub-section (2), in clause (b), the words and brackets "(hereinafter in this Chapter referred to as apex society)" shall be omitted.

Amendment of section 45.

13. In section 45 of the principal Act, in sub-section (2), in clause (b), the words and brackets "(hereinafter in this Chapter referred to as central society)" shall be omitted.

Insertion of new section 71-A.

14. In Chapter IX of the principal Act, after section 71, the following section shall be inserted, namely:

"71-A. (1) If a co-operative society is unable to pay its debts (hereinafter in this section referred to as the debtor-society) by reason of its members defaulting in the payment of the moneys due to another Co-operative Society (hereinafter in this section referred to as the creditor-society), and the Committee of Management of the debtor-society omits or neglects to take necessary steps for recovery of money due from its members, the creditor-society may, notwithstanding anything in this Act, direct the said committee by a notice in writing to proceed against the defaulting..."
members in accordance with the provisions of section 70 or section 92, as the case may be.

(2) If the Committee of Management of the debtor-society fails to comply with the notice referred to in sub-section (1) within a period of thirty days from the date of service of such notice, the creditor-society may institute proceedings against such defaulting members in accordance with the provisions of section 70 or section 92, as the case may be, as if they were members of the creditor-society, and in that event, the provisions of this Act and the rules made thereunder and the bye-laws of the debtor-society shall so apply as if all references to the debtor-society and its Committee of Management and officers in the said provisions were references to the creditor-society and its Committee of Management and officers.

(3) Where the creditor-society has in respect of any money due from the debtor-society, obtained an award or order referred to in section 92 against the debtor-society, the creditor-society may proceed to recover such money in accordance with the provisions of this Act and the rules made thereunder, either from the assets of the debtor-society or from the members thereof to the extent of the debts due from them to the debtor-society, or from both."

15. After section 95 of the principal Act, the following section shall be inserted, namely:—

95-A. (1) The registrar may, on an application made by a society referred to in section 84 or an agricultural credit society for the recovery of arrears of any loan advanced by it or any instalment thereof to any member and on its furnishing a statement of accounts in respects of such loan and after making such inquiries, if any, as he thinks fit, issue a certificate for recovery of the amounts due.

(2) A certificate issued by the Registrar under sub-section (1) shall be prima and conclusive proof of the dues which shall be recoverable as arrears of land revenue.

16. In section 103 of the principal Act, in sub-section (2)—

(i) in clause (a), the brackets and figures "(vi)" shall be omitted;
(ii) for clause (b), the following clauses shall be substituted, namely:—

"(b) whoever commits an offence under clause (ii), clause (iii) or clause (vi) of sub-section (1) shall on conviction be liable to be punished with imprisonment of either description which may extend to two years and shall also be liable to fine which may extend to three thousand rupees;

(c) Every offence referred to in clause (b) shall be cognizable and bailable."

17. After section 117 of the principal Act, the following section shall be inserted, namely:—

117-A. No expenditure from the funds of a society shall be incurred without prior sanction in writing for the Registrar of the purposes of defraying the costs of any proceedings filed or instituted in any court by any officer or Committee of Management of the society against any order made or purporting to be made by the Registrar or the State Government under section 29, section 34, section 35 or section 35-A".

18. After section 122 of the principal Act the following section shall be inserted, namely:—

122-A. (1) Notwithstanding anything contained in this Act, the State Government may by rules provide for the creation of one or more services of such employees of such co-operative societies or class of co-operative societies as the State Government may think fit, common to such co-operative societies and prescribe the method of recruitment and conditions of service of persons appointed to any such service.

(2) When any such service is created, employees on the posts included in such service may, if found suitable, be absorbed in the service, provisionally or finally, unless any such employee by notice in writing in that behalf to the prescribed authority within the prescribed period intimates
his option of not becoming a member of such service and the services of others shall stand determined in the prescribed manner:

Provided that where an employee gives such notice as aforesaid, his services in the society shall stand determined with effect from the date of such notice and he shall be entitled to compensation from the society which shall be as follows:

(a) in the case of permanent employee, a sum equivalent to his salary (including all allowances) for a period of three months or for the remaining period of his service, whichever is less;

(b) in the case of a temporary employee, a sum equivalent to his salary (including all allowances) for a period of one month or for the remaining period of his service, whichever is less:

Provided further that where any such person holds a lien on any post other than post included in the said service, he shall be entitled to revert to the post on which he holds the lien and if he so reverts, he shall not be entitled to any compensation.

19. In section 125 of the principal Act,—

(a) in sub-section (2), the words “after affording another opportunity of being heard to the societies concerned” shall be omitted;

(b) in sub-section (4), for the words “three months from the receipt of the preliminary resolution referred to in sub-section (5), by all the members and creditors of all the societies”, the words “thirty days from the date of receipt of the copy of the preliminary resolution under clause (a) of sub-section (2) of section 15 or, as the case may be, from the date of its publication in a newspaper under clause (b) of that sub-section” shall be substituted.

20. In section 126 of the principal Act—

(a) in sub-section (2), the words “after affording another opportunity of being heard to the Society concerned” shall be omitted;

(b) in sub-section (4), for the words “three months from the receipt of preliminary resolution referred to in sub-section (5), by all the members and creditors of the society”, the words “thirty days from the date of receipt of the copy of the preliminary resolution under clause (a) of sub-section (2) of section 15 or, as the case may be, from the date of its publication in a newspaper under clause (b) of that sub-section” shall be substituted.

21. (1) Notwithstanding anything contained in any other law for the time being in force or in any contract or instrument, all sums deposited in the U. P. Co-operative Bank Limited (hereinafter referred to as the Bank) on behalf of the sugarcane growers of Uttar Pradesh in pursuance of the State Government notifications no. 3072-S-(2)/XI-C-188-1948, dated November 24, 1948 and no. 3321-S/XI-C-188-1948, dated January 19, 1949, by way of fixed deposits, including interest thereon, which remains unclaimed by the cane growers concerned, on the twenty-fourth day of November, 1975, shall be paid by the Bank to the Uttar Pradesh Ganna Kisan Sansthan Society registered under the Societies Registration Act, 1860 (hereinafter referred to as the Sansthan) within such period as the State Government may, by general or special order direct.

(2) Any dispute between the Bank and the Sansthan about the amount to be transferred under sub-section (1) shall be decided by the State Government, and its decision shall be final and binding on both.

(3) The Sansthan shall keep the sums so received in a separate account and hold them in trust on behalf of the depositors or their legal representatives, as the case may be.

(4) The payment of the said sums by the Bank to the Sansthan shall discharge the Bank of the liability in respect thereof to the extent only of the amounts so paid and the liability to make that payment to the depositors or their legal representatives to the extent aforesaid shall stand transferred to the Sansthan.

(5) As soon as may be after the payment to the Sansthan under sub-section (1) the Sansthan shall publish, in such manner, a general notice, containing all such particulars, as the State Government may by order direct, inviting claims (to be preferred within a period of three months from the date of first publication of the notice) by the depositors or their legal representatives, as
the case may be, for any payment due to them out of the amounts so transferred to the Sansth.

(6) Any claim received in pursuance of the general notice shall be decided by Cane Commissioner, Uttar Pradesh, or an officer not below the rank of Assistant Cane Commissioner nominated by him (hereinafter referred to as the Claims Authority).

(7) If a claim is rejected by the Claims Authority, under sub-section (6), the claimant shall have a right to appeal before the District Judge of the district in which the depositor was a member of a canegrowers' co-operative society. The appeal shall lie within sixty days from the date of the order of the said authority.

(8) The decision of the Claims Authority under sub-section (6) shall, subject to the result of any appeal under sub-section (7), be final, and the decision of the District Judge in such appeal, if any, shall be final.

(9) Out of the amounts transferred to the Sansth, any amount for which no claim has been made within the time specified in the general notice or in respect of which the claims filed as aforesaid have been finally rejected shall be deemed to be abandoned property and shall vest in the State as bona vacantia and shall be deemed to be transferred to and form part of a Fund to be called the Uttar Pradesh Ganna Vikas Fund.

(10) The Fund shall vest in and be held and administered by the Sansth for the purposes of development, research and training in the cultivation of cane and such other purposes of common utility for the cane growers as the Cane Commissioner may from time to time direct.

22. (1) The Uttar Pradesh Co-operative Laws (Amendment and Miscellaneous Provisions) Ordinance, 1976, is hereby repealed.

(2) Notwithstanding such repeal or the repeal of the Uttar Pradesh Co-operative Societies (Amendment) Ordinance, 1975, and the Uttar Pradesh Sugarcane Growers Deposits in the Uttar Pradesh Co-operative Bank Limited (Trust for Unclaimed Deposits) Ordinance, 1975 by the Ordinance mentioned in sub-section (1), anything done or any action taken——

(a) under the principal Act, as amended by the said Uttar Pradesh Co-operative Societies (Amendment) Ordinance, 1975, shall be deemed to have been done or taken under the corresponding provisions of the principal Act as amended by this Act:

Provided that when under sub-section (4) of section 29 of the principal Act as so amended, an ad hoc committee was appointed by the Registrar for the administration of any society, he shall, not later than two weeks from the commencement of this Act, appoint an Administrator in place of the ad hoc committee, and until an Administrator is so appointed, the ad hoc committee shall be in charge of only the current duties of the Committee of Management:

"Provided further that in respect of a society other than an apex or a central society where the Registrar has appointed an Administrator, he may, if he thinks fit, restore the management of the society to the outgoing Committee of Management, without prejudice to his powers to act again under the said sub-section (4) whenever he so thinks fit; or"

(b) under the Uttar Pradesh Sugarcane Growers Deposits in the Uttar Pradesh Co-operative Bank Limited (Trust for Unclaimed Deposits) Ordinance, 1975, shall be deemed to have been done or taken under section 22 of this Act——

as if this Act were in force at all material times.