The Maharashtra Co-Operative Societies Act, 1960

Act 24 of 1961

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THE MAHARASHTRA CO-OPERATIVE SOCIETIES ACT, 1960

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MAHARASHTRA ACT No. XXIV OF 1961.¹

[The Maharashtra Co-operative Societies Act, 1960.]

[Received the assent of the President on the 6th day of May 1961; assent first published in the Maharashtra Government Gazette, Part IV, on the 9th day of May 1961.]

Amended by Mah. 5 of 1962. Amended by Mah. 40 of 1972.

An Act to consolidate and amend the law relating to Co-operative Societies in the State of Maharashtra.

WHEREAS, with a view to providing for the orderly development of the co-operative movement in the State of Maharashtra in accordance with the relevant directive principles of State policy enunciated in the Constitution of India, it is expedient to consolidate and amend the law relating to co-operative societies in that State; it is hereby enacted in the Eleventh Year of the Republic of India as follows:

CHAPTER I

PRELIMINARY.

1. (1) This Act may be called the Maharashtra Co-operative Societies Act, 1960. Short title.

(2) It extends to the whole of the State of Maharashtra.

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

* Definitions.

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

(a) "agricultural marketing society" means a society—

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

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

(3) "auditor" means a person appointed by the Registrar or by a society to audit the accounts of the society;


* Clause (2) was deleted by Mah. 3 of 1974, s. 2(a).

* Maharashtra Ordinance No. I of 1969 was repealed by Mah. 16 of 1969; s. 3.

† Maharashtra Ordinance No. XI of 1969 was repealed by Mah. 35 of 1969, s. 4.

¶ Maharashtra Ordinance No. VII of 1973 was repealed by Mah. 29 of 1973; s. 4.

This indicates the date of commencement of Act. A Maharashtra Ordinance No. XV of 1973 was repealed by Mah. 44 of 1973, s. 4.

†† This indicates the date of commencement of Act, so far as it amends the Maharashtra Co-operative Societies Act, 1960.

§ Maharashtra Ordinance No. XI of 1976 was repealed by Mah. 4 of 1977, s. 4.

* Maharashtra Ordinance No. VIII of 1976 was repealed by Mah. 50 by 1977, s. 4.

@ Maharashtra Ordinance No. XI was repealed by Mah. 22 of 1980, s. 3.
(4) "bonus" means payment made in cash or kind out of the profits of a society to a member, or to a person who is not a member on the basis of his contribution (including any contribution in the form of labour or service) to the business of the society, and in the case of a farming society, on the basis both of such contribution and also the value or income or, as the case may be, the area of the lands of the members brought together for joint cultivation as may be decided by the society \(^1\) [but does not include any sum paid or payable as bonus to any employee of the society under the Payment of Bonus Act, 1965 ;]

(5) "by-laws" means by-laws registered under this Act and for the time being in force, and includes registered amendments of such by-laws ;

(6) "Central Bank" means a co-operative bank, the objects of which include the creation of funds to be loaded to other societies;

(7) "committee" means the committee of management, or other directing body, to which the management of the affairs of a society is entrusted;

(8) "Company" means a company as defined in the Companies Act, 1956 \(^2\) of 1956 and includes a Banking Company and also any board, corporation or other corporate body, constituted or established by any Central, State or Provincial Act for the purpose of the development of any industry;

(9) "consumers' society" means a society, the object of which is,—

(a) the procurement, production or processing, and distribution of goods to, or the performance of other services for, its members as also other customers, and

(b) the distribution among its members and customers, in the proportion prescribed by rules or by by-laws of the society, of the profits accruing from such procurement, production or processing, and distribution;

\(^{(10)}\) "co-operative bank" means a society which is doing the business of banking as defined in clause (b) of sub-section (I) of section 5 of the Banking Companies Act, 1949, and includes any society which is functioning or is to function as a Land Development Bank under Chapter XI ;

\(^{(10-a)}\) "Co-operative Appellate Court" means the Maharashtra State Co-operative Appellate Court constituted under this Act;

\(^{(10-ai)}\) "Co-operative Court" means a Court constituted under this Act to decide disputes referred to it by the Registrar ;

\(^{(10-A)}\) "crop protection society" means a society, the object of which is the protection of the crops, structures, machinery, agricultural implements and other equipment such as those used for pumping water on the land ;

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

(12) "farming society" means a society in which, with the object of increasing agricultural production, employment and income and the better utilisation of resources, lands are brought together and jointly cultivated by all the members, such lands (a) being owned by or leased to the members (or some of them) or (b) coming in possession of the society in any other manner whatsoever;

(13) "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 meeting of such society;

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\(^{1}\) This portion was added by Mah. 27 of 1969, s. 2(a).

\(^{2}\) Clause (10) was substituted by Mah. 33 of 1963, s. 2.

\(^{3}\) Clauses (10-ai) and (10-aii) were inserted by Mah. 3 of 1974, s. 2(b).

\(^{4}\) Clause (10-A) was inserted by Mah. 27 of 1969, s. 2(9).
IX of 1932.

(14) "firm" means a firm registered under the Indian Partnership Act, 1932;

(15) "general society" means a society not falling in any of the classes of societies defined by the other clauses of this section;

(16) "housing society" means a society, the object of which is providing its members with dwelling houses;

(16A) "lift irrigation society" means a society, the object of which is to provide water supply, by motive power or otherwise to its members, for irrigation and otherwise;

(17) "Liquidator" means a person appointed as liquidator under this Act;

(18) "local authority" includes a school board and an agricultural produce market committee constituted by or under any law for the time being in force;

(19) (a) "member" means a person joining in an application for the registration of a co-operative society which is subsequently registered, or a person duly admitted to membership of a society after registration, and includes a nominal, associate or sympathiser member;

(b) "associate member" means a member who holds jointly a share of a society with others, but whose name does not stand first in the share certificate;

(c) "nominal member" means a person admitted to membership as such after registration in accordance with the by-laws;

(d) "sympathiser member" means a person who sympathises with the aims and objects of the society and who is admitted by the society as such member;

(20) "officer" means a person elected or appointed by a society to any office of such society according to its by-laws, and includes a chairman, vice-chairman, president, vice-president, managing director, manager, secretary, treasurer, member of the committee, and any other person elected or appointed under this Act, the rules or the by-laws, to give directions in regard to the business of such society;

(21) "prescribed" means prescribed by rules;

(22) "processing society" means a society, the object of which is the processing of goods;

(23) "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;

(24) "Registrar" means a person appointed to be the Registrar of Co-operative Societies under this Act;

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

(26) "rules" means rules made under this Act;

(27) "society" means a co-operative society registered, or deemed to be registered, under this Act;

(28) "society with limited liability" means a society having the liability of its members limited by its by-laws;

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1 Clause (16A) was substituted by Mah. 3 of 1974, s. 2(c).
(29) "society with unlimited liability" means a society, the members of which are, in the event of its being wound up, jointly and severally liable for and in respect of its obligations and to contribute to any deficiency in the assets of the society.

(31) "working capital" means funds at the disposal of a society inclusive of paid up share capital, funds built out of profits, and money raised by borrowing and by other means.

CHAPTER II.

REGISTRATION.

Registrar [and his subordinates.]

3. The State 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 designations, 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 State Government].

Societies which may be registered.

4. A society, which has as its objects the promotion of the economic interests or general welfare of its members, or of the public, in accordance with co-operative principles, or a society established with the object of facilitating the operations of any such society, may be registered under this Act:

Provided that, no society shall be registered if it is likely to be economically unsound, or the registration of which may have an adverse effect on development of the Co-operative movement.

Registration with limited or unlimited liability.

5. A society may be registered with limited or unlimited liability.

Conditions of registration.

6. (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 in the area of operation of the society:

[Provided that, a lift irrigation society consisting of less than ten but of five or more such persons may be registered under this Act.]

(2) No society with unlimited liability shall be registered, unless all persons forming the society reside in the same town or village, or in the same group of villages.

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1 Clause (30) was deleted by Mah. 3 of 1974, s. 2(d).
2 These words were inserted by Mah. 27 of 1969, s. 3 (a).
3 These words were added, ibid., s. 3(b).
4 These words were added, ibid., s. 3(c).
5 This proviso was added, ibid., s. 4 (a).
[(2A) No crop protection society shall be registered, unless the Registrar is satisfied, after such inquiry as he thinks necessary, that a draft of the proposal made by the society for protecting the crops, structures, machinery, agricultural implements and other equipment such as those used for pumping water on the land, was duly published for inviting all owners of lands likely to be affected by the proposal and all other persons likely to be interested in the said lands to join the proposal or to send their objections or suggestions and that the objections and suggestions received, if any, have been duly considered by the society and that the owners in possession of not less than 66 per cent. in the aggregate of the lands included in the proposal have given their consent in writing to the making of the proposal and that the proposal made is feasible. For this purpose, the society shall submit to the Registrar:

(a) a plan showing the area covered by the proposal and the surrounding lands as shown in the map or maps of the village or villages affected;

(b) an extract from the record of rights duly certified showing the names of the owners of the lands and the areas of the lands included in the proposal;

(c) statements of such of the owners of the lands as consented to the making of the proposal signed by owners before two witnesses;

(d) a detailed estimate of the cost of implementing the proposal;

(e) a detailed statement showing how the cost is proposed to be met.

When such society is registered, the cost of implementing the proposal shall be met wholly or in part by contribution to be levied by the society from each owner of the land included in the proposal, including any such owner who may have refused to become a member of the society. The owner of every land included in the proposal shall also be primarily liable for the payment of the contribution leviable from time to time in respect of such land.]

1 Sub-section (2A) was inserted by Mah. 27 of 1969, s. 4 (b).
(3) No federal society shall be registered, unless it has at least five societies as its members.

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

(5) The word "limited" or "unlimited" shall be the last word in the name of every society with limited or unlimited liability, as the case may be, which is registered or deemed to be registered under this Act.

Explanation.—For the purposes of this section and section 8 the expression "member of a family" means a wife, husband, father, mother, [son, or unmarried daughter].

7. Notwithstanding anything contained in this Act, the State Government may, [by general or special order, exempt any society or class of societies from any of the requirements of this Act as to registration, subject to such conditions (if any) as it may impose.]

8. (1) For the purposes of registration, an application shall be made to the Registrar in the prescribed form, and shall be accompanied by four copies of the proposed by-laws of the society {and such registration fee as may be prescribed in this behalf. Different registration fees may be prescribed for different classes of societies, regard being had to the service involved in processing an application for registration.] The person by whom, or on whose behalf, such application is made, shall furnish such information in regard to the society, as the Registrar may require.

(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 federal society, by at least five societies.

No signature to any application on behalf of a society shall be valid, unless the person signing is a member of the committee of such a society, and is authorised by the committee by resolution to sign on its behalf the application for registration of the society and its by-laws; and a copy of such resolution is appended to the application.

9. (1) If the Registrar is satisfied that a proposed society has complied with the provisions of this Act and the rules, and that its proposed by-laws are not contrary to this Act or to the rules, he may, within six months from the date of receipt of the application register the society and its by-laws.

(2) If the Registrar is unable to dispose of an application for registration within the period mentioned in the foregoing sub-section, he shall make a report to the State Government stating therein the reasons therefor; and he shall thereafter act in accordance with such directions as may be issued to him by the State Government.

1 These words were substituted for the portion beginning with "grand-father, grand-mother" and ending with "wife of brother or half-brother" by Mah.-33 of 1963, s. 3.
2 This portion was substituted for the original portion by Mah. 27 of 1969, s. 5(a).
3 These words were inserted ibid. s. 5 (b).
4 These words were inserted by Mah. 3 of 1974, s. 3.
(2) Where the Registrar refuses to register a proposed society, he shall forthwith communicate his decision, with the reasons therefor, to the person making the application and if there be more than one to the person who has signed first thereon.

(4) The Registrar shall maintain a register of all societies registered, or deemed to be registered, under this Act.

Evidence of registration.

10. A certificate of registration signed by the Registrar, 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.

Power of Registrar to decide certain questions.

11. When, for the purpose of the formation, or registration or continuance, of a society, any question arises whether a person is an agriculturist or not, or whether any person resides in the area of operation of the society or not, such question shall be decided by the Registrar [and his decision shall be final, but no decision adverse to any such person shall be given without giving him an opportunity of being heard.]

Classification of societies.

12. (1) The Registrar shall classify all societies into one or other of the classes of societies defined in section, 2 and also into such sub-classes thereof as may be prescribed by rules.

(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 public interest and subject to 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 State Government may, from time to time, direct.

Amendment of by-laws of society.

13. (1) No amendment of the by-laws of a society shall be valid until registered under this Act. For the purpose of registration of an amendment of the by-laws, a copy of the amendment passed, in the manner prescribed, at a general meeting of the society, shall be forwarded to the Registrar. Every application of registration of an amendment of the by-laws shall, as far as possible, be disposed of by the Registrar within a period of two months from the date of its receipt:

Provided that where such application is not so disposed of within the said period of two months the Registrar shall record the reasons for the delay.

(2) When the Registrar registers an amendment of the by-laws of a society, 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.

(3) Where the Registrar refuses to register an amendment of the by-laws of a society, he shall communicate the order of refusal, together with his reasons therefor, to the society.

Power to direct amendment of by-laws.

14. (1) If it appears to the Registrar that an amendment of the by-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.

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1 These words were inserted by Mah. 3 of 1974, s. 4.
2 This portion was added by Mah. 27 of 1969, s. 5.
(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 and after consulting such State federal society as may be notified by the State Government register such amendment, and issue to the society a copy of such amendment certified by him. With effect from the date of the registration of the amendment in the manner aforesaid, the by-laws shall be deemed to have been duly amended accordingly; and the by-laws as amended shall, subject to appeal (if any); be binding on the society and its members.

15. (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 of 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.

16. (1) Subject to the provisions of this Act and the rules, a society may, by amendment of its by-laws, change the form or extent of its 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 by-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 by-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.

17. (1) A society may, with the previous approval of the Registrar, by 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.
Provided that, when such amalgamation, transfer, division or conversion, 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 of 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.

(2) Notwithstanding anything contained in the Transfer of Property Act, 1882, or the Indian Registration Act, 1908, in the event of division or conversion, the registration of the new societies or, as the case may be, of the converted society, of and in the event of amalgamation, on the 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.

(3) 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.

(4) 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.

18. (7) Where the Registrar is satisfied that it is essential in the public interest, or in the interest of the co-operative movement or for the purpose of securing the proper management of any society, that two or more societies should amalgamate or any society should be divided to form two or more societies or should be reorganised then notwithstanding anything contained in the last preceding section but subject to the provisions of this section, the Registrar may, after consulting such federal society as may be notified by the State Government by order notified in the Official Gazette, provide for the amalgamation, division or reorganisation of those societies into a single society, or into societies with such constitution, property, rights, interests and authorities, and such liabilities, duties and obligations, as may be specified in the order.
(2) No order shall be made under this section, unless—

(a) a copy of the proposed order has been sent in draft to the society or each of the societies concerned;

(b) the Registrar has considered and made such modifications in the draft order as may seem to him desirable in the light of any suggestions and objections which may be received by him within such period (not being less than two months from the date on which the copy of the order as aforesaid was received by the society) as the Registrar may fix in that behalf, either from the society or from any member or class of members thereof, or from any creditor or class of creditors.

(3) The order referred to in sub-section (1) may contain such incidental, consequential and supplemental provisions as may, in the opinion of the Registrar, be necessary to give effect to the amalgamation, the division or reorganisation.

(4) Every member or creditor of each of the societies to be amalgamated, divided or reorganised who has objected to the scheme of amalgamation, division or reorganisation, within the period specified, shall be entitled to receive, on the issue of the order of amalgamation, division or reorganisation his share or interest if he be a member, and the amount in satisfaction of his dues if he be a creditor.

(5) On the issue of an order under sub-section (1), the provisions in sub-sections (2), (3) and (4) of section 17 shall apply to the societies so amalgamated, divided or reorganised as if they were amalgamated, divided or reorganised under that section and to the society amalgamated divided or reorganised.

1[(6) Nothing contained in this section shall apply for the amalgamation or 2[two or more co-operative banks or two or more primary agricultural credit societies.]]

2[(1) Where the Registrar is satisfied that it is essential in the public interest, or in order to secure the proper management of one or more co-operative banks that two or more such banks should be amalgamated, then notwithstanding anything contained in section 17, the Registrar may, after consulting such federal society or other authority as may be notified by the State Government in the Official Gazette, by order provide for the amalgamation of those banks into a single bank, with such constitution, property, rights, interests and authorities, and such liabilities, duties and obligations as may be specified in the order. Such order may provide for the reduction of the interest or rights which the members, depositors, creditors, employees and other persons may have in or against any bank to be amalgamated to such extent as the Registrar considers necessary in the interest of such persons for the maintenance of the business of that bank having due regard to the proportion of the assets of such bank to its liabilities. Such order may also contain such incidental, consequential and supplemental provisions as may, in the opinion of the Registrar, be necessary to give effect to the amalgamation of the banks.

(2) No order shall be made under sub-section (1), unless—

(a) a copy of the proposed order has been sent in draft to each of the banks concerned;

(b) the Registrar has considered and made such modifications in the draft order as may seem to him desirable in the light of any suggestions or objections which may be received by him within such period (not being less than two months from the date on which the copy of the proposed order was received by the banks) as the Registrar may fix in that behalf, either from the banks or any members, depositors, creditors, employees or other persons concerned.

1 Sub-section (6) was added by Mah. 5 of 1976, s. 2.
2 These words were substituted for the words "two or more co-operative banks" by Mah. 4 of 1977, s. 2.
3 Section 18A was inserted by Mah. 5 of 1976, s. 3.
(3) On the issue of an order under sub-section (1), notwithstanding anything contained in this Act or in any law for the time being in force or in any contract, award, or other instruments for the time being in force, the provisions thereof, shall be binding on all banks and their members, depositors, creditors, employees and other persons having any rights, assets, or liabilities in relation to all or any of the banks concerned.

(4) Notwithstanding anything contained in the Transfer of Property Act, 1882 of 1882, or the Registration Act, 1908, the order issued under sub-section (1) shall be sufficient conveyance for transfer or vesting the rights, assets and liabilities of the banks concerned as provided in the order.

(5) The amalgamation of banks under this section shall not affect any rights or obligations of the banks so amalgamated or render defective any legal proceedings which might have been continued or commenced by or against any such bank; and accordingly, such legal proceedings may be continued or commenced by or against the amalgamated bank.

(6) Where two or more banks have been amalgamated, the registration of the bank in which the other banks are amalgamated may be continued and the registration of the other banks may be cancelled, or where the amalgamated bank is newly registered, the registration of all the amalgamating banks shall be cancelled.

(7) Any order made by the Registrar under this section shall be final and conclusive; and shall not be called in question in any Court.

18-B. (1) Where the Registrar is satisfied that it is essential—

(a) for ensuring economic viability of one or more primary agricultural credit societies;

(b) for avoiding overlapping or conflict of jurisdictions of such societies in any area;

(c) in order to secure the proper management of one or more such societies;

(d) in the interest of the credit structure or co-operative movement in the State as a whole;

(e) in the interest of the depositors; or

(f) for any other reason in the public interest

that two or more primary agricultural credit societies should be amalgamated, then notwithstanding anything contained in section 17, the Registrar may, after consulting such federal society or other authority as may be notified by the State Government in this behalf, by order published in the Official Gazette, provide for the amalgamation of those societies into a single society. The constitution, property, rights, interests and authorities and the liabilities, duties and obligations of the amalgamated society shall be such as may be specified in the order. Such order may provide for the reduction of the interest of rights which the members, depositors, creditors, employees and other persons may have in, or against, any society to be amalgamated to such extent as the Registrar considers necessary in the interest of such persons for the maintenance of the business of that society, having due regard to the proportion of the assets of such society, to its liabilities. Such order may also contain such incidental, consequential and supplemental provisions as may, in the opinion of the Registrar, be necessary to give effect to the amalgamation of the societies.

1 Section 18B was inserted by Mah. 4 of 1977, s.3.
(2) No order shall be made under sub-section (1), unless—

(a) a copy of the proposed order has been sent in draft to each of the societies concerned;

(b) the Registrar has considered and made such modifications in the draft order as may seem to him desirable in the light of any suggestions or objections which may be received by him within such period (not being less than two months from the date on which the copy of the proposed order was received by the societies) as the Registrar may fix in that behalf, either from the societies or any members, depositors, creditors, employees or other persons concerned.

(3) When any order is made by the Registrar under sub-section (1), the provisions of sub-sections (3) to (7) (both inclusive) of section 18-A shall, mutatis mutandis, apply to such order, in the same manner as they are applicable to any order made by him under sub-section (1) of that section.

19. 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 reconstruction in the prescribed manner, of the society.

20. (1) Any two or more societies may, with the prior approval of the registrar, Partnership by resolution passed by three-fourth majority of the members present and voting of Societies, 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.

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

21. The Registrar shall make an order cancelling the registration of a society if Cancellation 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 winding up proceedings in respect of the society are closed or terminated under section 109.] ** 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.

CHAPTER III

MEMBERS AND THEIR RIGHTS AND LIABILITIES

22. (1) Subject to the provisions of section 24, no person shall be admitted as a member of a society except the following, that is to say—

IX of 1872. 1872*

(a) an individual who is competent to contract under the Indian Contract Act,

(b) a firm, 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.

* This portion was inserted by Mah. 33 of 1963, s. 4.
* The portion beginning with " or it has not commenced business " and ending with " be cancelled " was deleted by Mah. 3 of 1974, s. 5.
(e) a society registered, or deemed to be registered, under this Act;

[(d) the State Government or the Central Government;]

(e) a local authority;

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

Provided that, the provisions of clause (a) shall not apply to an individual seeking admission to a society exclusively formed for the benefit of students of a school or college:

Provided further that, subject to such terms and conditions as may be laid down by the State Government by general or special order, a firm or company may be admitted as a member only of a society which is a federal or urban society or which conducts or intends to conduct an industrial undertaking:

Provided also that, any firm or company, which is immediately before the commencement of this Act, a member of a society deemed to be registered under this Act, shall have, subject to the other provisions of this Act, the right to continue to be such member on and after such commencement.

Explanation.—For the purposes of this section “an urban society” means a society the business of which mainly falls within the limits of a municipal corporation, municipality, cantonment or notified area committee.

[(1A) Notwithstanding anything contained in sub-section (1), the State Government may, having regard to the fact that the interest of any person or class of persons conflicts or is likely to conflict with the objects of any society or class of societies, by general or special order, published in the Official Gazette, declare that any person or class of persons engaged in or carrying on any profession, business or employment shall be disqualified from being admitted, or for continuing, as members or shall be eligible for membership only to a limited extent of any specified society or class of societies, so long as such person or persons are engaged in or carry on that profession, business or employment as the case may be.]

(2) Where a person is refused admission as a member of a society, the decision (with the reasons therefor) shall be communicated to that person within fifteen days of the date of the decision, or within three months [from the date of receipt of the application for admission, whichever is earlier. If the society does not communicate any decision to the applicant within three months from the date of receipt of such application, the applicant shall be deemed to have been refused admission as a member of the society,].

1 Clause (d) was substituted for the original by Mah. 27 of 1969, s. 7(a).
2 Sub-section (1A) was inserted, ibid., s. 7(b).
3 These words were substituted for the words “from the date of the application for admission,— whichever is earlier”, ibid., s. 7(c).
23. (1) No society shall, without sufficient cause, refuse admission to membership to any person duly qualified therefor under the provisions of this Act and its by-laws.

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

(3) The decision of the Registrar in appeal shall be final and the Registrar shall communicate his decision to the parties within fifteen days from the date thereof.

24. (1) Notwithstanding anything contained in section 22, a society may admit any person as a nominal, associate or sympathiser member.

(2) A nominal member or sympathiser member shall not be entitled to any share in any form whatsoever in the profits or assets of the society as such member. A nominal or sympathiser member shall ordinarily not have any of the privileges and rights of a member, but such a member, or an associate member, may, subject to the provisions of sub-section (8) of section 27, have such privileges and rights and be subject to such liabilities, of a member, as may be specified in the by-laws of the society.

25. A person shall cease to be a member of a society on his resignation from the society, 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.

26. No person shall exercise the right of a member of a society, until he has made such payments to the society in respect of membership, or acquired such interest in the society, as may be prescribed by the rules, or the by-laws of such society.

27. *(1) No member of any society shall have more than one vote in its affairs; voting powers of members.

provided that, in the case of an equality of votes the chairman shall have a casting vote. *[Save as otherwise provide in sub-sections (2) to (7), every right to vote shall be exercised personally, and not by proxy.]*

(2) Where a share of a society is held jointly by more than one person, *the person whose name stands first in the share certificate, if present, shall have the right to vote. But in his absence, the person whose name stands second, and in the absence of both, the person whose name stands next, and likewise, in the absence of the preceding persons the person whose name is next on the share certificate, who is present and who is not a minor, 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 one of its members to vote on its behalf in the affairs of that other society, and accordingly such member 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 of 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.

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1 These words, brackets and figures were added by Mah. 27 of 1969, s. 8(a).
2 These words were substituted for the words "only the person whose name stands first in the share certificate, shall have the right to vote." ibid., s. 8(b).
(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 local authority or public trust which has invested any part of its funds 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 local authority or the public trust, as the case may be.

(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 by-laws of the society.

(8) No nominal or sympathiser member shall have the right to vote [1], and no such member shall be eligible to be a member of a committee or for appointment as a representative of the society on any other society.

[(9) No nominee of the Government or of any financing bank on any society shall be entitled to vote at any election of its committee.]

[(10) In the case of an agricultural credit society, if a member has taken a loan from the society, such member shall, whenever he is a defaulter in paying two 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 obligation 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 stage.

(11) The agricultural credit society may issue suitable orders for the purpose of carrying out the provisions of sub-section (10).]

Restrictions on holding of shares.

28. In any society, [no member, other than the Government, or any other society, or with the previous sanction of the State Government a Zilla Parishad constituted under the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961, shall—] [Mah. V of 1962.]

(a) hold more than such portion of the total share capital of the society (in no case exceeding one fifth thereof) as may be prescribed, or

(b) have or claim any interest in the shares of the society exceeding five thousand rupees:

Provided that the State Government may, by notification in the Official Gazette, specify in respect of any class of societies a higher or lower maximum than one fifth of the share capital or, as the case may be, a higher or lower amount than five thousand rupees.

Restrictions on transfer or charge of share or interest.

29. (1) Subject to the provisions of the last preceding section as to the maximum holding of shares and to any rules made in this behalf, a transfer of, or charge on, the share or interest of a member in the share capital of a society shall be subject to such conditions as may be prescribed.

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1 These words were inserted by Mah. 33 of 1963, s. 5.
2 The word “associate” was deleted by Mah. 27 of 1969, s. 8(c).
3 These words were added, ibid., s. 8(c).
4 Sub-section (9) was added, ibid., s. 8(d).
5 Sub-sections (10) and (11) were added by Mah. 3 of 1974, s. 6.
6 This portion was substituted for the words “no member other than the State Government or any other society, shall— ” by Mah. 27 of 1969, s. 9.
(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 cease to be a member on account of his being disqualified by this Act or by the rules made thereunder or by the by-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 a society in any financial 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 financial year immediately preceding.

Explanation 1[1].—The right to forfeit the share or interest of any expelled member in the share capital by virtue of any by-laws of the society, shall not be affected by the aforesaid provision.

1[Explanation II.—In this section, the expression “financial year” means the year ending on the 30th June or, in the case of any society or class of societies the accounts of which are with the previous sanction of the Registrar balanced on any other day; the year ending on such day.]

(4) Where the State Government is a member of a society, the restrictions contained in this section shall not apply to any transfer made by it of its share or interest in the capital of the society; and that Government may, notwithstanding anything 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. (1) On the death of a member of a society, the society shall transfer the share or interest of the deceased member to a person or persons nominated in accordance with the rules, or, if no person has been so nominated to such person as may appear to the committee 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 in this sub-section or in section 22 shall prevent a minor or a 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.

1 The Explanation was re-numbered as Explanation I and Explanation II was added by Mah. 33 of 1963, s. 6.
31. The share or interest of a member in the capital of a society, or in the loan stock issued by a 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 the Official Assignee under the Presidency-towns Insolvency Act, 1909, nor a Receiver under the Provincial Insolvency Act, 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. (1) Every member of a society shall be entitled to inspect, free of cost, at the society’s office during office hours, or any time fixed for the purpose by the society, a copy of the Act, the rules, and the bye-laws, the last audited annual balance sheet, the profit and loss account, a list of the members of the committee, a register of members, the minutes of general meetings, minutes of committee meetings and those portions of the books and records in which his transactions with the society have been recorded.

(2) A society shall furnish to a member, on request in writing and on payment of such fees as may be prescribed therefor, a copy of any of the documents mentioned in the foregoing sub-section within one month from the date of payment of such fees.

32A. (1) A society which gives loans to its members shall furnish each member with a pass book, which shall contain an account of the transactions with the member, such as, the date of the transaction, the amount of loan advanced, the rate of interest, the repayment made by the member, the amount of the principal and interest due, and such other particulars as may be prescribed. The necessary entries shall be made in the pass book, from time to time, which shall be countersigned by such office-bearer of the society as may be authorised in this behalf by the committee. For this purpose, the depositor shall be bound to present the pass book to such office-bearer, and if the pass book is required to be kept for some time for making the necessary entries, the member shall be granted a receipt therefor, by such office-bearer.

(2) The entries in the pass book duly made shall, until the contrary be proved, be prima facie evidence of the account of transactions of the society with the member.

33. (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, continue for 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.

Section 32A was inserted by Mah. 3 of 1974, s. 7.
34. Notwithstanding anything contained in the Presidency-towns Insolvency Act of 1909, the Provincial Insolvency Act, 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

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Restrictions on deposits or borrowings.

43. (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, or specified by the by-laws of the society.

(2) If in the opinion of the Registrar it is necessary so to do for ensuring safety of the funds obtained under sub-section (1), for proper utilisation of such funds in furtherance of the objects of the society or societies concerned and for, keeping them within the borrowing limits as laid down in the rules and by-laws, the Registrar may, by general or special order, impose additional conditions on any society or class of societies, subject to which and the extent up to which such society or such class of societies may receive deposits, issue debentures or raise loans from any creditor other than a Central Bank.

Regulation of loan making policy.

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

Provided that, with the special sanction of the Registrar, a society may make loans to another society.

(2) Notwithstanding anything contained in the foregoing sub-section, a society may make a loan to a depositor on the security of his deposit.

(3) If in the opinion of the State Government, it is necessary in the interest of the society or societies concerned to do so, the State Government may, by general or special order, prohibit, restrict or regulate the lending of money by any society or class of societies on the security of any property:

Provided that, the Registrar may, for ensuring safety of the funds of the society or societies concerned, for proper utilisation of such funds in furtherance of their objects and for keeping them within the loan making limits laid down in the rules, and by-laws, with the approval of the Apex Bank, by general or special order regulate further the extent conditions and manner of making loans by any society or class of societies to its members or other societies.

Limit on interest in certain cases.

44A. Notwithstanding anything contained in any agreement or any law for the time being in force, a society (other than a land development bank) shall not, for any loan given by it to any member for a period not exceeding 15 years [whether the loan was given before or is given after the commencement of the Maharashtra Co-operative Societies (Third Amendment) Act, 1973] charge, on account of interest, 1974, a sum greater than the principal of the loan.

Restrictions on other transactions with non-members.

45. Save as is provided in this Act, the transactions of a society with persons other than members, shall be subject to such restrictions, if any, as may be prescribed.

Charge and set-off in respect of share or interest of member.

46. A society shall have a 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, bonus or profits 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 71, 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.

1 Section 43 was renumbered as sub-section (1) and sub-section (2) was added by Mah. 33 of 1963, s. 8.

2 This proviso was added, Ibid., s. 9.

3 Section 44A was inserted by Mah. 3 of 1974, s. 9.

4 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 71, 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.
31. The share or interest of a member in the capital of a society, or in the loan-stock issued by a 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 the Official Assignee under the Presidency-towns Insolvency Act, 1909, nor a Receiver under the Provincial Insolvency Act, 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. (1) Every member of a society 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, a copy of the Act, the rules, and the bye-laws, the last audited annual balance sheet, the profit and loss account, a list of the members of the committee, a register of members, the minutes of general meetings, minutes of committee meetings and those portions of the books and records in which his transactions with the society have been recorded.

(2) A society shall furnish to a member, on request in writing and on payment of such fees as may be prescribed therefor, a copy of any of the documents mentioned in the foregoing sub-section within one month from the date of payment of such fees.

32A. (1) A society which gives loans to its members shall furnish each member with a pass book, which shall contain an account of the transactions with the member, such as, the date of the transaction, the amount of loan advanced, the rate of interest, the repayment made by the member, the amount of the principal and interest due, and such other particulars as may be prescribed. The necessary entries shall be made in the pass book, from time to time, which shall be countersigned by such office-bearer of the society as may be authorized in this behalf by the committee. For this purpose, the depositor shall be bound to present the pass book to such office-bearer, and if the pass book is required to be kept for some time for making the necessary entries, the member shall be granted a receipt therefor, by such office-bearer.

(2) The entries in the pass book duly made shall, until the contrary be proved, be prima facie evidence of the account of transactions of the society with the member.

33. (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, continue for 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.

1 Section 32A was inserted by Mah. 3 of 1974, s. 7.
34. Notwithstanding anything contained in the Presidency-towns Insolvency Act, 1909, the Provincial Insolvency Act, 1920, or any corresponding law for the time being in force, the dues of a society from a member, in insolvent proceedings against him, shall rank in order of priority next to the dues payable by him to Government or to a local authority.

35. (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 resolution shall be valid, unless the member concerned is given an opportunity of representing his case to the general body, and no resolution shall be effective unless it is approved by the Registrar.

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

Provided that, the Registrar may, on an application by the society and in special circumstances, sanction the re-admission or admission, within the said period, of any such member as a member of the said society or of any other society, as the case may be.

CHAPTER IV.

INCORPORATION, DUTIES AND PRIVILEGES OF SOCIETIES.

36. The registration of a society shall render it a body corporate by the name to be bodies under which it is registered, with perpetual succession and a common seal, and with corporate 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.

37. Every society shall have an address, registered in accordance with the rules, and communications may be sent; and the society shall send notice in writing to the Registrar of any change in the said address, within thirty days thereof.

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

1 These words were substituted for the words "by three-fourths majority" by Mah. 33 of 1963, s. 7.
39. Every society shall keep, at the registered address of the society, a copy of Act, this Act and the rules and of its by-laws and a list of members, open to inspection to the public, free of charge, during office hours or any hours fixed by the society thenceforth.

40. (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 Admissibility of copy 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 State 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 or a Judge made for special cause.

41. Nothing in clauses (b) and (c) of sub-section (1) of section 17 of the Indian Registration Act, 1908, shall apply—

(a) to any instrument relating to shares in a society, notwithstanding that the assets of the society consist in whole or in part of immovable property; or

(b) to any debentures issued by any society and not creating, declaring, assigning, limiting or extinguishing any right, title or interest to or in immovable property, except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immovable property, or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or

(c) to any endorsement upon, or transfer of, any debentures issued by any society.

42. (1) The State Government, by notification in the Official Gazette, may, in the case of any society or class of societies, relieve or remit whether prospectively or retrospectively, in the whole of the State or any part thereof,—

(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 of Co-operative Court 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 portion thereof) payable by or on behalf of a society under any law for the time being in force, which the State Government is competent to levy.

(2) The State Government may refund the amount of any tax, fee or duty paid in pursuance of any law referred to in sub-section (1) in such circumstances, to such extent and subject to such terms and conditions, if any, as the State Government may by order determine.

1 Section 42 was renumbered as sub-section (1) and sub-section (2) was added by Mah. 40 of 1972, s. 2(l) & (2).
2 These words were substituted for "remit", "ibid", s. 2(l).
3 These words were substituted for the words "or his nominee or board of nominees" by Mah. 3 of 1974, s. 8.
4 These words were added by Mah. 40 of 1972.
43. [(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, or specified by the by-laws of the society.

(2) If in the opinion of the Registrar it is necessary so to do for ensuring safety of the funds obtained under sub-section (1), for proper utilisation of such funds in furtherance of the objects of the society or societies concerned and for keeping them within the borrowing limits as laid down in the rules and by-laws, the Registrar may, by general or special order, impose additional conditions on any society or class of societies, subject to which and the extent up to which such society or such class of societies may receive deposits, issue debentures or raise loans from any creditor other than a Central Bank.

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

Provided that, with the special sanction of the Registrar, a society may make loans to another society.

(2) Notwithstanding anything contained in the foregoing sub-section, a society may make a loan to a depositor on the security of his deposit.

(3) If in the opinion of the State Government, it is necessary in the interest of the society or societies concerned to do so, the State Government may, by general or special order, prohibit, restrict or regulate the lending of money by any society or class of societies on the security of any property:

Provided that, the Registrar may, for ensuring safety of the funds of the society or societies concerned, for proper utilisation of such funds in furtherance of their objects and for keeping them within the loan making limits laid down in the rules, and bye-laws, with the approval of the Apex Bank, by general or special order regulate further the extent conditions and manner of making loans by any society or class of societies to its members or other societies.

44A. Notwithstanding anything contained in any agreement or any law for the time being in force, a society (other than a land development bank) shall not, for any loan given by it to any member for a period not exceeding 15 years [whether the loan was given before or is given after the commencement of the Maharashtra Co-operative Societies (Third Amendment) Act, 1973] charge, on account of interest, a sum greater than the principal of the loan.

45. Save as is provided in this Act, the transactions of a society with persons other than members, shall be subject to such restrictions, if any, as may be prescribed.

46. A society shall have a 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, bonus or profits 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 81, 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.

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1. Section 43 was renumbered as sub-section (1) and sub-section (2) was added by Mah. 33 of 1963, s. 8.
2. This proviso was added, ibid., s. 9.
3. Section 44A was inserted by Mah. 3 of 1974, s. 9.
1[48A. (1) Where a loan has been advanced by any society in accordance with the last preceding section for the growing of any agricultural produce, or has been advanced by any other society which is a Land Development Bank for any of the purposes enumerated in clause (a) of section 111, and if in either case any agricultural produce is tendered by the person who has taken any such loan for sale at a collection centre under section 30A of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, on any day then the price agreed to be paid therefor shall be paid by the purchaser to the tenderer after deducting the dues of the societies mentioned aforesaid and the amount so deducted shall be paid to the Market Committee constituted under that Act as provided in that section. On making payment to the tenderer and the Market Committee in the manner provided in the aforesaid section 30A the purchaser shall be discharged of his liability to pay the price to the tenderer.

(2) The amount of the deduction on account of loans advanced by societies shall be made at such rate as may be notified by the State Government in this behalf by general or special order, so, however, that such rate shall not in the aggregate exceed the following percentage of the total amount to be paid by the purchaser as the price, namely:

(i) if the produce tendered for sale is sugarcane 100 %
(ii) if the produce tendered for sale is cotton 60 %
(iii) in any other case 40 %

(3) Where any such purchaser is the State Government or an agent or officer appointed by that Government, or is a processing factory notified by the State Government in this behalf by general or special order or an agent or officer appointed by such factory, the purchaser shall pay the price to the tenderer after deducting the dues of the societies mentioned aforesaid and pay the amount so deducted on behalf of the tenderer to the concerned societies direct:

Provided that, where loans have been taken by the tenderer from more than one society, the purchaser may, keeping in view the extent of the dues, on account of financing of crop or seasonal finance or finance for other agricultural purposes, repayable during a period of not less than eighteen months and not more than five years, and the extent of the dues of any Land Development Bank, and subject to such directions (if any) as may be issued by the State Government from time to time, determine the proportion in which the amount of deduction made shall be apportioned between the different lending societies.]

1 This section was inserted by Mah. 2 of 1972, s. 12.
2 This portion was substituted by Mah. 44 of 1973, s. 2(2)(i).
3 These words were substituted for the words "the co-operative society mentioned", ibid., s. 2(2)(i).
4 The words "and to the extent hereinafter stated" were deleted by Mah. 50 of 1977, s. 3(2)(i).
5 This portion was substituted by Mah. 44 of 1973, s. 2(2)(ii).
6 These words were inserted by Mah. 50 of 1977, s. 3(2)(ii).
7 This word was substituted for the word "kapar", ibid., s. 3(2)(ii).
8 These words were substituted for the words "to the society", by Mah. 44 of 1973 s. 2(3).
9 Sub-section (3) was added, ibid., s. 2(3).
3 [Explanation—For the purposes of this section, "purchaser" shall include any person who pays the purchase price of any agricultural produce tendered for sale, or by whom payment of such price is made, whether on his own account or as an agent or on behalf of another person.]

49. (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 amount so deducted in satisfaction of any debt, or other demand of the society against the member.

(2) On the execution of such agreement, the employer shall, if so required by the society by a requisition in writing, and so long as the society does not intimate that the whole of such debt or demand has been paid, 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, 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 thereof; and the amount shall be recoverable on behalf of the society from him as an arrear of land revenue, and the amount so due shall rank in priority in respect of such liability of the employer as wages in arrears.

(4) Nothing contained in this section shall apply to persons employed in any railways (within the meaning of the Constitution), and in mines and oilfields.

CHAPTER V.

STATE AID TO SOCIETIES.

50. The State Government may subscribe directly to the share capital of a society with limited liability, upon such terms and conditions as may be agreed upon.

51. The State Government may, under appropriation made by law, provide moneys to a society for the purchase directly or indirectly, of shares in other societies with limited liability. (A society to which moneys are so provided for the aforesaid purpose is hereinafter in this Chapter referred to as an "Apex Society").

52. (1) An Apex society which is provided with moneys as aforesaid shall, with such moneys, establish a Fund to be called the "Principal State Partnership Fund";

(2) An Apex society shall utilise the Principal State Partnership Fund for the purpose of—

(a) directly purchasing shares in other societies with limited liability;

(b) providing moneys to a society to enable that society (hereinafter in this Chapter referred to, as a "Central society") to purchase shares in other societies with limited liability (the latter societies being hereinafter in this Chapter referred to as "Primary societies");

(c) making payments to the State Government in accordance with the provisions of this Chapter;

and for no other purpose.

This Explanation was added by Mah. 59 of 1977, s. 3(d).
53. (1) A Central society which is provided with moneys by an Apex society from the Principal State Partnership Fund shall with such moneys, establish a Fund to be called the "Subsidiary State Partnership Fund".

(2) A Central society shall utilise the Subsidiary State Partnership Fund for the purpose of—

(a) purchasing shares in Primary societies;

(b) making payments to the Apex society in accordance with the provisions of this Chapter;

and for no other purpose.

54. Shares shall not be purchased in a society from the moneys in the Principal State Partnership Fund or the Subsidiary State Partnership Fund, except with the previous approval of the State Government.

55. Where any shares are purchased in a society by—

(a) the State Government; or

(b) an Apex society from the Principal State Partnership Fund, or a Central society from the Subsidiary State Partnership Fund, as the case may be,

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.

56. An Apex society which has purchased shares in other societies from the moneys in the Principal State Partnership Fund, and a Central society which has purchased shares in Primary societies from the moneys in the Subsidiary State Partnership Fund, shall be entitled only to such dividend on the said shares as is declared by the society concerned and is payable to other shareholders of that society.

57. (1) If a society in which shares are purchased from the Principal State Partnership Fund is wound up, or is dissolved, the State Government shall not have any claim against the Apex society which purchased the shares in respect of any loss arising from such purchase; but the State Government shall be entitled to any moneys received by the Apex society in liquidation proceedings or on dissolution, as the case may be.

(2) If a society in which shares are purchased from the Subsidiary State Partnership Fund is wound up or dissolved, neither the State Government nor the Apex society shall have any claim against the Central society which purchased the shares in respect of any loss arising from such purchase; but the Apex society shall be entitled to any moneys received by the Central society in liquidation proceedings or on dissolution, as the case may be, and such moneys shall be credited to the Principal State Partnership Fund.

1 These words were substituted for the words "is wound up" by Mah. 33 of 1963, s. 11.
58. (1) All monies received by an Apex society in respect of shares of other societies purchased from the moneys in the Principal State Partnership Fund on redemption of such shares, or by way of dividends or otherwise, shall be credited to that Fund.

(2) All monies received by a Central society in respect of shares of Primary societies purchased from the moneys in the Subsidiary State Partnership Fund on redemption of such shares, or by way of dividends or otherwise, shall in the first instance be credited to that Fund, and then transferred to the Apex society which shall credit them to the Principal State Partnership Fund.

(3) All monies and dividends referred to in sub-sections (1) and (2) shall, notwithstanding that the shares stand in the name of the Apex society or the Central society, as the case may be, be paid to the State Government.

(4) Save as provided in sub-section (3), the State Government shall not be entitled to any other return on the moneys provided by it to an Apex society under section 51.

59. (1) If an Apex society which has established a Principal State Partnership Fund is wound up or dissolved, all monies to the credit of, or payable to that Fund, shall be paid to the State Government.

(2) If a Central society which has established a Subsidiary State Partnership Fund is wound up or is dissolved, all monies to the credit of, or payable to that Fund shall be paid and credited to the Principal State Partnership Fund from which it received moneys under clause (b) of sub-section (2) of section 52.

60. Any amount to the credit of a Principal State Partnership Fund or a Subsidiary State Partnership Fund shall not form part of the assets of the Apex society or the Central society, as the case may be.

61. Subject to the foregoing provisions of this Chapter—

(a) the State Government may enter into an agreement with an Apex society setting out the terms and conditions on which it shall provide monies to the Apex society for the purpose specified in section 51;

(b) an Apex society may, with the previous approval of the State Government, enter into an agreement with a Central society, setting out the terms and conditions on which it shall provide monies to that society from the Principal State Partnership Fund for the purpose specified in clause (b) of sub-section (2) of section 52.

62. Notwithstanding anything contained in any law for the time being in force, but subject to such conditions as the State Government by general or special order may specify in this behalf, the State 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 State 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 the Industrial Finance Corporation of India, or any other authority constituted under any law for the time being in force; or

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

Provisions of this Chapter to override other laws.

63. The provisions of sections 51 to 61 (both inclusive) 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.

64. No part of the funds, other than [the dividend equalisation or bonus equalisation funds as may be prescribed or] the net profits of a society, shall be paid by way of bonus or dividend, or otherwise distributed among its members:

Provided that, a member may be paid remuneration on such scale as may be laid down by the by-laws, for any services rendered by him to the society.

65. (1) A society earning profit, shall calculate the net profits by deducting from the gross profits for the year, [all interest accrued and accruing in accounts which are overdue,] establishment charges, interest payable on loans and deposits, audit fees, working expenses including repairs, rent, taxes and depreciation, [bonus payable to employees under the Payment of Bonus Act, 1965, and equalization fund for such bonus, provision for payment of income-tax and making approved donation under the Income-tax Act, 1961, provision for payment of contribution to education fund of the State federal society which may be notified by the State Government in of this behalf, provision for payment of contribution to the Co-operative State Cadre Employment Fund established under section 69A,] development rebate, provision for development fund, bad debt fund, price fluctuation fund, dividend equalization fund, share capital redemption fund, investment fluctuation fund, provision for retirement benefits to employees and in the case of consumers cooperative stores provision for purchase rebate to be paid to purchasers,] and after providing for or writing off bad debts and losses not adjusted against any fund created out of profits. A society may, however, add to the net profits for the year, interest accrued in the preceding years, but actually recovered during the year. The net profits thus arrived at, together with the amount of profits brought forward from the previous year, shall be available for appropriation.

(2) A society may appropriate [its net profits] to the reserve fund or any other fund, to payment of dividends to members on their shares, [to the payment or bonus on the basis of support received from members and persons who are not members to its business, to payment of honoraria and towards any other purpose which may be specified in the rules or by-laws: Provided that no part of the profits shall be appropriated except with the approval of the annual general meeting and in conformity with the Act, rules and by-laws.]

1 These words were inserted by Mah. 33 of 1963, s. J2.
2 These words were substituted for the words "all accrued interest which is overdue for more than six months," ibid., s. 13(a).
3 This portion was inserted by Mah. 27 of 1969, s. 10(c).
4 These words, figures and letter were inserted by Mah. 30 of 1978, s. 2.
5 These words were substituted for the words "its profits" by Mah. 33 of 1963, s. 13(b).
6 The portion beginning with the words "to the contribution" and ending with the words "by the State Government," was deleted by Mah. 27 of 1969, s. 10(b).
66. (1) Every society which does, or can, derive a profit from its transactions shall maintain a reserve fund.

(2) [Every society shall carry at least one-fourth of the net profits each year to the reserve fund:] and [such reserve fund may subject to the rules made in this behalf, if any, be used] in the business of the society or may, subject to the provisions of section 70, be invested, as the State Government may by general or special order direct, or may, with the previous sanction of the State Government, be used in part for some public purpose likely to promote the objects of this Act, or for some such purpose of the State, or of local interest:

[Provided that, the Registrar may, having regard to the financial position of any society or class of societies, fix the contribution to be made to the reserve fund under this sub-section at a lower rate, but not lower than one-tenth of the net profits of the society or societies concerned.]

67. No society shall pay a dividend to its members at a rate [exceeding 12 per cent]: Restrictions on dividend.

Provided that, where the rate of dividend to be paid to the members exceeds 9 per cent, the amount, which is in excess of the portion of the dividend calculated at the rate of 9 per cent, shall be credited to the share account of the members concerned.

68. (1) Every society shall contribute annually towards the education fund of the State federal society which may be notified in this behalf by the State Government at such rate as may be prescribed, and different rates may be prescribed for different societies or classes of societies depending on their financial condition.

(2) Every society shall pay its contribution to the said fund, within two months from the date on which its accounts are adopted by the general body of members.

Any officer wilfully failing to comply with the requirement of this section, shall be personally liable for making good the amount to the federal society notified as aforesaid.

69. After providing for the reserve fund as provided in section 66, and for the educational fund as provided in section 68 a society may set aside a sum not exceeding twenty per cent of its net profits, and utilise, with the approval of such federal society as may be notified by the State Government in this behalf from time to time, the whole or part of such sum in contributing to any co-operative purpose, or to any charitable purpose within the meaning of section 2 of the Charitable Endowments Act, 1890, or to any other public purpose.

69A. (1) There shall be constituted a Co-operative State Cadre of Secretaries Constitution of primary agricultural credit societies, multi-purpose co-operative societies and of Co-operative service co-operative and such other classes of societies as may be prescribed in this behalf (hereinafter in this section referred to as "the Co-operative State Cadre"), consisting of persons recruited for this purpose by the Central Societies of certain notified in this behalf by the State Government. The number of persons to be societies and recruited and their conditions of service shall be determined by the Central Societies in accordance with the general or special orders as may be issued by the State Government, from time to time.

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1 These words were substituted for the portion beginning with "In the case of" and ending with "to the reserve fund;" by Mah. 33 of 1963, s. 14(a).
2 These words were substituted for the words "such reserve fund may be used" by Mah. 3 of 1974, s. 10.
3 This proviso was added by Mah. 33 of 1963, s. 14(b).
4 This portion was substituted for the words and figures "exceeding 9 per cent" by "Mah. 36 of 1975, s. 2.
5 Section 68 was substituted for the original by Mah. 27 of 1969, s. 11.
6 The proviso was deleted by Mah. 3 of 1974, s. 11.
7 Section 69A was inserted by Mah. 36 of 1975, s. 3.
(2) A Central Society may, from time to time, depute any person appointed by it to that Cadre to work under any society referred to in sub-section (1), as it may consider necessary. Where any such person is posted to work under any society, his services shall be taken over by the society on such post, for such period and on such other terms and conditions, as the Central Society may determine, but the person so posted shall draw his salary and allowances from the Fund established under the next succeeding sub-section.

(3) An Apex society notified in this behalf by the State Government shall establish a Fund to be called "the Co-operative State Cadre Employment Fund", which, when established, shall be deemed to have been established with effect from the 1st day of July 1973. It shall be utilized for meeting the expenses on the salaries, allowances and other emoluments to be paid to the persons appointed to the Co-operative State Cadre and the other expenditure relating to the Cadre.

1[(4) (a) Every society or class or classes of societies, which, in the opinion of the State Government, derive any benefit, directly or indirectly, from the services of any Secretary belonging to the Co-operative State Cadre of Secretaries, and

(b) every other body corporate carrying on any trade, business or industry or class or classes of such corporate bodies, which, in the opinion of the State Government, derive such benefit as aforesaid,

and which are notified by the State Government in this behalf, from time to time, by general or special order, shall, with effect from the 1st day of July 1977, contribute annually to the said Fund, at such rate and in such manner as may be prescribed, and different rates may be prescribed for different societies or other corporate bodies or class or classes of societies or class or classes of other corporate bodies. In determining the rate or rates of contribution, the State Government shall take into consideration the expenditure referred to in sub-section (3), the services likely to be rendered and the financial condition of the societies or other bodies concerned.

Explanation.—Notwithstanding anything contained in any law for the time being in force, for the purposes of levy and collection of the contribution to the said Fund by any other corporate body to which this section applies, such corporate body shall be deemed to be a society governed by this Act.]

(5) Where there is a failure to comply with the requirements of the last preceding sub-section, the Registrar may serve a demand notice on the society concerned to pay the contribution within two months from the date of demand. Such demand shall be a charge on the income of the society. If the contribution is not paid within the period aforesaid, the Registrar may direct any Bank or person having custody of the funds of the society to pay the amount of the contribution immediately, and such Bank or person shall comply with the orders of the Registrar. Every payment made pursuant to such direction shall be a sufficient discharge to such Bank or person from all liability to the society in respect of any sum so paid by it or him out of the moneys of the society in his custody.

(6) The State Government may make rules regulating all matters connected with or ancillary to the custody and maintenance of, the payment of moneys into and the expenditure and withdrawal of moneys from, the said Fund.

1 Sub-section (4) was substituted for the original by Mah. 30 of 1978, s. 3.
70. A society shall invest or deposit its funds in one or more of the following:

(a) in a Central Bank or the State Co-operative Bank;

(b) in any of the securities specified in section 20 of the Indian Trusts Act, 1882;

(c) in the shares, or security bonds, or debentures, issued by any other society with limited liability;

(d) in any co-operative bank (other than those referred to in clause (a) of this section) or banking company, approved for this purpose by the Registrar, and on such conditions as the Registrar may from time to time impose;

(e) in any other mode permitted by the rules, or by general or special order of the State Government.

1 These words were substituted for the words “in any banking company” by Mah. 33 of 1963, s. 15.
71. (1) Any society may establish for its employees a provident fund, into which shall be paid the contributions 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 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 Act, 1952, is applicable, shall be governed by that Act.

71A. No expenditure from the funds of a society shall be incurred for the purpose of defraying the costs of any proceedings filed or taken by or against any officer of the society in his personal capacity under section 78, 96 or 144 T. If any question arises whether any expenditure can be so incurred or not, such question shall be referred to and decided by the Registrar, and his decision shall be final.

CHAPTER VII.
MANAGEMENT OF SOCIETIES.

72. Subject to the provisions in this Act and the rules, 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 by-laws.

Where the by-laws of a society so provide, the general meeting shall be attended by delegates appointed by the members, and such meeting shall be deemed to be the meeting of the general body, for the purpose of exercising all the powers of the general body.

73. The management of every society shall vest in a committee, constituted in accordance with this Act, the rules and by-laws, which shall exercise such powers and perform such duties as may be conferred or imposed respectively by this Act, the rules and the by-laws.

73A. (1) In this section and in sections 73C, 73D and 73E, “a designated Officer” means the Chairman and the President, and includes any other officer of the society as may be declared by the State Government, by notification in the Official Gazette, to be a designated officer, but does not include any officer appointed or nominated by the State Government or by the Registrar.

(2) No person shall, at the same time, be or continue to be, a designated officer of more than one society falling in Category I or Category II or Category III of the categories mentioned below; and shall not be or continue to be a designated officer in more than two societies in the aggregate in the three categories:

Category I.—Societies, the area of operation of which extends, to the whole of the State.

Section 71A was inserted by Mah. 3 of 1974, s. 12.

This portion was added, ibid., s. 13.

Section 73A to 73G were inserted by Mah. 27 of 1969, s. 12.
Category II.—Societies, the area of operation of which does not extend to the whole of the State,—

(a) but extends to Greater Bombay and the authorised share capital of which is more than Rs. 10 lakhs; or
(b) but extends to one or more districts; or
(c) [is less than a district and] the authorised share capital of which is more than Rs. 10 lakhs.

Category III.—Societies, the area of operation of which does not extend to the whole of a district but extends to one or more talukas, or the authorised share capital of which is not more than Rs. 10 lakhs but is not less than Rs. 5 lakhs.

[(2A) If any question arises whether or not a society falls under any of the categories referred to in sub-section (2), such question shall be referred to and decided by the Registrar, and his decision shall be final.]

(3) If any person is at the commencement of the Maharashtra Co-operative Societies (Second Amendment) Act, 1969, a designated officer of more than two XXVII societies in the said categories, or of more than one society in the same category, of then unless he resigns his office in the society or societies in excess of the number prescribed under sub-section (2) within a period of ninety days from such commencement, he shall, at the expiration of the said period, cease to be a designated officer of all such societies.

(4) If any person becomes, at the same time, after the commencement of the said Act, a designated officer of societies in excess of the number prescribed under sub-section (2), unless he resigns his office in the society or societies in excess of the said number within a period of ninety days from the date on which he is elected or appointed a designated officer of more than the permissible number of society or societies, or if the elections or appointments are held or made simultaneously, from the date on which the result of last of such elections or appointments is declared, he shall, at the expiration of the said period of ninety days, cease to be a designated officer of all such societies.

(5) No person shall be, or shall continue to be, a designated officer of any society of any of the categories referred to in sub-section (2) for a consecutive period of more than six years, and at the expiration of that period any such person shall cease to be a designated officer of that society, and shall not be eligible for being re-elected or re-appointed as a designated officer, until a period of three years has elapsed after the expiry of the aforesaid period of six years.

Explanation.—For the purposes of this sub-section,—

(a) in calculating the consecutive period of six years in office, any period for which the person concerned may have been such officer, before the commencement of the Maharashtra Co-operative Societies (Second Amendment) Act, Mah. XXVII of 1969, shall be ignored;

(b) if any person resigns his office as a designated officer at any time within twelve months of the date on which the consecutive period of six years would, but for his resignation, have been completed, he shall be deemed to have completed the period of six years on his resignation.*

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* These words were substituted for the words “and is also less than a district, but” by Mah. 11 of 1976, s. 3, second schedule.
* Sub-section (2A) was inserted by Mah. 3 of 1974, s. 14.
Mah. 73AA. Where, after the commencement of the Maharashtra Zilla Parishads and Designated VI of Panchayat Samitis (Fourth Amendment) Act, 1974, a designated officer of any society of any of the categories referred to in sub-section (2) of section 73A who is also an associate Councillor of any Zilla Parishad, ceases to be the associate Councillor of such Zilla Parishad by operation of the provisions of section 82 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961, he shall also cease to be a designated officer of the said society from the date on which he so ceases to be an associate Councillor of the Zilla Parishad.

73B. On the committee of such society or class of societies as the State Government may, by general or special order, direct, two seats shall be reserved, one for the members who belongs to the Scheduled Castes or Scheduled Tribes and one for the weaker section of the members who have been granted loans from the society of an amount not exceeding Rs. 200 during the year immediately preceding. If no such persons are elected or appointed, the committee shall co-opt the required number of members on the committee from amongst the persons entitled to such representation.

[Explanation.—For the purposes of this section the expression 'Scheduled Castes' includes 'Nav-Boudhas' and the expression 'Scheduled Tribes' includes 'denotified Tribes and Nomadic Tribes'.]

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1 Section 73AA was inserted by Mah. 6 of 1975, Sch.
2 The words "or to the jatis declared to be Vinukta Jatis by the State Government" were deleted by Mah. 25 of 1979, s. 2(a).
3 Explanation was added, ibid., s. 2(b).
4 These words were substituted for the words "Scheduled Castes, Tribes and Vinukta Jatis", ibid., s. 2(c).
73BB. On the committee of such society or class of societies as the State Government may, by general or special order, direct where the number of permanent salaried employees of the society is 25 or more,—

(a) if the number of members of the committee thereof is 14 or less—one seat; and

(b) if the number of such members is 12 or more—one additional seat for every 10 members over and above the first 11 members,

shall be reserved for such employees. The seats so reserved shall be filled by selection made by the recognised union or unions, from amongst such employees. If there be no such union, the members representing such employees may be nominated by the State Government. Any person selected or nominated as a member of the committee to any reserved seat shall not be entitled to be elected as an officer of such society, or to vote at any election of officers.

73C. (1) In the case of a District Central Co-operative Bank or an Apex Co-operative Bank of the District Central Co-operative Bank, there shall not be more than one representative of individual members on the committee of such Bank, and such representative shall not be eligible for being elected or appointed as a designated officer.

(2) In the case of a Land Development Bank or an Apex Land Development Bank, there shall not be more than one representative on the committee of such Bank, of members, who have not taken any loans from the Bank, and such representative shall not be eligible for being elected or appointed as a designated officer.

(3) In the case of an Agricultural Credit Society which gives loans to individuals for the raising of crops, there shall not be more than one representative on the committee of such society, of members who have not taken any loans from the society; and that representative shall be elected or appointed only from amongst members, who have not taken loans. Such representative shall not be eligible for being elected or appointed as a designated officer.

73D. No member of a society who is nominated to represent it on any other society, shall be eligible for being elected or appointed as a designated officer of the other society, unless the other society is its federal society.

73E. In the case of such class or classes of societies as may be specified by the State Government, by notification in the Official Gazette, no member shall be eligible for being elected or appointed as a designated officer, if he does not fulfil the minimum qualification relating to his transactions with the society of such monetary limits as may be laid down, from time to time, in such notification.

1 Section 73BB was deemed always to have been inserted by Mah. 3 of 1974, s. 15.
Memembr

who or
whose near
relation is
dealer in
such goods
or is
director of
a company
or a partner
in a firm
carrying on
business in
such goods,
shall be
eligible for
being
elected or
appointed as
a member of
the committe
of such society.

Explanation.—For the purposes of this section, the expression near relation
means a wife, husband, father, mother, son, daughter, son-in-law or daughter-
in-law.

Provision

for conduct
of elections
to commit
tees and
of officers
of certain
societies
and term
of office of
member of
such
committees.

73G. (1) The election of the members of the committees [and the officers
by the committees,] of the societies of the categories mentioned below shall be subject
to the provisions of Chapter XI-A and shall be conducted in the manner laid down
by or under that Chapter:—

(i) Such Apex Co-operative Institutions, which the State Government may,
by general or special order published in the Official Gazette, from time to time,
specify in this behalf, regard being had to the financial position and share capital
of such institutions;

(ii) all District Central Co-operative Banks;

(iii) all Primary Land Development Banks;

(iv) (a) all District Co-operative Sale and Purchase Organisations;

(b) all Taluka Co-operative Sale and Purchase Organisations;

(v) all Co-operative Sugar Factories;

(vi) all Co-operative Spinning Mills;

(vii) any other societies or class of societies, which the State Government may
by general or special order published in the Official Gazette, from time to time,
specify in this behalf, regard being had to the financial position and share capital
of such institutions.

(2) When the election of all the members of the committee of any such society
is held at the same time, the members elected on the committee at such general
election shall hold office for a period of [five years] from the date on which the first
meeting is held and shall continue in office until immediately before the first meeting
of the members of the new committee.

(3) Notwithstanding anything in the by-laws of any such society, only the commit
te of management shall be elected by a general body of members of the society; and
all other committees authorised by or under the bye-laws may be constituted only
by electing or appointing persons from among the persons who are members of the
committee of management, any all such committees shall be sub-committees of the
committee of management, and shall be subordinate to it.

1 Sub-section (1) was substituted by Mah. 24 of 1972, s. 2.
2 These words were inserted by Mah. 3 of 1974, s. 16.
3 These words were substituted for the words "three years" by Mah. 36 of 1975, s. 4(1).

Sub-section (2) of section 4 of Mah. 36 of 1975 reads as follows:—
(2) Where any members are elected at a general election on the committee of any society to
which section 73G of the principal Act applies and the period of three years from the date of Mah.
the first meeting is not over in their case before the amendment made in sub-section (2) of that XSEC-
section by the Maharashtra Co-operative Societies (Amendment) Act, 1975, comes into force, VI of
such members shall be entitled to hold office for a period of five years as provided in the same 1975,
sub-section (2) as amended.
74. The qualifications for the appointment of a manager, secretary, accountant or any other officer of a society shall be such as may, from time to time, be prescribed.

75. (1) Every society shall, within a period of three months next after the date fixed for making-up its accounts for the year under the rules for the time being in force, call a general meeting of its members:

Provided that, the Registrar may, by general or special order, extend the period for holding such meeting for a further period not exceeding three months:

Provided further that, if in the opinion of the Registrar, no such extension is necessary, or such meeting is not called by the society within the extended period (if any) granted by him, the Registrar or any person authorised by him may call such meeting in the manner prescribed, and that meeting shall be deemed to be a general meeting duly called by the society; and the Registrar may order that the expenditure incurred in calling such a meeting 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 the general meeting.

(2) At every annual general meeting of a society, the committee shall lay before the society a statement showing the details of the loans (if any) given to any of the members of the committee or any member of the family (as defined in the Explanation to section (a) of any committee-member, during the last preceding year, and) a balance sheet and profit and loss account for the year in the manner prescribed by the Registrar by general or special order for any class or classes of societies.

Explanation.—In the case of a society not carrying on business for profit, and income and expenditure account shall be placed before the society at the annual general meeting instead of profit and loss account; and all references to profit and loss account, and to “profit” or “loss” in this Act, shall be construed in relation to such society as references respectively to the “[excess of] income over expenditure,” and “excess of expenditure over income”.

(3) There shall be attached to every balance sheet laid before the society in general meeting, a report by its committee, with respect to (a) the state of the society’s affairs; (b) the amounts, if any, which it proposes to carry to any reserve either in such balance sheet, or any specific balance sheet; and (c) the amounts, if any, which it recommends, should be paid by way of dividend, bonus, or honoraria to honorary workers. The committee’s report shall also deal with any charges, which have occurred during the year for which the account are made up, in the nature of the society’s business. The committee’s report shall be signed by its Chairman, or any other member authorised to sign on behalf of the committee.

(4) At every annual general meeting the balance sheet, the profit and loss account and the audit memorandum submitted by the auditor appointed under section 84 and the committee’s report, shall be placed for adoption, and such other business will be transacted as may be laid down in the bye-laws and of which notice has been given.

(5) If default is made, in calling a general meeting within the period or, as the case may be, extended period, prescribed under sub-section (1), or in complying with sub-sections (2), (3) or (4), the Registrar may by order declare any officer or member

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1 This portion was substituted for the words “called by the society” by Mah. 33 of 1963, s. 16(a).
2 This portion was inserted by Mah. 27 of 1969, s. 13.
3 These words were inserted by Mah. 33 of 1963, s. 16(b).
4 These words and figures were substituted for the words “the auditor’s report” by Mah. 33 of 1963, s. 16(c)
of the committee whose duty it was to call such a meeting or comply with sub-
sections (2), (3) or (4) and who without reasonable excuse failed to comply with any
of the aforesaid sub-sections disqualified for being elected and for being any officer or
member of the committee for such period not exceeding three years, as he may
specify in such an order and, if the officer is a servant of the society, impose
a penalty on him to [pay] an amount not exceeding one hundred rupees. Before
making an order under this sub-section, the Registrar shall give, or cause to be
given, a reasonable opportunity to the person concerned of showing cause against
the action proposed to be taken in regard to him.

(6) Any penalty imposed under sub-section (5) or under the next succeeding
section, may be recovered in the manner provided by the Code of Criminal Procedure, V of
1898, for the recovery of fines imposed by a Magistrate, as if such fine was imposed 1898,
by the Magistrate himself.

Special 76. (1) A special general meeting may be called at any time by the Chairman or
general by a majority of the committee and shall be called within one month—
meeting.

(i) on a requisition in writing of one-fifth of the members of the society or of
members the number of which is specified in the bye-laws for the purpose, whichever
is lower, or

(ii) at the instance of the Registrar, or

(iii) in the case of a society, which is the 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 it was to call such
meeting, without reasonable excuse, fails to call such meeting, the Registrar may by
order declare such officer or member disqualified for being a member of the committee
for such period not exceeding three years, as he may specify in such order; and if
the officer is a servant of the society, he may impose on him a penalty not exceeding
one hundred rupees. Before making an order under this sub-section, the Registrar
shall give, or cause to be given, a reasonable opportunity to the person concerned of
showing cause against the action proposed to be taken in regard to him.

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

(4) The Registrar shall have 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 the meeting.

Acts of 77. (1) No act of a society or a committee or any officer, done in good faith in
societies, pursuance of the business of the society shall be deemed to be invalid by reason only
etc. of some defect subsequently discovered in the organisation of the society, or in the
not to be constitution of the committee, or in the appointment or election of an officer, or on
invalidated the ground that such officer was disqualified for his office.
by certain defects.

(2) No act done in good faith by any person appointed under this Act, the rules
and the bye-laws shall be invalid merely by reason of the fact that his appointment
has been cancelled by or in consequence of any order subsequently passed under this
Act, rules and the bye-laws.

(3) The Registrar shall decide whether any act was done in good faith in
pursuance of the business of the society; and his decision thereon shall be final.

This word was inserted, by Mah. 33 of 1963, s 16(d).
1[77A. (1) Where the Registrar is satisfied that—

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

(b) the term of the committee of any society or of any of its members has expired on for any other reason election is held and there is a failure to elect all or any of the members required to fill the vacancies;

(c) any committee is prevented from entering upon office;

(d) a new committee has failed to enter upon office on the date on which the term of office of the existing committee expired; or

(e) a new committee cannot for any reason be constituted before the expiry of the term of office of the existing committee,

the Registrar may, either suo motu or on the 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 committee to fill the vacancies;

(ii) a committee, consisting of not more than three members of the society, or one or more administrators, who need not be members of the society, to manage the affairs of the society till a new committee 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 any case where the Registrar is satisfied that immediate action is required to be taken or that it is not reasonably practical to publish such notice.

(2) The committee or administrator so appointed shall, subject to the control of the Registrar and to such instructions as he may, from time to time, give, have power to discharge all or any of the functions of the committee or of any officer of the society, and take all such action as may be required to be taken in the interests of the society.

(3) The committee or administrator shall make necessary arrangements to constitute a new committee or for enabling the new committee to enter upon office, as the case may be, within such period or extended period as the Registrar may specify.]

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1 Section 77A was inserted by Mah. 36 of 1975, s. 5.
78. *(I) If, in the opinion of the Registrar, the committee of any society or any member of such committee persistently makes default, or is negligent, in the performance of the duties imposed on it or him by this Act or the rules or the bye-laws, or commits any act which is prejudicial to the interests of the society or its members or wilfully disobeys directions issued by the Registrar for the purposes of securing proper implementation of co-operative production and other development programmes approved or undertaken by Government, or is otherwise not discharging its or his functions properly, *(or where a situation has arisen in which the committee or any member thereof ceases or refuses to discharge its or his functions and the business of the society has or is likely to come to a standstill, *(or where any member of such committee stands disqualified by or under this Act for being a member, the Registrar may, after giving the committee or the member, as the case may be, an opportunity of stating its or his objections (if any) within fifteen days from the date of issue of notice, and after consulting the federal society to which the society is affiliated, by order *(a) remove the committee, and *(b) appoint a committee consisting of three or more members of the society in its place, or *(ii) appoint one or more administrators, who need not be members of the society, *(and who may be individuals or a corporation (including a company owned or controlled by the State or a subsidiary company thereof)),

to manage the affairs of the society for a period (not exceeding two years) specified in the order, which period may, at the discretion of the Registrar, be extended from time to time so however that the total period does not exceed four years in the aggregate;

*(I) remove the member and appoint any person as member of such committee in his place, or direct the society to elect or appoint a member in his place, for the remainder of the term of office of the member so removed.]

*(I) When a notice is issued against any committee or member under subsection *(I), if resignation from any office is tendered by the committee or member, it shall not be valid or effective until two months have elapsed from the date of issue of the notice or until it is permitted to be accepted by the Registrar, whichever is earlier.

(2) The committee or administrator so appointed shall, subject to the control of the Registrar and to such instructions as he may from time to time give, have power to exercise all or any of the functions of the committee or of any officer of the society, and take all such action as may be required in the interests of the society.

*(The committee or administrator appointed as aforesaid shall, notwithstanding anything contained in the bye-laws, have power to call a special general meeting of the society to review or to reconsider the decision or the resolution taken or passed at the general meetings called by the previous committee or to endorse actions taken by it.]

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1 This marginal note was substituted by Mah. 33 of 1963, s. 17(d).
2 Sub-section *(I) was substituted, ibid., s. 17(o).
3 These words were inserted by Mah. 27 of 1969, s. 14(a)(i).
4 These words were inserted by Mah. 3 of 1974, s. 17(a).
5 The words “published in the Official Gazette” were deleted by Mah. 27 of 1969, s. 14(a)(ii).
6 These words and brackets were deemed always to have been inserted by Mah. 29 of 1973, s. 2.
7 For validation of appointment and acts of corporation appointed as administrator see s. 3 of Mah. 29 of 1973.
8 Clause *(b) was substituted by Mah. 3 of 1974, s. 17(b).
9 Sub-section *(I) was inserted by Mah. 27 of 1969, s. 14(b).
10 This portion was added by Mah. 33 of 1963, s. 17(b).
[(2A) The Registrar may fix the remuneration payable to the administrators and any expenses of management which shall be payable out of the funds of the society within such time and at such intervals as the Registrar may fix, and if such remuneration or expenses are not paid within such time or at intervals, the Registrar may direct the person having custody of the funds of the society to pay to the administrators such remuneration and expenses in priority to any other payments (except land revenue, any arrears of land revenue, or any sum recoverable from the society as arrears of land revenue) and he shall, so far as the funds to the credit of the Society allow, comply with the orders of the Registrar.]

(3) If at any time during any period, or extended period referred to in subsection (1), it appears to the Registrar that it is no longer necessary to continue to carry on the affairs of the society as aforesaid, the Registrar may, by an order direct that the management shall terminate; and on such order being made, the management of the society shall be handed over to a new committee duly constituted.

(4) The committee or administrator shall, at the expiry or termination of it or his term of office, arrange for the constitution of a new committee in accordance with the bye-laws of the society:

[Provided that, if a new committee is not, or cannot be, constituted at the expiry or termination of the term of office of the committee or administrator, for any reason beyond the control of the committee or administrator, the term of office of the committee or the administrator, as the case may be, shall be deemed to be extended, until the new committee is duly constituted.]†

(5) All acts done or purport done to be done by the committee or administrator during the period the affairs of the society are carried on by the committee or administrator appointed under sub-section (1), shall be binding on the new committee.

Registrar's power to enforce performance of obligations.

79. (1) The Registrar may direct any society or class of societies, to keep proper books of accounts with respect to all sums of money received and expended by the society, and the matters in respect of which the receipt and expenditure take place, all sales and purchases of goods by the society, and the assets and liabilities of the society, and to furnish such statements and returns and to produce such records as he may require from time to time; and the officer or officers of the society shall be bound to comply with his order within the period specified therein.

(2) Where any society is required to take any action under this Act, the rules or the by-laws, or to comply with an order made under the foregoing sub-section, and such action is not taken—

(a) within the time provided in this Act, the rules or the by-laws, or the order as the case may be, or

(b) where no time is so provided, within such time, having regard to the nature and extent of the action to be taken, as the Registrar may specify by notice in writing,

the Registrar may himself, or through a person authorised by him, take such action, at the expense of the society; and such expense shall be recoverable from the society as if it were an arrear of land revenue.

(3) Where the Registrar takes action under sub-section (2), the Registrar may call upon the officer or officers of the society whom he considers to be responsible

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1 Sub-section (2A) was inserted by Mah. 33 of 1963, s. 17(c).
2 The words "published in the Official Gazette" were deleted by Mah. 27 of 1969, s. 14(c).
3 This proviso was deemed always to have been added by Mah. 48 of 1972, s. 2.
4 For validation of acts see Mah. 48 of 1927, s. 3.
for not complying with the provisions of this Act, the rules or the by-laws, or the order made under sub-section (1) and after giving such officer or officers an opportunity of being heard, may require him or them to pay to the society the expenses paid or payable by it to the State Government as a result of their failure to take action, and to pay to the assets of the society such sum not exceeding twenty-five rupees as the Registrar may think fit for each day until the Registrar's directions are carried out.

1[79A. (1) If the State Government, on receipt of a report from the Registrar or Governor, otherwise, is satisfied that in the public interest or for the purposes of securing proper implementation of co-operative production and other development programmes approved or undertaken by 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 generally or to any society or societies in particular, the State 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 State 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.]

87[79B. (1) Where any producer-member of a processing society fails to supply his agricultural produce to the society in accordance with the provisions of the by-laws of the society, the Registrar may, on a complaint made by the society or suo motu, issue a notice to the member to show cause, within a period specified in the notice, why for such failure he should not be removed from the membership of the society.

Registrar's power to remove member for failure to supply agricultural produce to processing society.

1 Section 79A was inserted by Mah. 27 of 1969, s. 15.
2 Sub-section (3) was added by Mah. 36 of 1975, s. 6.
3 Section 79B was inserted, ibid., s. 7.
(2) After holding such inquiry as he thinks fit and giving a reasonable opportunity of being heard to the member, if the Registrar is satisfied that the member has failed, without any good reason or justification, to supply his agricultural produce to the society in accordance with the provisions of the by-laws, the Registrar may by order remove the person concerned as a member of the society with effect from such date as may be specified in the order, and thereupon the person shall cease to be a member of the society on and from that date. Any order made by the Registrar under this section shall be final.] 80. (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 authorised by him 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 Magistrate shall forthwith consider such application and, if satisfied that immediate action is required, shall authorise] 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 authorised by him, as the case may be.

CHAPTER VIII.

AUDIT, INQUIRY, INSPECTION AND SUPERVISION.

Audit. 81. (1) The Registrar shall audit, or cause to be audited by a person authorised by him by general or special order in writing in this behalf, the accounts of every society at least once in each year.

(2) The audit under the foregoing sub-section shall include an examination of overdue debts, if any, the verification of the cash balance and securities and a valuation* of the assets and liabilities of the society.

(3) The Registrar or the person authorised shall, for the purpose of audit, at all times have access to all the books, accounts, documents, papers, securities, cash and other properties belonging to, or in the custody of, the society, and may summon any person in possession or responsible for the custody of any such books, accounts, documents, papers, securities, cash or other properties, to produce the same at any place at the headquarters of the society or any branch thereof.

(4) Every person who is, or has at any time been, an officer or employee of the society, and every member and past member of the society, shall furnish such information in regard to the transactions and working of the society as the Registrar, or the person authorised by him, may require.

(5) The auditor appointed under sub-section (1) shall have the right to receive all notices and every communication relating to the annual general meeting of the society and to attend such meeting and to be heard thereat, in respect of any part of the business with which he is concerned as auditor.

(6) If it appears to the Registrar, on an application by a society or otherwise, that it is necessary or expedient to re-audit any accounts of the society, the Registrar may by order provide for such re-audit and the provisions of this Act applicable to audit of accounts of the society shall apply to such re-audit.

*These words were substituted for the words "the Magistrate may authorise" by Mah. 3 of 1974, s. 18.
82. If the result of the audit held under the last preceding section discloses any defects in the working of a society, the society shall within three months from the date of the audit report, explain to the Registrar the defects, or the irregularities pointed out by the auditor, and take steps to rectify the defects and remedy irregularities and report to the Registrar the action taken by it thereon. The Registrar may also make an order directing the society or its officers to take such action, as may be specified in the order to remedy the defects within the time specified therein. Where the society concerned is a member of a federal society, such order shall be made after consulting the federal society.

83. (1) The Registrar may of his own motion and shall on the application of Inquiry by one-third of the members of a society, himself or by a person duly authorised by him Registrar in writing in this behalf, hold an inquiry into the constitution, working and financial conditions of a society.

(2) Before holding any such inquiry on an application, the Registrar may require the applicant to deposit with him a sum of Rs. 100 towards the cost of the inquiry. If the allegations made in the application are substantially proved at the inquiry, the deposit shall be refunded to the applicant, and the Registrar may under section 85, after following the procedure laid down in that section, direct from whom and to what extent the cost of the inquiry should be recovered. If it is proved that the allegations were false, vexatious or malicious, the Registrar may likewise direct that such cost shall be recovered from the applicant. Where the result of the inquiry shows that the allegations were not false, vexatious or malicious, but could not be proved, such cost may be borne by the State Government.

(3) (a) All officers, members and past members of the society in respect of which an inquiry is held, and any other person who, in the opinion of the officer holding the inquiry is in possession of information, books and papers relating to the society, shall furnish such information as is in their possession, and produce all books and papers relating to the society which are in their custody or power, and otherwise give to the officer holding an inquiry all assistance in connection with the inquiry which they can reasonably give.

(b) If any such person refuses to produce to the Registrar or any person authorised by him under sub-section (1), any book or papers which it is his duty under clause (a) to produce or to answer any question which put to him by the Registrar or the person authorised by the Registrar in pursuance of sub-clause (a), the Registrar or the person authorised by the Registrar may certify the refusal and the Registrar after hearing any statement which may be offered in defence, punish the default with a penalty not exceeding five hundred rupees. Any sum imposed as penalty

1 Sub-sections (1) and (2) were substituted by Mah. 3 of 1974, s. 19.
under this section shall, on the application by the Registrar or the person authorised by him, to a Magistrate having jurisdiction, be recoverable by the Magistrate as if it were a fine imposed by himself.

(4) The result of any inquiry under this section shall be communicated to the society whose affairs have been investigated.

(5) It shall be competent for the Registrar to withdraw any inquiry from the officer to whom it is entrusted, and to hold the inquiry himself or entrust it to any other person as he deems fit.

84. (1) On the application of a creditor of a society who—

(a) satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within reasonable time, and

(b) deposits with the Registrar such sum as the Registrar may require as security for the costs of any inspection of the books of the society,

the Registrar may, if he thinks it necessary, inspect or direct some person authorised by him by order in writing in this behalf to inspect the books of the society.

(2) The Registrar shall communicate the result of any such inspection to the applicant, and to the society whose books have been inspected.

(3) It shall be competent for the Registrar to withdraw any order of inspection from the officer to whom it is entrusted, and to inspect himself or entrust it to any other person as he deems fit.

[(4) The powers of inspection conferred on the Registrar by this section may be exercised by him of his own motion in respect of any society, which is indebted to Government or for which share capital (wholly or partly) is provided by Government or where any financial interest of Government is otherwise involved.]

85. (1) Where an inquiry is held under section 83 or an inspection is made under the last preceding section, the Registrar may apportion the costs, or such part of the costs, as he may think just between the society, the members or creditors demanding the inquiry or inspection, the officers or former officers and the members or past members or the estates of the deceased members of the society:

Provided that,—

(a) no order of apportionment of the costs shall be made under this section, unless the society or persons or the legal representative of the deceased person liable to pay the costs thereunder, has or have been heard, or has or have had a reasonable opportunity of being heard;

(b) the Registrar shall state in writing the grounds on which the costs are apportioned.

(2) No expenditure from the funds of a society shall be incurred, for the purpose of defraying any costs in support of any appeal preferred by any person other than the society against an order made under the foregoing sub-section.

86. Any sum awarded by way of costs under the last preceding section, may be recovered, on an application by the Registrar to a Magistrate having jurisdiction in the place where the person from whom the money is claimable resides or carries on business, and such Magistrate shall proceed to recover the same in the same manner as if it were a fine imposed by himself.

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1 Sub-section (4) was added by May 3 of 1974 s. 20.
87. (1) If the result of any inquiry held under section 83 or an inspection made under section 84 discloses any defects in the constitution, working or financial condition or the books of society, the Registrar may bring such defects to the notice of the society. The Registrar may also make an order directing the society or its officers to take such action as may be specified in the order to remedy the defects, within the time specified therein.

(2) The society concerned may, within sixty days from the date of any order made by the Registrar under the foregoing sub-section, appeal against it to the State Government.

(3) The State Government may, in deciding the appeal, annul, reverse, modify or confirm, the order of the Registrar.

(4) If a society fails to rectify the defects disclosed in the course of or as a result of an audit under section 81 or fails to rectify the defects as directed by the Registrar, and where no appeal has been made to the State Government within the time specified in the order, or where on the appeal so made the State Government has not annulled, reversed or modified the order, the Registrar may himself take steps to have the defects rectified, and may recover the costs from the officer or officers of the society who, in his opinion, has or have failed to rectify the defects.

88. (1) Where, in the course of or as a result of an audit under section 81 or an inquiry under section 83 or an inspection under section 84 or the winding up of a society, the Registrar is satisfied on the basis of the report made by the auditor or the person authorised to make inquiry under section 83 or the person authorised to inspect the books under section 84 or the Liquidator under section 105 or otherwise that any person who has taken any part in the organisation or management of the society or any deceased, of past or present officer of the society has, within a period of five years prior to [the date of commencement of such audit or date of order for inquiry, inspection or] winding up, misappropriated or retained, or become liable or accountable for, any money or property of the society, or has been guilty of misfeasance or breach of trust in relation to the society, the Registrar or a person authorised by him in that behalf may frame charges against such person or persons, and after giving a reasonable opportunity to the person concerned and in the case of a deceased person to his representative who inherits his estate, to answer the charges, make an order requiring him to repay or restore the money or property or any part thereof, with interest at such rate as the Registrar or the person authorised under this section may determine, or to contribute such sum to the assets of the society by way of compensation in regard to the misapplication, retention, misfeasance or breach of trust, as he may determine.

(2) The Registrar or the person authorised under sub-section (1) in making any order under this section, may provide therein for the repayment of the cost or any part thereof, as he thinks just, and he may direct that such costs or any part thereof shall be recovered from the person against whom the order has been issued.

(3) This section shall apply notwithstanding that the act is one for which the person concerned may be criminally responsible.

89. The Registrar or the person authorised by him, when acting under section 83, 84 or 88 shall have the power to summon and enforce the attendance of any person [and examining him on oath or affirmation or by affidavit] or to compel the production of any document or other material object 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.

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1 These words were substituted for the words "the date of such audit, inquiry, inspection or order for" by Mah. 33 of 1963, s. 18.  
* These words were substituted for the words "to give evidence" ibid., s. 19.
90. (1) The State Government may constitute or recognise one or more co-operative federal authorities, in such manner as may be prescribed and subject to such conditions as the State Government may impose, for the supervision of a society or a class of societies and may frame rules for making grants to such an authority.

(2) The State Government may, by general or special order, require of a society or a class of societies to make contribution of such sum every year as may be fixed by the Registrar towards the recoupment of expenditure which the State Government or any person authorised in that behalf has incurred or is likely to incur, in respect of supervision of societies.

(3) A society to which sub-section (2) is applicable shall pay to such authority such fee as may be prescribed within a reasonable time and, if it fails to pay such fee within a reasonable time, the authority may recover it as if it were an arrear of land revenue.

CHAPTER IX.

[Disputes and Co-operative Courts].

91. (1) Notwithstanding anything contained in any other law for the time being in force, any dispute touching the constitution, elections of the office bearers, 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, to the Registrar, if both the parties thereto are one or other of the following:

(a) a society, its committee, any past committee, 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 or 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, with whom the society has any transactions in respect of which any restrictions or regulations have been imposed, made or prescribed under section 43, 44 or 45, and any person claiming through such person;

(d) a surety of a member, past member or deceased member, or surety of a person other than a member with whom the society has any transactions in respect of which restrictions have been prescribed under section 45, whether such surety or person is or is not a member of the society;

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

(3) Save as otherwise provided under sub-section (3) of section 93, no Court shall have jurisdiction to entertain any suit or other proceedings in respect of any dispute referred to in sub-section (1).

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1 The heading was substituted by Mah. 3 of 1974, s. 21.
2 These words were substituted for the words "anything contained" by Mah. 33 of 1963, s. 20(a).
3 These words were added by Mah. 27 of 1969, s. 16(a)(i).
4 Clauses (c) and (d) were substituted for the original, ibid., s. 16(a)(ii).
5 Sub-section (2) was deleted ibid., s. 16(b).
Explanation 1.—A dispute between the Liquidator of a society and [the members (including past members, or nominees, heirs or legal representatives or deceased members)] of the same society shall not be referred to the Registrar under the provisions of sub-section (1).

Explanation 2.—For the purposes of this sub-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 for 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 by a society and recovered from the surety owning 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 committee, 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 a deceased member, to deliver possession to a society of land or any other asset resumed by it for breach of condition as the assignment.

Constitution of Co-operative Courts.

91A. (1) The State Government may, by notification in the Official Gazette, constitute one or more Co-operative Courts for the adjudication of disputes referred to the Registrar under section 91 or section 105 or other provisions of this Act.

(2) A Co-operative Court shall consist of one member appointed by the State Government possessing such qualifications as may be prescribed.

(3) A Co-operative Court shall have jurisdiction over the whole State or any part thereof as may be specified in the notification under sub-section (1).

(4) All disputes and other proceedings pending immediately before the commencement of the Maharashtra Co-operative Societies (Third Amendment) Act, 1973, before the Registrar or any person to whom the powers of the Registrar under this Act or the rules made thereunder have been delegated or] before any nominee or 1974. board of nominees appointed by the Registrar, shall be transferred by him, by general or special order, to any Co-operative Court specified by him in that behalf and shall be heard and disposed of by that Court as if they had been originally filed before it. That Court may proceed to hear and dispose of such proceedings from the stage reached before such transfer or may commence the hearing de novo.

Limitation. 92. (1) Notwithstanding anything contained in the Indian Limitation Act, 1908 IX of 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 committee, and any past committee, 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

1 These words and brackets were substituted for the words “the members” by Mah. 33 of 1963, s. 20(d).
2 Section 91 A was inserted by Mah. 3 of 1974, s. 22.
3 These words were deemed always to have been inserted by Mah. 64 of 1975, s. 2.
4 For Validation of orders made by Registrar under this Section See Mah. 64 of 1975, s. 3.
dispute relates to any act or omission on the part of 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 102, or in respect of which a nominated committee or an administrator has been appointed under section 78 be six years from the date of the order issued under section 102, or section 78 as the case may be:

(d) when the dispute is in respect of an election of an office-bearer of the society, be one month 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 Indian Limitation Act, 1908, as if the dispute were 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 applicants satisfies the Registrar that he had sufficient cause for not referring the dispute within such period and the dispute so admitted shall be a dispute which shall not be barred on the ground that the period of limitation had expired.

93. (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 91, the Registrar shall, subject to the rules, decide the dispute himself, or refer it for disposal to a Co-operative Court.

(2) Where any dispute is referred under sub-section (1) for decision to a Co-operative Court, the Registrar may, at any time, for reasons to be recorded in writing, withdraw such dispute from that Co-operative Court, and may, with the approval of the State Government, refer it again for decision to any other Co-operative Court as he deems fit.

(3) Notwithstanding anything contained in section 91, 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 in a Civil Court within two months from the date of the order of the Registrar, the Registrar shall continue the proceedings and decide the dispute.

94. (1) The Registrar, 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, oath, on affirmation or affidavit, and to compel 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.

(2) Except with the permission of the Registrar [or the Co-operative Court] 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 the Co-operative Court] 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 a party to a dispute, he may order that the person who has acquired

1 Section 93 was substituted by Mah. 3 of 1974, s. 23.
2 These words were substituted for the words "or his nominee or head of nominees", ibid. s. 24(a).

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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 the Co-operative Court] shall be binding on the party so joined, in the same manner as if he were 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 the Co-operative Court] may, at any stage of the hearing of the dispute, if satisfied that the mistake was bona fide, 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 [or the Co-operative Court] may, at any stage of the proceedings, either upon or without the application of either party, and on such terms as may appear to the Registrar [or the Co-operative Court], 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 [or the Co-operative Court] as the case may be, may be necessary in order to enable the Registrar [or the Co-operative Court] 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 on relief in respect of the same cause of action may claim 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 [or the Co-operative Court].

(f) Save as otherwise directed by the State Government in any case or class of cases, every dispute shall be decided in such summary manner as may be prescribed and as expeditiously as possible.

Attachment 95. (1) Where a dispute has been referred to the Registrar [or the Co-operative Court], under section 93 or under section 105 or where the Registrar or the person authorised under section 88 hears a person against whom charges are framed under that section, the Registrar [or the Co-operative Court] or, as the case may be, the person so authorised under section 88 if satisfied on enquiry or otherwise that a party to the dispute or against whom proceedings are pending under section 88 with intent to defeat, delay or obstruct the execution of any award or the 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, the Co-operative Court or the authorised person, as the case may be,

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, [or the Co-operative Court] or the person authorised under section 88 directs 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 the Co-operative Court], or, as the case may be, the person authorised under section 88 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.

1 These words were substituted for the words "or his nominee or board of nominees" by Mah. 3 of 1974, s. 24(a) and 29(a).
2 Sub-section (4) was added, ibid., s. 24 (b).
3 These words were added, ibid., s. 25 (b).
4 These words were substituted for the words "the Registrar" ibid., s. 25 (b).
(3) Attachment made under this section shall not affect the rights, subsisting prior to the attachment of the property, of persons not parties 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.

1[(4) The Registrar [or the Co-operative Court] or the person authorised under section 88, 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.]

96. When a dispute is referred to arbitration, the Registrar [or the Co-operative Court] 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 fees and expenses payable to the Registrar [or the Co-operative Court, as the case may be.] 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.

97. Any party aggrieved by any decision of the Registrar [the Co-operative Court] under the last preceding section, or an order passed under section 95 may within two months from the date of the decision or order, appeal to [or the Co-operative Appellate Court.]

98. Every order passed by the Registrar or a person authorised by him under section 88 or by the Registrar [or the Co-operative Court] under section 95 or 96, every order passed in appeal under the last preceding section, every order passed by a Liquidator under section 105, every order passed by the State Government in appeal against orders passed under section 105 and every order passed in revision under section 154 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. 5*

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.

99. Any private transfer or delivery of, or encumbrance or charge on, property made or created after the issue of the certificate of the Registrar, Liquidator, or Assistant Registrar, as the case may be, under section 98 shall be null and void as against the society on whose application the said certificate was issued.

1 Sub-section (4) was added by Mah. 33 of 1963, s. 21(a).
2 These words were substituted for the words "or his nominee or board of nominees" by Mah. 3 of 1974, ss. 25, 26, 27 and 28.
3 These words were substituted for the words "or his nominee, or as the case may be, board of nominees" ibid., s. 26(b).
4 These words were substituted for the words "the Tribunal", ibid., s. 27(b).
5* The words "or by any Assistant Registrar to whom the said power has been delegated by the Registrar" were deleted by Mah. 33 of 1963, s. 22.
Transfer of property which 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 98, [or under section 101 or 137], 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 98 [108 or 137], the Court, the Collector, or the Registrar, as the case may be, may, in accordance with the 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 (I) 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 an Assistant or the Deputy Collector or the Assistant Registrar, powers exercisable by the Collector or the Registrar under this section.

Recovery of arrears due to certain societies as arrears of land revenue.

101. [(j) Notwithstanding anything contained in sections 91, 93, and 98, on an application made by a resource society undertaking the financing of crop and seasonal finance as defined under the Bombay Agricultural Debtors Relief Act, 1947, [for Bom. XXV Ill of 1947,] advancing loans for other agricultural purposes repayable during a period of not less than eighteen months and not more than five years] for the recovery of arrears of any sum advanced by it to any of its members on account of the financing of crop or seasonal finance [for other agricultural purposes as aforesaid] or by a crop-protection society for the recovery of the arrears of the initial cost or any contribution for obtaining services required for crop protection which may be due from its members or other owners of lands included in the proposal (who may have refused to become members) or by a lift irrigation society for the recovery of arrears of any subscription due from its members for obtaining services required for providing water supply to them, [or by a Taluka or Block level village artisans multipurpose society advancing loans and arranging for cash credit facilities for artisans for the recovery of arrears of its dues,] and on the society concerned furnishing a statement of accounts in respect of the arrears, the Registrar may, after making such inquiries as he deems fit, grant a certificate for the recovery of the amount stated therein to be due as arrears.

(2) Where the Registrar is satisfied that the concerned society has failed to take action under the foregoing sub-section in respect of any amount due as arrears, the Registrar may, of his own motion, after making such inquiries as he deems fit, grant a certificate for the recovery of the amount stated therein to be due as arrears and such a certificate shall be deemed to have been issued as if on an application made by the society concerned.

(3) A certificate granted by the Registrar under sub-section (I) or (2) shall be final and a 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 land revenue.

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1 These words and figures were inserted by Mah. 3 of 1974, s. 29(a) (l).
2 Sub-section (f) was substituted for the original by Mah. 27 of 1969, s. 17(a).
3 This portion was deemed to have been inserted on 1st July 1971 by Mah. 44 of 1973, s. 3.
4 This portion was inserted, by Mah. 36 of 1975 s. 6.
5 This portion was substituted for the original by Mah. 27 of 1969, s. 17(b).
6 This marginal note was substituted, ibid., s. 17(d).
(4) It shall be lawful for the Collector and the Registrar to take precautionary measures authorised by sections 140 to 144 of the Bombay Land Revenue Code, V of 1897, or any law or provision corresponding thereto for the time being in force, 1879, 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.

CHAPTER X.
LIQUIDATION.

102. (1) If the Registrar—

(a) after an inquiry has been held under section 83 or an inspection has been made under section 84 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 general 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.

103. (1) When an interim order is passed under the last preceding section or a final order is passed under that section, for the winding up of a society, the Registrar may, in accordance with the rules, appoint a person to be Liquidator of the society, and fix his remuneration.

(2) On issue of the interim order, 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) When a final order is passed confirming the interim order, 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 105. The Registrar may remove such person and appoint another in his place, without assigning any reason.

1 The words were substituted for the words “the resource society” by Mah. 27 of 1969, s. 17(c).

2 The words “brackets, letters and figures “cause (a) or sub-clause (b) of clause (e) of” were deleted by Mah. 33 of 1963, s. 23.
(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 effect, 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 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.

Appeal against order of winding up.

104. (1) The committee, or any member, of the society ordered to be wound up, may, within two months from the date of the issue of the order made under section 102, appeal to the State Government:

Provided that no appeal shall lie against an order issued under sub-clause (i), (ii) or (iii) of clause (c) of sub-section (1) of section 102.

(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.

Powers of Liquidator, to the rules and the general supervision, control and direction of the Registrar:

105. [(f)] The Liquidator appointed under section 103 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 raise, on the security of the assets of the society, any money required;

(e) 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 rateable 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;

(f) 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;

(g) 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

1 Section 105 was re-numbered as sub-section (f) of that section by Mah. 3 of 1974, s. 30(f).
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:

(h) 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, nominees, heirs or legal representatives of deceased members, or by any officer, past officer or the estate or nominees, heirs or legal representatives of deceased officer to the assets of the society, such contribution being inclusive of debts due from such members or officers;

(i) to issue requisitions under section 98;

(j) to get disputes referred to the Registrar for decision by himself [or the Co-operative Court];

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

(l) to fix the time or times 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;

(m) to summon and enjoin the attendance of witnesses and to compel the production of any 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 Code of Civil Procedure, 1908;

(n) 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;

(o) to take such action as may be necessary under section 19, with the prior approval of the Registrar, if there is reason to believe that the society can be reconstructed.

1[(2) Notwithstanding anything contained in sub-section (l), the Liquidator shall not have the right to vote on behalf of the society in liquidation, at the election of the members of the committee or of officers of any other society.]

106. After expiry of the period for appeal against the order made under sub-section (l) of section 102 or where the appeal has been dismissed, the order for order of 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. The Registrar, may of his own motion, however, entertain or dispose of any dispute by or against the society.

107. 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:

1 These words were substituted for the words “or his nominee or board of nominees” by Mah. 3 of 1974, s 30 (l).

2 Sub-section (2) was added, ibid., s. 302.
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.

108. (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 were an act against which action could be taken under section 38:

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 on omission, in carrying out the duties and functions.

109. (1) The winding up proceedings of a society shall be closed \(^1\)[as soon as practicable within six years] from the date of the order of the winding up, unless the period is extended by the registrar:\n
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 \(^2\)[ten years] from the date of the order for winding up of the society, 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.

\(^1\) These words were substituted for the words "within three years" by Mah. 16 of 1969, s. 2(a).
\(^2\) These words were substituted for the words "seven years", ibid., s. 2(b).
110. 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 State Government, amongst its members in such manners as may be prescribed or be devoted to any object or objects provided in the by-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 by-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, 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 of local interest as may be recommended by the members in general meeting held under the preceding section;

(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 State Government; and

(c) any charitable purpose as defined in section 2 of the Charitable Endowments Act, 1890.

110A. 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) an order for the winding up of the bank shall be made [by the Registrar] if so required by the Reserve Bank of India in the circumstances referred to in section 13-D of the Deposit Insurance Corporation Act, 1961;

(iii) if so required by the Reserve Bank of India in the public interest or for preventing the affairs of the bank 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 [by the Registrar] for the supersession (removal) of the committee 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;

(iv) 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 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

1 Chapter X-A was inserted by Mah. 54 of 1969, s. 2.
2 These words were inserted by Mah. 36 of 1975, s. 9.
(v) the liquidator or the insured co-operative bank or the transferee bank, as the case may be, shall be under an obligation to pay the Deposit Insurance Corporation established under the Deposit Insurance Corporation Act, 1961, in 1961, the circumstances, to the extent and in the manner referred to in section 21 of that Act.

[Explanation.—In this section,—
(a) the expression "an insured co-operative bank" means a society which is an insured bank under the provisions of the Deposit Insurance Corporation Act, 1961;
(b) the expression "the transferee bank" has the same meaning as assigned to it in that Act.]

CHAPTER XI.

LAND DEVELOPMENT BANKS

111. This Chapter shall apply to—

(a) any co-operative bank or banks advancing loans, other than short-term loans, to or through the Primary Land Development Banks or directly, for the purposes herein enumerated (hereinafter referred to as "Land Development Bank or Banks"), that is to say—]

(i) land improvement and productive purposes;

(ii-a) works undertaken by lift irrigation societies, and electricity supply societies, for productive purposes;

(ii) erection, rebuilding or repairing of houses for agricultural purposes;

(iii) the purchase or acquisition of title to agricultural lands by agricultural langu and lands have been acquired for any public purpose; or]

(iv) the liquidation of debts under the Bombay Agricultural Debtors Relief Act, 1947, or any corresponding law for the time being in force in any part of the State; and

(b) any other co-operative bank permitted by the Registrar under section 142, to function as a Land Development Bank.

Explanation 1.—For the purposes of this section, short-term loan means a loan for a duration of less than 18 months.

Explanation 2.—Land improvement and productive purposes means any work, construction or activity which adds to the productivity of the land and, in particular, includes the following, that is to say—:

(a) construction and repair of wells (including tube wells), tanks and other works for the storage, supply or distribution of water for the purposes of agriculture, or for the use of men and cattle employed in agriculture;

(b) renewal or reconstruction of any of the foregoing works, or alterations thereto, or additions thereto;

(c) preparation of land for irrigation;

* This Explanation was substituted for the original by Mah. 36 of 1975, s. 9(c).
* This portion was substituted for the portion beginning with "Co-operative banks" and ending with "that is to say" by Mah. 43 of 1972, s. 2.
* Sub-clause (i-a) was inserted by Mah. 27 of 1969, s. 18.
* These words were inserted by Mah. 33 of 1963, s. 2.
* The word "or" was deleted by Mah. 27 of 1971, s. 2(a).
* Sub-clause (ii-a) was inserted, ibid., s. 2(b).
* These words were substituted for the word "agriculturists" by Mah. 3 of 1974, s. 31(a).
* These words were substituted for the words "any project undertaken by the State Government and Zilla Parishads; or", ibid., s. 31(b).
(d) drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes, or waste land which is culturable;

(e) bunding and similar improvements;

(f) reclamation, clearance and enclosure or permanent improvement of land for agricultural purposes;

(g) horticulture;

(h) purchase of oil engines, pumping sets and electrical motors for any of the purposes mentioned herein;

(i) purchase of tractors or other agricultural machinery;

(j) increase of the productive capacity of land by addition to it of special variety of soil;

(k) construction of permanent farm-houses, cattle-sheds, and sheds for processing of agricultural produce at any stage;

(l) purchase of machinery for crushing sugarcane, manufacturing gur or khandsari or sugar;

(m) purchase of land for consolidation of holdings under the Bombay Prevention of Fragmentation and Consolidation of Holdings Act, 1947;

[(mm) purchase of shares of processing societies;]

(n) such other purposes as the State Government may, from time to time, by notification in the Official Gazette, declare to be improvement or productive purpose for the purpose of this Chapter.

112. (1) There shall be a State Land Development Bank for the State of Maharashtra. If considered necessary by the State Government, in the public interest or in the interest of the co-operative movement, there may be one or more Primary Land Development Banks; but nothing in this sub-section shall be taken to require the establishment or continuance of any Primary Land Development Banks.

(2) A reference to Land Mortgage Bank in any law, or instrument, for the time being in force in the State, shall, with effect from the commencement of this Act, be construed as a reference to a Land Development Bank within the meaning of this Chapter.

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1 Clause (mm) was inserted by Mah. 36 of 1975, s. 10.
2 Sub-section (1) was substituted by Mah. 23 of 1972, s. 3.
(3) With effect from the commencement of this Act, and until such time as the names of the Land Mortgage Banks and societies functioning in the State at the commencement of this Act are changed into Land Development Banks, all acts done by them or mortgages and other documents executed by them, or in their favour, and all suits and other proceedings filed by or against them shall be deemed to have been done, executed or filed, as the case may be, by or against them as Land Development Banks.

113. (1) The Registrar, or any other person appointed by the State Government in this behalf, shall be Trustee for the purpose of securing the fulfilment of the obligations of the State Development Bank to the holders of debentures issued by it.

(2) The Trustee shall be a corporation sole by the name of the Trustee for the debentures in respect of which he is appointed, and shall have perpetual succession and a common seal, and in his corporate name may sue and be sued.

(3) The powers and functions of the Trustee shall be governed by the provisions of this Act, and the instrument of trust executed between the State Land Development Bank and the Trustee, as modified from time to time by mutual agreement between the State Land Development Bank and the Trustee.

114. (1) With the previous sanction of the State Government and the Trustee, issue of debentures and subject to such terms and conditions as the State Government may impose the State Land Development Bank in the discharge of its function as a Land Development Bank may issue debentures of such denominations, for such period, and at such rates of interest, as it may deem expedient on the security of mortgages, or mortgages to be acquired or partly on mortgages held and partly to be acquired, and properties and other assets of the Land Development Banks.

(2) Every debenture may contain a term fixing a period not exceeding thirty years from the date of issue during which it shall be redeemable, or reserving to the committee the right to redeem at any time in advance of the date fixed for debenture not less than three months' notice in writing.

(3) The total amount due on debentures issued by the State Land Development Bank, and outstanding at any time, shall not exceed—

(a) where debentures are issued against mortgages held, the aggregate of—

(i) the amounts due on the mortgages;

(ii) the value of the properties and other assets transferred or deemed to have been transferred under section 121 by the Primary Land Development Banks to the State Land Development Bank and subsisting at such time; and

(iii) the amounts paid under the mortgages aforesaid and the unsecured amounts remaining in the hands of the State Land Development Bank or the Trustee at the time;

(b) where debentures are issued otherwise than on mortgages held, the total amount as calculated under clause (a) increased by such portion of the amount obtained on the debentures as is not covered by a mortgage.

115. The principal of, and interest on the debentures issued under the preceding section, or any specified portion thereof, may carry the guarantee of the State Government, subject to such maximum amount as may be fixed by the State Government, and to such conditions as the State Government may think fit to impose.
116. Upon the issue of debentures under the provisions of section 114, the mortgage properties and other assets referred to in sub-section (3) of that section held by the State Land Development Bank, shall vest in the Trustee, and the holders of debentures shall have a floating charge on all such mortgages and assets, and on the amount paid under such mortgages, and remaining in the hands of the State Land Development Bank or of the Trustee.

117. Subject to the provisions of this Act and the rules made thereunder, it shall be competent for the Land Development Banks to advance loans for the purposes referred to in section 111, and to hold lands the possession of which is transferred to them under the provisions of this Chapter.

118. (1) When an application for a loan is made for any of the purposes mentioned in section 111, a public notice shall be given of the application in such manner as may be prescribed calling upon all persons interested to present their objections to the loan, if any, in person, at a time and place fixed therein. The State Government may, from time to time, prescribe the persons by whom such public notice shall be given and the manner in which the objections shall be heard and disposed of.

(2) The prescribed officer shall consider every objection submitted under sub-section (1) and make an order in writing either upholding or overruling it:

Provided that, when the question raised by an objection is in the opinion of the officer one of such a nature that it cannot be satisfactorily decided except by a civil court, he shall postpone the proceedings on the application until the question has been so decided.

(3) A notice under sub-section (1), published in the manner prescribed, shall, for the purpose of this Act be deemed to be proper notice to all persons having or claiming interest in the land to be improved, or offered as security for the loan.

(4) Subject to such rules as may be prescribed, the Land Development Banks shall consider such applications after due enquiry for the purpose of making loans under this chapter.

(5) If any person interested in the land has failed to present his objection (if any) under sub-section (1) in time, the application for loan shall be considered in his absence, and if the loan applied for is sanctioned, such person shall, notwithstanding anything contained in this Act or any other law for the time being in force, have no claim whatsoever against the land to be improved or offered as security till such time as the amount of loan together with interest thereon or any other dues arising out of the loan are paid in full by the loanee.

119. A written order by the Land Development Bank, or persons or committees authorised under the by-laws of the Bank to make loans for all or any of the purposes specified in section 111, granting, either before or after the commencement of this Act, a loan to or with the consent of a person mentioned therein, for the purpose of carrying out the work specified therein for the benefit of the land or for the productive purpose specified therein, shall for the purposes of this Act be conclusive of the following matters, that is to say,—

(a) that the work described or the purpose for which the loan is granted, is an improvement or productive purpose, as the case may be, within the meaning of section 111;

Sub-section (5) was added by Mah. 27 of 1969, s. 19.
(b) that the person had at the date of the order a right to make such an improvement or incur expenditure for productive purpose, as the case may be; and
(c) that the improvement is one benefiting the land specified and productive purpose concerns the land offered in security, or any part thereof as may be relevant.

120. (7) A mortgage executed in favour of a Land Development Bank, shall have priority of priority over any claim of the Government arising from a loan granted after the execution of the mortgage under the Land Improvement Loans Act, 1883, or the Agriculturists Loans Act, 1884, or under any other law for the time being in force.

(2) Notwithstanding anything contained in the Bombay Tenancy and Agricultural Lands Act, 1948, or any other corresponding law for the time being in force, where a mortgage in favour of a Land Development Bank is in respect of land in which a tenant purchaser or tenant has an interest, the mortgage may be against the security of such interest, and the rights of the mortgage shall not be affected by the failure of the tenant purchaser or tenant to comply with the requirements of such law, and the sale of the land and his interest therein under such law shall be subject to the prior charge of the Land Development Bank.

121. The mortgagees executed in favour of, and all other assets transferred to, a Land Development Bank, by the members thereof, before or after the commencement of the Act, shall, with effect from the date of such execution or transfer, be deemed to have been transferred by such Land Development Bank to the State Land Development Bank, and shall vest in the State Land Development Bank.

122. Notwithstanding anything contained in the Indian Registration Act, 1908, it shall not be necessary to register mortgages [or leases] executed in favour of the Land Development Banks, provided that the Land Development Bank concerned sends within such time and in such manner as may be prescribed, a copy of the instrument whereby the property [is mortgaged or leased] to the Registering Officer within the local limits of whose jurisdiction the whole or any part of the property mortgaged [or, as the case may be, leased] is situate, and such Registering Officer shall file a copy or copies as the case may be in his Book No. 1 prescribed under section 51 of the Indian Registration Act, 1908.

123. Notwithstanding anything contained in the Presidency-towns Insolvency Moritgage Act, 1909 or the Provincial Insolvency Act, 1920 or any corresponding law for the time being in force, a mortgage, executed in favour of a Land Development Bank, shall not be called in question in any insolvency proceedings on the ground that it was not executed in good faith for valuable consideration, or on the ground that it was executed in order to give the Bank a preference over other creditors of the mortgagor.

124. (1) Where a mortgage is executed in favour of a Land Development Bank Right of for payment of prior debts of the mortgagor, such bank shall, notwithstanding anything contained in the Transfer of Property Act, 1882, by notice in writing require any person to whom any such debt is due, to receive payment of such debt or part thereof from the bank at its registered office, within such period as may be specified in the notice.
(2) Where any such person fails to accept such notice or, to receive such payments, such debts or part thereof as the case may be, shall cease to carry interest from the expiry of the period specified in the notice:

Provided that, where there is a dispute as regards the amount of any such debt, the person to whom such debt is due shall be bound to receive payment of the amount offered by the Land Development Bank towards the debt, but such receipt shall not prejudice the right, if any, of such person to recover the balance claimed by him.

125. (1) Mortgages, in respect of loans by a Land Development Bank or the State Land Development Bank either before or after the commencement of this Act, by the manager of a Hindu joint family for the improvement of agricultural land or of the methods of cultivation, or for financing any other means to raise the productivity of the land, or for the purchase of land, shall be binding on every member of such joint Hindu family, notwithstanding any law to the contrary.

(2) In other cases, where a mortgage executed in favour of a Land Development Bank or State Land Development Bank either before or after the commencement of this Act, is called in question on the ground that it was executed by the manager of a Hindu joint family for a purpose not binding on the members (whether such members have attained majority or not) thereof, the burden of proving the same shall, notwithstanding any law to the contrary, lie on the party alleging it.

126. Section 8 of the Hindu Minority and Guardianship Act, 1956, shall apply to mortgages in favour of a Land Development Bank, subject to the modification that reference to the court therein shall be construed as reference to the Collector or his nominee, and the appeal against the order of the Collector or his nominee, shall lie to the Commissioner.

127. (1) Notwithstanding anything contained in the Transfer of Property Act, IV of 1882 or any other law for the time being in force, no mortgagor of property mortgaged to a Land Development Bank, shall except with the prior consent in writing, of the bank, and subject to such terms and conditions as the bank may impose, lease or create any tenancy rights on any such property:

Provided that, the rights of the Land Development Bank shall be enforceable against the tenant purchaser, the lessee or the tenant, as the case may be, as if he himself were a mortgagor.

(2) Where land, mortgaged with possession to a Land Development Bank, is in actual possession of a tenant, the mortgagor or the Land Development Bank shall give notice to the tenant to pay rent to the Land Development Bank during the currency of the lease and the mortgage, and on such notice being given, the tenant shall be deemed to have attorned to the Land Development Bank.

128. Notwithstanding anything contained in section 121, all monies due under the mortgage shall unless otherwise directed by the State Land Development Bank or the Trustee, and communicated to the mortgagor, be payable by the mortgagor to the Land Development Bank, and such payments shall be as valid as if the mortgage had not been so transferred and the Land Development Bank shall in the absence of specific direction to the contrary, issued by the State Land
47. (1) Notwithstanding anything in any other law for the time being in force, but subject to any prior claim of 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,—

(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 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 by-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 by-law or of any such contract, shall reimburse the society for any loss, determined in such manner as may be specified in the by-laws.

48. Notwithstanding anything contained in this Act or in any other law for the time being in force,—

(a) any person who makes an application to a society of which he is a member, for a loan, shall, if he owns any land or has interest in any land as tenant, make a declaration in the form prescribed. Such declaration shall state that the applicant thereby creates a charge on such land or interest specified in the declaration for the payment of the amount of the loan which the society may make to the members in pursuance of the application, and for all future advances (if any) required by him which the society may make to him as such member subject to such maximum as may be determined by the society, together with interest on such amount of the loan and advances;
(b) any person who has taken a loan from a society of which he is a member, before the date of the coming into force of this Act, and who owns any land or has interest in land as a tenant, and who has not already made such a declaration before the aforesaid date shall, as soon as possible thereafter, make a declaration in the form and to the effect referred to in clause (a); and no such person shall, unless and until he has made such declaration, be entitled to exercise any right, as a member of the society;

(c) a declaration made under clause (a) or (b) may be varied at any time by a member, with the consent of the society in favour of which such charge is created;

(d) no member shall alienate the whole or any part of the land or interest therein, specified in the declaration made under clause (a) or (b) until the whole amount borrowed by the member together with interest thereon, is repaid in full:

Provided that, it shall be lawful to a member to execute a mortgage bond [(in respect of such land or any part thereof in favour of a Land Development Bank or of the State Government) under the Bombay Canal Rules made under Bom. the Bombay Irrigation Act, 1879 or under any corresponding law for the time being in force for the supply of water from a canal to such land, or to any part, 1879. thereof]:

Provided further that, if a part of the amount borrowed by a member is paid [(the society with the approval of the Central Bank to which it may be indebted)] may, on an application from the member, release from the charge created under the declaration made under clause (a) or (b), such part of the movable or immovable property specified in the said declaration, as it may deem proper, with due regard to the security of the balance of the amount remaining outstanding from the member;

(e) any alienation made in contravention of the provisions of clause (d) shall be void;

(f) subject to all claims of the Government in respect of land revenue or any money recoverable as land revenue, and all claims of the Land Development Bank in respect of its dues, in either case whether prior in time or subsequent] and to [(the charge (if any) created under an award made under the Bombay Agricultural Bom. Debtsors Relief Act, 1947 or any corresponding law for the time being in force in XXV any part of the State, there shall be a first charge in favour of the society on the land or interest specified in the declaration made under clause (a) or (b), for and to the extent of the dues owing (by the member) on account of the loan);

(g) and in particular, notwithstanding, anything contained in Chapter X-A of the Bombay Land Revenue Code, 1879 or any corresponding law for the time being in force, the Record of Rights maintained thereunder shall also include [(the particulars of every charge on land or interest created under a declaration 1879. under clause (a) or (b).]

Explanation.—For the purposes of this section the expression "society" means—

(i) any resource society, the majority of the members of which are agriculturists and the primary object of which is to obtain credit for its members, or

(ii) any society, or any society o the class of societies, specified in this behalf by the State Government by a general or special order.

1 These words were substituted for the words "in favour of a mortgage bank or the State Government in respect of such land or any part thereof," by Mah. 33 of 1963, s. 10 (a) (i).
2 These words were substituted for the words "the Central Financing Agency," ibid., s. 10(a)(ii).
3 These words were substituted for the portion beginning with "subject to " and ending with "in respect of its dues," by Mah. 12 of 1966, s. (2) (a).
4 These words were substituted for the words "by him" ibid., s. 2 (b).
Development Bank or Trustee and communicated to the bank, be entitled to sue on the mortgage or take any other proceeding for the recovery of the monies due under mortgage.

29. Where any property mortgaged to a Land Development Bank is wholly or partially destroyed, or for any reason the security is rendered insufficient and the mortgagor, having been given a reasonable opportunity by the bank to provide further security enough to render the whole security sufficient, or to repay such portion of the loan as may be determined by the bank, has failed to provide such security or to repay such portion of the loan, the whole of the loan shall be deemed to fall due at once; and the bank shall be entitled to take action against the mortgagor under section 132 or section 133 for the recovery thereof.

Explanation.—Security shall be deemed insufficient within the meaning of this section, unless the value of the mortgaged property (including improvements made thereon) exceeds the amount for the time being due on the mortgage by such proportion as may be specified in the rules, regulations or the bye-laws of the Land Development Bank.

130. (1) Property purchased under section 133 (3) by, and property transferred under section 100 to, the Land Development Banks may be disposed of by such banks by sale within such period as may be fixed by the Trustee, subject to the condition that such sales shall be in favour only of agriculturists eligible to mortgaged hold land under the Bombay Tenancy and Agricultural Lands Act, 1948 or any corresponding law for the time being in force, or may be leased out by them on such terms and conditions as may be laid down by the State Government from time to time.

(2) Nothing contained in any law for the time being in force fixing the maximum limit of agricultural holdings shall apply to the acquisition or holding of land by the Land Development Banks under this section.

131. All loans granted by the Land Development Banks, all interests (if any) chargeable thereon, and costs (if any), incurred in making the same, shall when they become due, be recoverable by the Land Development Bank concerned.

132. (7) If any instalment payable under a mortgage executed in favour of a Land Development Bank, or any part of such instalment, has remained unpaid for more than one month from the date on which it fell due, the committee of such bank may, in addition to any other remedy available to the bank, apply to the Registrar or the Collector for the recovery of such instalments or part thereof by distraint and sale of the produce of the mortgaged land, including the standing crops thereon.

(2) On receipt of such application, the Registrar or the Collector, as the case may be, may, notwithstanding anything contained in the Transfer of Property Act, 1882, take action in the manner prescribed for the purpose of distraining and selling such produce:

Provided that, no distraint shall be made after the expiry of twelve months from the date on which the instalment fell due.

(3) The value of the property distrained shall as nearly as possible, be equal to the amount due and the expenses of the distraint and the costs of the sale.

1 These words were substituted for the words "mortgage bank" by Mah. 33 of 1963, s. 26.
133. (1) Notwithstanding anything contained in the Transfer of Property Act, 1882, the Land Development Bank or any person authorised by it in this behalf shall, in case of default of payment of the mortgage money, or any part thereof, have power, in addition to any other remedy available to the bank, to bring the mortgaged property to sale by public auction in the village in which the mortgaged property is situated or at the nearest place of public resort, without the intervention of the Court:

Provided that, no action shall be taken under this sub-section and no such power shall be exercised, unless and until—

(a) the Land Development Bank has been previously authorised to exercise the power conferred under this sub-section after hearing the objections, if any, of the mortgagor or mortgagors,

(b) notice in writing requiring payment of such mortgage money or part thereof has been served upon—

(i) the mortgagor or each of the mortgagors,

(ii) any person who has any interest in or charge upon the property mortgaged, or in or upon the right to redeem the same so far as is known to the bank,

(iii) any surety for the payment of the mortgaged debt or any part thereof, and

(iv) any creditor of the mortgagor who has in a suit for administration of his estate obtained a decree for sale of mortgaged property, and

(c) default has been made in payment of such mortgage money or part thereof, for three months after service of the notice.

(2) If the Land Development Bank fails to take action against a defaulter under section 129 or 132 or under this section, the State and Development Bank may direct the Land Development Bank to take appropriate action, and where no action is taken either by the State Land Development Bank, or the Land Development Bank, the Trustee may take such action. If such action is taken by the Trustee, the provisions of this Chapter and of any rules prescribed shall apply in respect thereto as if all references to the Land Development Bank in the said provision were references to the Trustee.

(3) Notwithstanding anything contained in any law for the time being in force, it shall be lawful for a primary Land Development Bank or the State Land Development Bank to purchase any mortgaged property sold under this Chapter.

134. (1) On effecting the sale by a Land Development Bank under section 133, the bank shall, in the prescribed manner, subject to the State Land Development Bank and the Registrar a report setting forth the manner in which the sale has been effected and the result of the sale, and the State Land Development Bank may, with the approval of the Registrar, confirm the sale or cancel it.

(2) Where the sale is effected by the State Land Development Bank or the Trustee under section 133, the State Land Development Bank or the Trustee, as the case may be, shall in the prescribed manner submit to the Registrar a report setting forth the manner in which the sale has been effected and the result of the sale, and the Registrar may confirm or cancel the sale.
135. The proceeds of every sale effected under section 133 and confirmed under the preceding section, shall be applied first in payment of all costs, charges and expenses incurred in connection with the sale or attempted sale, secondly in payment of any or all interest due on account of the mortgage in consequence whereof the mortgage property was sold, and thirdly in payment of the principal due on account of the mortgage including costs and charges incidental to the recovery.

If there remain any residue from the proceeds of sale, the same shall be paid to the person proving himself interested in the property sold, or if there are more such persons than one, to such persons upon their joint receipt or according to their respective interest therein, as may be determined by Land Development Bank:

Provided that, before any such payments are made the unsecured dues owing—
(a) from the mortgagor to the Land Development Bank may be adjusted, and
(b) from any member or past member to whom the mortgagor is indebted may also be adjusted under the written authority given by such member and past member, and after holding such inquiry as may be deemed necessary.

136. (1) Where a sale of mortgaged property has become absolute under section 134 and the sale-proceeds have been received in full by the Land Development Bank, the bank shall grant a certificate to the purchaser in the prescribed form certifying the property sold, the sale-price, the date of its sale, the name of the person who at the time of the sale is declared to be the purchaser, and the date on which the sale became absolute; and upon the production of such certificate the Sub-Registrar appointed under the Indian Registration Act, 1908, within the limits of whose jurisdiction the whole or any part of the property specified in the certificate is situated, shall enter the contents of such certificate in his register relating to immovable property.

(2) (a) Where the mortgaged property sold is in the occupancy of the mortgagor, or of some person on his behalf, or some person claiming under a title created by the mortgagor, subsequent to the mortgage in favour of the State Land Development Bank or a Land Development Bank and a certificate in respect thereof has been granted under the foregoing sub-section, the Collector shall, on the application of the purchaser, order delivery to be made by putting such purchaser or any person whom he may appoint to receive delivery on his behalf, in possession of the property.

(b) Where the property sold is in the occupancy of a tenant or other person entitled to occupy the same, and a certificate in respect thereof has been granted under the foregoing sub-section, the Collector shall, on the application of the purchaser and after notice to such tenants or other persons, order the delivery to be made by affixing copy of the certificate of sale in a conspicuous place on the property and proclaiming to the occupant by beat of drum or other customary mode at some convenient place, that the right, title and interest of the mortgagor have been transferred to the purchaser.

(3) Where any property is sold in the exercise or purported exercise of a power of sale under section 133, the title of the purchaser shall not be questioned on the ground that the circumstances required for authorising the sale had not arisen, or due notice of the sale was not given, or the power of sale was otherwise improperly or irregularly exercised:

Provided that, any person who suffers damage on account of unauthorised, improper or irregular exercise of such power shall have a remedy in damages against the Land Development Bank.
137. (1) Notwithstanding anything contained in sections 91 and 98 on an application made by a Land Development Bank for the recovery of arrears of any sum advanced by it to any of its members and on its furnishing a statement of accounts in respect of the arrears, the Registrar may, after making such enquiries as he deems fit, grant a certificate for the recovery of the amount stated therein to be due as arrears.

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

(3) It shall be lawful to the Collector to take precautionary measures authorised by sections 140 to 144 of the Bombay Land Revenue Code, 1879 or any law or provision corresponding thereto for the time being in force until the arrears due to the Land Development Bank together with interest and any incidental charges incurred in the recovery of such arrears, are paid or security of such arrears is furnished to the satisfaction of the Registrar.

(4) It shall be competent for Registrar or a person authorised by him to direct conditional attachment of the property of the mortgagor until the arrears due to the Land Development Bank together with interest and any incidental charges incurred in recovering such arrears are paid or security for payment of such arrears is furnished to the satisfaction of the Registrar and the provisions of section 96 shall apply mutatis mutandis to conditional attachment of any property made or to be made under this section.

138. (2) Any amount due to a Land Development Bank (including cost of recovery thereof) shall on an application by it in this behalf be recoverable by the Collector, of any officer specially authorised by the Collector in this behalf, in all or any of the following modes, namely:

(a) from the borrower—as if they were arrears of land revenue due by him;

(b) out of the land for the benefit of which the loan has been granted—as if they were arrears of land revenue due in respect of that land;

(c) from a surety (if any)—as if they were arrears of land revenue due by him;

(d) out of the property comprised in the collateral security (if any)—according to the procedure for the realisation of land revenue by the sale of movable property other than the land on which the revenue is due.

139. At any sale of movable or immovable property, held under the provisions of this Chapter, no officer or employee of a Land Development Bank or the State Land Development Bank, except on behalf of the bank of which he is an officer or an employee, and no person having any duty to perform in connection with such sale, shall either directly or indirectly bid for or acquire or attempt to acquire any interest in such property.

* Sub-section (2) was deleted by Mah. 33 of 1983, s. 27(a).
* These words were substituted for the words “a Land Development Bank shall”, ibid, s. 27 (b).
* This marginal note was substituted, ibid, s. 27 (a).
140. Nothing contained in section 40 of the Bombay Agricultural (Debtors) Relief Act, 1947, or any corresponding law for the time being in force in any part of Bom. XXVIII of 1947, shall apply to any alienation in favour of the Land Development Banks.

141. (1) It shall be competent for the State Government to constitute one or more Guarantee Funds on such terms and conditions as it may deem fit, for the purpose of meeting losses that might arise as a result of loans being made by the Land Development Banks on titles to immovable property subsequently found to be defective or for any other purpose under this Chapter, for which in the opinion of the State Government it is necessary to provide for or create a separate Guarantee Fund.

(2) The State Land Development Banks and the Land Development Banks shall contribute to such funds at such rate as may be prescribed, and the constitution, maintenance and utilisation of such funds shall be governed by such rules, as may be made by the State Government in this behalf.

142. It shall be competent for the Registrar to permit any co-operative bank to function as a Land Development Bank under such terms and conditions and for such period as he may deem fit.

143. The provisions of sections 102 and 103 of the Transfer of Property Act, 1882, and of any rules made under section 104 thereof shall apply, so far as may be, in respect of all notices to be served under this Chapter.
for advancing of loans (including provisions for mortgaging of property) and
recovery thereof shall apply in relation to the amount of cost to be recovered
from each owner of land as they apply in relation to advancing of loans and
recovery thereof (including interest) as if such owner was a member of the Land
Development Bank. The transfer of the rights and liabilities and payment made
in accordance therewith shall discharge the owners of lands of their liability to
make payment to the State Government under the Bombay Land Improvement
Schemes Act, 1942, but to the extent only of their respective liability accepted by
the Bank].

144. The committee of the State Land Development Bank shall have a general
power of supervision over Land Development Banks and may, with the previous
sanction of the State Government, make regulations, not inconsistent with this Act
or the rules made thereunder, for all or any of the following matters, namely:

(a) for the inspection of the account books and proceedings of Land Develop-
ment Banks;

(b) for the submission of returns and reports by such banks in respect of their
transactions;

(c) for the periodical settlement of accounts between such banks and the State
Land Development Bank being accounts relating to the payment of the amounts
recovered by such banks on mortgages transferred to the State Land Develop-
ment Bank;

(d) for the form in which applications to such banks for loans shall be made
and for the valuation of properties offered as security for such loans;

(e) for the investment of moneys realised from the mortgagors;

(f) the conditions of service of employees of such banks;

(g) the programme and policy to be followed by such banks for making loans;

(h) the terms and extent of security to be obtained by such banks for advancing
loans;

(i) generally, for the purpose of safeguarding the interest of the parties,
furtherance of activities of such banks, and carrying out the purposes of this
Chapter.

1[144-IA. (1) Notwithstanding anything in this Act or in any rules or bye-laws
made thereunder, it shall be lawful for the State Government to provide from
time to time, by an order made under and in accordance with the provisions
of section 18, for the reorganisation of the State Land Development Banks, either
by amalgamating with it all or any of the Primary Land Development Banks or
otherwise, or for the division of the State Land Development Bank into a State
Land Development Bank and one or more Primary Land Development Banks
as may be considered necessary; or for the amalgamation or division of all or
any of the Primary Land Development Banks among themselves. Accordingly,
for the purposes of this section, in section 18 and in any rules made thereunder,
for the word “Registrar”, wherever it occurs, the words “State Government”
shall be deemed to be substituted.

(2) Where there is no Primary Land Development Bank in the State or in any
part thereof, or Primary Land Development Banks are merged with the State
Land Development Bank, the State Land Development Bank may establish and
maintain as many branches as may be deemed necessary; and shall function also
as a Primary Land Development Bank throughout the State or in the area
concerned, as the case may be. Any reference to a Primary Land Development
Bank in this Act, or any other law for the time being in force or in any instru-

1 Section 144-IA was inserted by Mah. 3 of 1972, s. 4.
shall then, as the context may require, be construed as a reference to the State Land Development Bank or its branches concerned, or be read subject to such modifications as may be necessary due to absence of any Primary Land Development Bank or due to merger of the Primary Land Development Bank or Banks in the State Land Development Bank."

\[144-1B.\] Notwithstanding anything contained in this Act or in any rules or bye-laws or order made thereunder or in any judgment, decree, or order of any Court, Tribunal or other competent authority, if the State Government, having regard to the financial or other stakes of the State Government involved and its vital concern with the orderly and efficient functioning of the State Land Development Bank is, at any time, satisfied that with a view to safeguarding its own interest and to securing proper implementation of agricultural and other programmes of development undertaken by such Bank, it is necessary that the committee of such Bank should be appointed by the State Government, it shall be lawful for the State Government, instead of holding any elections or continuing the existing committee, to appoint, by order published in the Official Gazette, a new committee of such Bank consisting of such number of members and for such period not exceeding three years, as may be specified in such order.

The committee so appointed shall exercise all the powers and perform all the duties and functions of the committee of such Bank as laid down in this Act or the rules and bye-laws made thereunder or any other law for the time being in force.\]

\[CHAPTER XI-A\]

\[ELECTIONS OF COMMITTEES AND OFFICERS OF CERTAIN SOCIETIES.\]

\[144-A.\] (1) \[Except section 144-Y, this Chapter shall apply\] only to elections to committees of societies belonging to the categories specified in section 73-G.

(2) In this Chapter, unless the context otherwise requires,-

(a) "Collector" means the Collector having jurisdiction over the local areas in which the registered office of the society concerned is situated; \[and includes the Additional Collector, and also any officer not below the rank of Deputy Collector, appointed by the State Government to exercise the powers and to perform the duties of the Collector under this Chapter.\]

(b) "election" means an election of a member or members of the committee of a specified society;

(c) "specified society" means a society belonging to any of the categories specified in section 73-G.

\[144-B.\] Every election shall be held as far as possible sometime prior to the date on which the term of office of the retiring member or members is due to expire. If a vacancy occurs due to any other reason, it shall be filled as early as possible.

\[144-C.\] (1) Save as otherwise provided, every election shall be held on such date or dates as the Collector may fix, and shall be conducted under his control by such Returning Officer and other officers, as may be appointed by the Collector in this behalf.
(2) In all cases, where a society has to send a nominee as a member of the committee of any specified society, the election of such nominee shall be conducted under the control of the Collector of the District in which the registered office of the society sending the nominee is situated.

(3) In all cases, where the by-laws of a specified society authorise the Government nominee or the nominee of a Financing Agency to be a member of the committee of the society, no election need be held for such purpose.

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

144-D. (1) The expenses of the holding of any election, including the payment of travelling allowances, daily allowances and other remuneration, if any, conducting to the persons appointed to exercise the powers and perform the duties in respect elections of the election, shall be borne by the specified society concerned.

(2) For this purpose, the Collector may call upon a specified society to deposit with him such amount as he considers necessary for the conduct of the election. Within eight days from the receipt of such direction from the Collector, the society shall deposit the specified amount with the Collector.

(3) The Collector shall maintain an account of the expenses incurred in connection with the election and within six months from the declaration of results of the election, render the same to the society concerned, and shall refund to the society the balance, if any, remaining unspent. If the expenditure exceeds the amount of deposit, the Collector shall call upon the society to pay the excess amount as specified by him within eight days from the receipt of the direction from him, and the society shall comply with such direction.

(4) On failure of a specified society to pay as aforesaid the deposit amount or to pay the excess amount, the Collector may recover the sums due, together with interest thereon at the rate of 12 per cent, per annum, from the society as arrears of land revenue.

144-E. (1) A person shall be disqualified for being elected as, and for being a member of the committee of any specified society,—

[(a) if he is a salaried employee of any society (other than a society of employees themselves) or holds any office of profit under any society, except when he holds or is appointed to the office of a Managing Director or any other office declared by the State Government by general or special order not to disqualify its holder or is entitled to be or is elected, appointed or co-opted to any reserved seat on the committee of a society under section 73BB;]

(b) if he has been convicted of an offence punishable under section 153-A or section 171E or section 171F or sub-section (2) or sub-section (3) of section 505 of the Indian Penal Code, or under section 144Q or clause (a) of sub-section (2) of section 144R of this Act, unless a period of six years has elapsed since the date of his conviction;

(c) if he has been convicted by a Court in India for any offence and sentenced to imprisonment for not less than two years, unless a period of five years has elapsed since his release;

(d) if he is found guilty of a corrupt practice by the Commissioner of the Division, unless a period of six years has elapsed since the date on which the decision of the Commissioner takes effect:

(e) if he is so disqualified by or under any other provision of this Act.

* Clause (d) was deemed always to have substituted by Mah. 3 of 1974, s. 34(1). for saving see s. 36 (2).
(2) For the purposes of clause (a) of sub-section (1), a person shall not be deemed to hold an office of profit under a society, if he does not receive any remuneration other than compensatory allowance, or honorarium payable under sub-section (2) of section 65 not exceeding rupees six thousand per year.

Explanation.—In this sub-section, “compensatory allowance” means the travelling allowance, the daily allowance or such other allowance which is paid to the holder of the office for the purpose of meeting the personal expenditure in performing the functions as holder of that office.

(3) Notwithstanding anything contained in clause (b) or (c) of sub-section (1), a disqualification under either clause shall not, in the case of a person who on the date of the conviction is a member of any specified society, take effect until three months have elapsed from that date or, if within that period an appeal or application for revision is brought in respect of the conviction or the sentence until that appeal or application is disposed of by the Court.

144-F. (1) Every candidate at an election shall keep a separate and correct account of all expenditure in connection with the election incurred or authorised by him.

(2) The account shall contain such particulars as may be prescribed.

(3) The total of the said expenditure shall not exceed such amount as may be specified by the State Government, by general or special order, published in the Official Gazette.

(4) Every contesting candidate at an election shall, within thirty days from the date of election of the returned candidate or, if there are more than one returned candidate at the election and the dates of their election are different, the later of those two dates, lodge with the Collector an account of his election expenses which shall be a true copy of the account kept by him under sub-section (1).

144-G. If the Collector is satisfied that a person,—

(a) has failed to lodge an account of election expenses within the time and in the manner required by the last preceding section, and

(b) has no good reason or justification for the failure,

the Collector shall, by order published in the Official Gazette, declare him to be disqualified for being elected as, and for being, a member of the committee of any specified society, and any such person shall be disqualified for a period of three years from the date of the order.

144-H. The State Government may, for reasons to be recorded, remove any disqualification under this Chapter or reduce the period of any such disqualification.

144-I. The following shall be deemed to be corrupt practices for the purposes of this Chapter:—

(1) “Bribery”, that is to say—

(A) any gift offer or promise by a candidate or his agent or by any other person with the consent of a candidate or his election agent of any
gratification, to any person whomsoever, with the object, directly or indirectly of inducing—

(a) a person to stand or not to stand as, or to withdraw or not to withdraw from being a candidate at an election, or

(b) an elector to vote or refrain from voting at an election, or as a reward to—

(i) a person for having stood or not stood or for having withdrawn or not having withdrawn his candidature; or

(ii) an elector for having voted or refrained from voting;

(B) the receipt of, or agreement to receive, any gratification, whether as a motive or a reward—

(a) by a person for standing or not standing as, or for withdrawing or not withdrawing from being a candidate; or

(b) by any person whomsoever for himself or any other person for voting or refraining from voting, or inducing or attempting to induce any elector to vote or refrain from voting, or any candidate to withdraw or not to withdraw his candidature.

Explanation.—For the purposes of this clause, the term "gratification" is not restricted to pecuniary gratifications or gratifications estimable in money and it includes all forms of entertainment and all forms of employment for reward, but it does not include the payment of any expenses bona fide incurred at, or for the purpose of, any election and duly entered in the account of election expenses referred to in section 144-F.

(2) Undue influence, that is to say, any direct or indirect interference or attempt to interfere on the part of the candidate or his agent, or of any other person with the consent of the candidate or his election agent, with the free exercise of any electoral right:

Provided that—

(a) without prejudice to the generality of the provisions of this clause, any such person as is referred to therein who—

(i) threatens any candidate or any elector, or any person in whom a candidate or an elector is interested, with injury of any kind including social ostracism and ex-communication or expulsion from any caste or community, or

(ii) induces or attempts to induce a candidate or an elector to believe that he, or any person in whom he is interested, will become or will be rendered an object of divine displeasure or spiritual censure,

shall be deemed to interfere with the free exercise of the electoral right of such candidate or elector within the meaning of this clause;

(b) a declaration of public policy, or a promise of public action, or the mere exercise of a legal right without intent to interfere with an electoral right, shall not be deemed to be interference within the meaning of this clause.
(3) The hiring or procuring, whether on payment or otherwise, of any vehicle or vessel by a candidate or his agent or by any other person with the consent of a candidate or his election agent, or the use of such vehicle or vessel for the free conveyance of any elector (other than the candidate himself, the members of his family or his agent) to or from any polling station:

Provided that, the hiring of a vehicle or vessel by an elector or by several electors at their joint costs for the purpose of conveying him or them to and from any polling station shall not be deemed to be a corrupt practice under this clause.

Provided further that, the use of any public transport vehicle or vessel or railway carriage by any elector at his own cost for the purpose of going to or coming from any polling station shall not be deemed to be a corrupt practice.

Explanation.—In this clause and in the next succeeding clause, the expression "vehicle" means any vehicle used or capable of being used for the purpose of road transport, whether propelled by mechanical power or otherwise and whether used for drawing other vehicles or otherwise.

(4) The use of vehicles belonging to a specified society for the purpose of any election.

(5) The incurring or authorizing of expenditure in contravention of section 144-F.

(6) Making special advances of loans or otherwise favouring any elector or group of electors between the date of declaration of programme for an election and the date of declaration of the result thereof.

144-J. (1) Every officer, clerk, agent or other person who performs any duty in connection with the recording or counting of votes at an election shall maintain, and aid in maintaining the secrecy of the voting and shall not (except for some purpose authorised by or under any law) communicate to any person any information calculated to violate such secrecy.

(2) Any person who contravenes the provisions of sub-section (1) shall, on conviction, be punished with imprisonment for a term which may extend to three months, or with fine, or with both.

144-K. (1) No person who is a Returning Officer or an Assistant Returning Officer or a Presiding or Polling Officer at an election, or an officer or clerk, appointed by the Returning Officer or the Presiding Officer to perform any duty in connection with an election shall in the conduct or the management of the election do any act (other than the giving of vote) for the furtherance of the prospects of the election of a candidate.

(2) No such person as aforesaid, and no member of a Police Force, shall endeavour—

(a) to persuade any person to give his vote at an election, or

(b) to dissuade any person from giving his vote at an election, or

(c) to influence the voting of any person at an election in any manner.

(3) Any person who contravenes the provisions of sub-section (1) or sub-section (2) shall, on conviction, be punished with imprisonment which may extend to six months or with fine, or with both.

(4) An offence punishable under sub-section (3) shall be cognizable.
144-L. (1) No person shall, on the date or dates on which a poll is taken at any polling station, commit any of the following acts within the polling station or in any public or private place within a distance of one hundred metres of the polling station, namely:

(a) canvassing for votes; or

(b) soliciting the vote of any elector; or

(c) persuading any elector not to vote for any particular candidate; or

(d) persuading any elector not to vote at the election; or

(e) exhibiting any notice or sign (other than an official notice) relating to the election.

(2) Any person who contravenes the provisions of sub-section (1) shall, on conviction, be punished with fine which may extend to two hundred and fifty rupees.

(3) An offence punishable under sub-section (2) shall be cognizable.

144-M. (1) No person shall, on the date or dates on which a poll is taken at any polling station,—

(a) use or operate within or at the entrance of the polling station, or in any public or private place in the neighbourhood thereof, any apparatus for amplifying or reproducing the human voice, such as a megaphone or a loud-speaker, or

(b) shout, or otherwise act in a disorderly manner, within or at the entrance of the polling station or in any public or private place in the neighbourhood thereof, so as to cause annoyance to any person visiting the polling station for the poll, or so as to interfere with the work of the officers and other persons on duty at the polling station.

(2) Any person who contravenes, or wilfully aids or abets the contravention of, the provisions of sub-section (1) shall, on conviction, be punished with imprisonment which may extend to three months, or with fine, or with both.

(3) If the Presiding Officer of a polling station has reason to believe that any person is committing or has committed an offence punishable under this section, he may direct any police officer to arrest such person, and thereupon the police officer shall arrest him.

(4) Any police officer may take such steps, and use such force, as may be reasonably necessary for preventing any contravention of the provisions of sub-section (1) and may seize any apparatus used for such contravention.

144-N. (1) Any person who during the hours fixed for the poll at any polling station misconducts himself or fails to obey the lawful directions of the Presiding Officer may be removed from the polling station by the Presiding Officer or any police officer on duty or by any person authorised in this behalf by such Presiding Officer.

(2) The powers conferred by sub-section (1) shall not be exercised so as to prevent any elector who is otherwise entitled to vote at a polling station from having an opportunity of voting at that station.
(3) If any person who has been so removed from a polling station re-enters the polling station without the permission of the Presiding Officer, he shall, on conviction, be punished with imprisonment for a term which may extend to three months, or with fine, or with both.

(4) An offence punishable under sub-section (3) shall be cognizable.

144-O. If any person is guilty of any such corrupt practice as is specified in clause (3) or (4) of section 144(1) at or in connection with an election, he shall, on conviction, be punished with fine which may extend to one thousand rupees.

144-P. (1) If any person to whom this section applies is without reasonable cause guilty of any act or omission in breach of his official duty, he shall, on conviction be punished with fine which may extend to five hundred rupees.

(2) An offence punishable under sub-section (1) shall be cognizable.

(3) No suit or other legal proceedings shall lie against any such person for damages in respect of any such act or omission as aforesaid.

(4) The persons to whom this section applies are the Returning Officers, Assistant Returning Officers, Presiding Officers, Polling Officers and any other persons appointed to perform any duty in connection with the receipt of nominations or withdrawal of candidatures, or the recording or counting of votes at an election; and the expression "official duty" shall for the purposes of this section be construed accordingly, but shall not include duties imposed otherwise than by or under this Act.

144-Q. (1) Any person who at any election fraudulently takes, or attempts to take, a ballot paper out of a polling station, or wilfully aids or abets the doing of any such act, shall, on conviction, be punished with imprisonment for a term which may extend to one year, or with fine which may extend to five hundred rupees, or with both.

(2) If the Presiding Officer of a polling station has reason to believe that any person is committing or has committed an offence punishable under sub-section (1), such officer may, before such person leaves the polling station, arrest or direct a police officer to arrest such person and may search such person or cause him to be searched by a police officer:

Provided that, when it is necessary to cause a woman to be searched, the search shall be made by another woman with strict regard to decency.

(3) Any ballot paper found upon the person arrested on search shall be made over for safe custody to a police officer by the Presiding Officer, or when the search is made by a police officer, shall be kept by such officer in safe custody.

(4) An offence punishable under sub-section (1) shall be cognizable.

144-R. (1) A person shall be guilty of an electoral offence, if at any election he:

(a) fraudulently defaces or fraudulently destroys any nomination paper; or

(b) fraudulently defaces, destroys or removes any list, notice or other document affixed by or under the authority of a Returning Officer; or
(c) fraudulently defaces or fraudulently destroys any ballot paper or the official mark on any ballot paper or any declaration of identity or official envelope used in connection with voting by postal ballot; or

(d) without due authority supplies any ballot paper to any person or receives any ballot paper from any person or is in possession of any ballot paper; or

(e) fraudulently puts into any ballot box anything other than the ballot paper which he is authorised by law to put in; or

(f) without due authority destroys, takes, opens or otherwise interferes with any ballot box or ballot papers then in use for the purposes of the election; or

(g) fraudulently or without due authority, as the case may be, attempts to do any of the foregoing acts or wilfully aids or abets the doing of any such acts.

(2) Any person guilty of an electoral offence under this section shall—

(a) if he is a Returning Officer or an Assistant Returning Officer or a Presiding Officer at a polling station or any other officer or clerk employed on official duty in connection with the election, on conviction, be punished with imprisonment for a term which may extend to two years, or with fine, or with both;

(b) if he is any other person, on conviction, be punished with imprisonment for a term which may extend to six months, or with fine, or with both.

(3) For the purposes of this section, a person shall be deemed to be on official duty if his duty is to take part in the conduct of an election or part of an election including the counting of votes or to be responsible after an election for the used ballot papers and other documents in connection with such election, but the expression "official duty" shall not include any duty imposed otherwise than by or under this Act.

(4) An offence punishable under sub-section (2) shall be cognizable.

144-S. The provisions of section 148 shall apply to the offences under this Chapter, subject to the modifications that shall be lawful for a Presidency Magistrate or a Magistrate of the First Class to pass a sentence of fine on any person convicted of any offence under this Chapter in excess of his powers under section 32 of the Code of Criminal Procedure, 1898 and that no prosecution for an offence punishable under this Chapter shall be lodged, except with the previous sanction of the Collector.

144-T. (1) Notwithstanding anything contained in section 91 or any other provisions of this Act, any dispute relating to an election shall be referred to the Commissioner of the Division in which such election is held [for or to an Officer not below the rank of Additional Commissioner of a Division authorised by the State Government in this behalf (hereinafter in this section either of them as the context may require is referred to as “the specified officer”).

(2) Such reference may be made by an aggrieved party by presenting an election petition to [the specified officer], within a period of two months from the date of declaration of the result of the election:

Provided that, [the specified officer] may admit any petition after the expiry of that period, if the petitioner satisfies [the specified officer] that he had sufficient cause for not preferring the petition within the said period.

(3) In exercising the functions conferred on him by or under this Chapter, [the specified officer] 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.

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1 This portion was inserted by Mah. 36 of 1975, s. 11(a).
2 This words were substituted for the words “the Commissioner”, ibid., s. 11(b).
3 These words were added, ibid., s. 11(c).
In the case of any such affidavit, an officer appointed by [the specified officer] in this behalf may administer the oath to the deponent.

(4) Subject to any rules made by the State Government in this behalf, any such petition shall be heard and disposed of by [the specified officer] as expeditiously as possible. An order made by [the specified officer] on such petition shall be final and conclusive and shall not be called in question in any Court.

144-U. A petitioner presenting an election petition under the last preceding section shall pay a deposit not exceeding Rs. 500 as the Commissioner may direct towards the costs for hearing the petition. Unless the petitioner deposits the same as aforesaid, the petition shall be summarily dismissed. Subject to such conditions as may be prescribed at the time of deciding the petition, the Commissioner shall assess the costs of the hearing of the petition and shall require the petitioner or the respondents or both as the case may be, to defray the whole or in such proportion as he thinks fit, the costs of the petition, including the deposit so made. The Commissioner shall credit to Government such sum as he assesses as the cost to Government of hearing the petition (but not exceeding Rs. 500 in any case).

144-V. (1) An election petition shall—

(a) contain a concise statement of the material facts on which the petitioner relies;

(b) set forth full particulars of any corrupt practice that the petitioner alleges, including as full a statement as possible of the names of the parties alleged to have committed such corrupt practice and the date and place of the commission of each such practice; and

(c) be signed by the petitioner and verified in the manner laid down in the Code of Civil Procedure, 1908, for the verification of pleadings:

Provided that, where the petitioner alleges any corrupt practice, the petition shall also be accompanied by an affidavit in support of the allegation of such corrupt practice and the particulars thereof.

(2) Any schedule or annexure to the petition shall also be signed by the petitioner and verified in the same manner as the petition.

144-W. A petitioner may, in addition to claiming a declaration that the election of all or any of the returned candidates is void, claim a further declaration that he himself or any other candidate has been duly elected.

144-X. Without prejudice to any other power to make rules contained elsewhere in this Act, the State Government may make rules consistent with this Act generally to provide for and to regulate all or any of the other matters relating to the various stages of the elections [(including preparation of list of voters)].

144-Y. (1) This section shall apply only to election of officers by members of committees of societies belonging to the categories specified in section 73-G.

(2) After the election of the members of the committee, or whenever such election is due, the election of the officer or officers of any such society shall be held as provided in its bye-laws, but any meeting of the committee for this purpose shall be presided over by the Collector or an officer nominated by him in this behalf.

These words were substituted for the words "the Commissioner" by Mah. 36 of 1973, s. 11(6). These words were deemed always to have been added by Mah. 3 of 1974, s. 35. Section 144-Y was inserted, ibid., s. 36.
CHAPTER XII.

OFFENCES AND PENALTIES

145. (1) No person, other than a society registered, or deemed to be registered under this Act, and a person or his successor in interest of any name or title under which he traded or carried on business at the date on which this Act comes into force, shall without the sanction of the State Government, function, trade or carry on business under any name or title of which the word "Co-operative", or its equivalent in any Indian language, forms part.

(2) Every person contravening the provisions of the foregoing sub-section shall, on conviction, be punished with fine which may extend to five hundred rupees.

146. It shall be an offence under this Act, if—

(a) any member of a society transfers any property or interest in property in contravention of sub-section (2) of section 47 or any person knowingly acquires, or abets in the acquisition of, such property; or

(b) any employer and every director, manager, secretary or other officer or agent acting on behalf of such employer who, without sufficient cause, fails to comply with sub-section (2) of section 49; or

(c) a committee of a society or an officer or member thereof fails to invest funds of such society in the manner required by section 70; or

(d) any person, collecting share money for a society in formation, does not within a reasonable period deposit the same in the State Co-operative Bank, or a Central Co-operative Bank, or an Urban Co-operative Bank, or a Postal Savings Bank; or

(e) any person, collecting the share money for a society in formation, makes use of the funds so raised for conducting any business or trading in the name of a society to be registered or otherwise; or

(f) a committee of a society, or an officer or member thereof, fails to comply with the provisions of sub-sections (2), (3) or (4) of section 75; or

(g) any officer or member of a society who is in possession of information, books and records, fails to furnish such information or produce books and papers, or give assistance to a person appointed or authorised by the State Government or the Registrar under sections 78, 81, 83, 84, 94 or 103; or

(h) any officer of a society fails to hand over the custody of books, records, cash, security and other property belonging to the society of which he is an officer to a person appointed under section 78 or 103; or

(i) a committee of a society with a working capital of fifty thousand rupees or more, or any officer or a member thereof, fails without any reasonable excuse, to give any notice, send any return or document, do or allow to be done anything, which the committee, officer or member is by this Act required to give, send, do or allow to be done or comply with orders made under section 79; or

(j) a committee of a society or an officer or member thereof willfully neglects or refuses to do any act, or to furnish any information required for the purposes, of this Act by the Registrar, or other person duly authorised by him in writing in this behalf; or

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(k) a committee of a society, or an officer or member thereof, wilfully makes a false return, or furnishes false information, or fails to maintain proper accounts; or

(l) any officer, member, agent or servant of a society fails to comply with the requirements of sub-section (4) of section 81; or

(m) any officer or a member of a society wilfully fails to comply with any decision, award or order passed under section 4(96); or

(n) a member of a society fraudulently disposes of property over which the society has a prior claim, or a member or officer or employee or any person disposes of his property by sale, transfer, mortgage, gift or otherwise, with the fraudulent intention of evading the dues of the society; or

(o) any officer of a society wilfully recommends or sanctions for his own personal use or benefit or for the use or benefit of a person in whom he is interested, a loan in the name of any other person; or

(p) any officer or member of a society destroys, mutilates, tampers with, or otherwise alters, falsifies or secrets or is privy to the destruction or mutilation alteration, falsification or secreting of any books, papers or securities or makes, or is privy to the making of any false or fraudulent entry in any register, book of account or document belonging to the society; or

(q) any officer or member of a society or any persons does any act declared by the rules to be an offence.

Explanation.—For the purpose of this section, an officer or a member referred to in the section shall include past officer and past member, as the case may be.

147. Every society, officer or past officer, member or past member, employee or past employee of a society, or any other person, who commits an offence under section 146 shall, on conviction, be punished,—

(a) if it is an offence under clause (a) of that section, with imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both;

(b) if it is an offence under clause (b) of that section, with imprisonment for a term which may extend to one month, or with fine which may extend to five thousand rupees, or with both;

(c) if it is an offence under clause (c) of that section, with fine which may extend to five hundred rupees;

(d) if it is an offence under clause (d) of that section, with fine which may extend to five hundred rupees;

(e) if it is an offence under clause (e) of that section, with imprisonment for a term which may extend to one year, or with fine or with both;

(f) if it is an offence under clause (f) of that section, with fine which may extend to two hundred and fifty rupees;

(g) if it is an offence under clause (g) of that section, with fine which may extend to five hundred rupees;

(h) if it is an offence under clause (h) of that section, with fine which may extend to five hundred rupees;

(i) if it is an offence under clause (i) of that section, with fine which may extend to five hundred rupees;

(j) if it is an offence under clause (j) of that section, with imprisonment for a term which may extend to one month, or with fine which may extend to five hundred rupees, or with both;

\[1\] These figures were substituted for the figures "93" by Mah. 33 of 1963, s. 28.
(k) if it is an offence under clause (k) of that section, with imprisonment for a term which may extend to one year, or with fine which may extend to two thousand rupees, or with both;

(l) if it is an offence under clause (l) of that section, with fine which may extend to one hundred rupees;

(m) if it is an offence under clause (m) of that section, with imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both;

(n) if it is an offence under clause (n) of that section, with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both;

(o) if it is an offence under clause (o) of that section, with imprisonment for a term which may extend to two years, or with fine, or with both;

(p) if it is an offence under clause (p) of that section, with imprisonment for a term which may extend to three years, or with fine, or with both;

(q) if it is an offence under clause (q) of that section, with fine which may extend to two hundred and fifty rupees.

Cognizance of offences. 148. No court inferior to that of a Presidency Magistrate or a Magistrate of the First Class shall try any offence under this Act.

(2) Notwithstanding anything contained in the Code of Criminal Procedure of 1898, it shall be lawful for a Presidency Magistrate or a Magistrate of the First Class to pass a sentence of fine on any person convicted of an offence under clause (b) of section 146 as provided under section 147 in excess of his powers under section 32 of that Code.

(3) No prosecution under this Act shall be lodged, except with the previous sanction of the State Government in the case of an offence under clause (b) of section 146 and of the Registrar in the case of any other offence under this Act. Such sanction shall not be given, except after hearing the party concerned, by an officer authorised in this behalf by the State Government by a general or special order.

Contempt of Co-operative Courts and of Co-operative Appellate Court.

148-A. (1) If any person—

(a) when ordered by a Co-operative Court or the Co-operative Appellate Court to produce or deliver up any document or to furnish information being legally bound so to do, intentionally omits to do so;

(b) when required by any such Court 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 any such Court, refuses to answer any question demanded of him touching such subject by the Court;

(d) intentionally offers any insult or causes any interruption to any such Court 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 Co-operative Court or the Co-operative Appellate Court, 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.

1 Section 148-A was inserted by Mah. 3 of 1974, s. 37.
(3) If any offence under sub-section (1) or (2) is committed in the view or presence of a Court concerned, the said Court may, after recording the facts constituting the offence and the statement of the accused as provided in the Code of Criminal Procedure, 1898, 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, 1898.

(4) If any person commits any act or publishes any writing which is calculated to improperly influence a Cooperative Court or the Cooperative Appellate Court to bring any such Court or a member thereof into disrepute or contempt or to lower its or his authority, or to interfere with the lawful process of the said authorities, such person shall be deemed to be guilty of contempt of the said authorities.

(5) In the case of contempt of itself, the Cooperative Appellate Court shall record the facts constituting such contempt, and make a report in that behalf to the High Court.

(6) In the case of contempt of a Cooperative Court, the Cooperative Court shall record the facts constituting such contempt, and make a report in that behalf to the Cooperative Appellate Court, and thereupon, that Court may, if it considers it expedient to do so, forward the report to the High Court.

(7) When any intimation or report in respect of any contempt is received by the High Court under sub-section (5) or (6), 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 XIII.

APPEALS, REVIEW AND REVISION.

149. 1[(1) A Court to be called the Maharashtra State Cooperative Appellate Court is hereby constituted to exercise the powers and to discharge the functions conferred on it by or under this Act.]

(2) The Cooperative Appellate Court shall consist of the President, [and such number of other members as the State Government may from time to time consider necessary, who possess] such qualifications as may be prescribed. [The President and other members shall hold office for such period or such different periods as may be prescribed.]

(3) Any vacancy in the membership of the Cooperative Appellate Court shall be filled by the State Government.

(4) All or any of the powers and functions of the Cooperative Appellate Court may be exercised and discharged by any of its members sitting singly or in Benches, as may be determined by the President.

(5) Such Benches shall consist of two or more members.

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1 Sub-section (1) was substituted by Mah. 3 of 1974, s. 38 (a).
2 These words were substituted, for the word "Tribunal", ibid., s. 38(c).
3 These words were substituted for the words "and not more than three other members possessing" by Mah. 27 of 1971, s. 3.
4 These words were inserted by Mah. 3 of 1974, s. 38 (6).
5 Sub-section (4) was substituted for the original by Mah. 36 of 1975, s. 12 (6).
6 These words were substituted for the word "Tribunal", by Mah. 3 of 1974, s. 38(c).
(6) Where a matter is heard [by an odd number of members constituting a Bench] the opinion of the majority shall prevail, and the decision shall be in accordance with the opinion of the majority. Where a matter is heard by an even number of members, and the members are equally divided, if the President be one of the members the opinion of the President shall prevail; and in other cases the matter shall be referred for hearing to the President and shall be decided in accordance with his decision.

(7) Subject to the previous sanction of the State Government, the [Co-operative Appellate Court] shall frame regulations consistent with the provisions of this Act and rules made thereunder, for regulating its procedure and the disposal of its business.

(8) The regulations made under sub-section (7), shall be published in the Official Gazette.

(9) The [Co-operative Appellate Court] may call for and examine the record of any proceeding which an appeal lies to it, for the purpose 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 Appellate Court] that any such decision or order should be modified, annulled or reversed, the [Co-operative Appellate Court] may pass such order thereon as it may deem just.

(10) Where [an appeal or application is made to the [Co-operative Appellate Court] under this Act], it may, in order to prevent the ends of justice being defeated make such interlocutory orders pending the decision of the appeal [for application, as the case may be] 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.

(11) An order passed in appeal, or in revision under sub-section (9), or in review under section 150 by the [Co-operative Appellate Court], shall be final and conclusive, and shall not be called in question in any Civil or Revenue Court.

[*(12) (a) The President and other members of the Maharashtra State Co-operative Tribunal functioning immediately before the commencement of the Maharashtra Co-operative Societies (Third Amendment) Act, 1973, shall be deemed respectively to be the President and other members of the Maharashtra 1974 Co-operative Appellate Court constituted for the purpose of this Act; and all appeals and other proceedings pending before the said Tribunal shall be heard and disposed of by the said Court 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 Tribunal, shall be deemed to have been done or taken by the said Court and shall continue in operation until duly modified or annulled.

(c) Any reference to the said Tribunal in any law or instrument, for the time being in force, shall, with effect from the commencement of the Maharashtra Co-operative Societies (Third Amendment) Act, 1973, be construed as a reference to the said Court.]*

Explanations.—The [Co-operative Appellate Court] hearing an appeal under this V of Act shall exercise all the powers conferred upon an appellate court by section 97 and 1908. Order XLI in the First Schedule of the Code of Civil Procedure, 1908.

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1 These words were substituted for the words "by three members" by Mah. 36 of 1975, s. 12(b).
2 These words were substituted, for the word "Tribunal" by Mah. 3 of 1974 s. 38 (c).
3 These words were substituted, for the words "an appeal is made to the Tribunal under section 97" by Mah. 33 of 1963, s. 29 (a).
4 These words were inserted, ibid., s. 29 (b).
5 Sub-section (12) was added by Mah. 3 of 1974, s. 38 (d).
150. (1) The \[Co-operative Appellate Court\] 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 \[Co-operative Appellate Court\] is satisfied that there has been the 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 \[Co-operative Appellate Court\].

151. (1) In exercising the functions conferred on it by or under this Act, the \[Co-operative Appellate Court\] 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 or 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 \[Co-operative Appellate Court\] in this behalf may administer the oath to the deponent.

152. (1) An appeal against an order or decision under sections 4, 9, 12, 13, Appeals, 14, 17, 18, 19, 21, 29, 35, 78, 105 shall lie,—

(a) if made or sanctioned or approved by the Registrar, or the Additional or Joint Registrar on whom powers of the Registrar are conferred, to the State Government,

(b) if made or sanctioned by any person other than the Registrar, or the Additional or Joint Registrar on whom the powers of the Registrar are conferred, to the Registrar.

(2) An appeal against an order or decision under sections 79, 85 and 88, and any order passed by the Registrar for paying compensation to a society, and any other order for which an appeal to the \[Co-operative Appellate Court\] has been provided under this Act, shall lie to the \[Co-operative Appellate Court\].

(3) An appeal under sub-section (1) or (2) shall be filed within two months of the date of the communication of the order or decision.

\[4\] Save as expressly provided, no appeal shall lie against any order, decision or award passed in accordance with the provisions of this Act; and every such order, decision or award shall, whether expressly provided or not, be final, but shall always be subject to the provisions for revision in this Act; and where an appeal has been provided for, any order passed on appeal shall likewise be final, but be subject to such revision provisions.

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1 These words were substituted for the word “Tribunal” by Mah. 3 of 1974, ss. 39, 40 and 41.
2 The figures “11” were deleted, ibid., s. 41(a).
3 The figures “102” were deleted by Mah. 33 of 1963, s. 30.
4 Sub-section (4) was substituted for the original by Mah. 37 of 1965, s. 2 and the said sub-section shall be deemed always to have been enacted in this form.
153. 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 appellate authority may admit an appeal after the expiry of such period, if the appellant satisfies the appellate authority that he had sufficient cause for not preferring the appeal within such period.

154. (1) The State Government or the Registrar, suo motu or on an application, may call for and examine the record of any inquiry or proceedings of any matter, other than those referred to in sub-section (9) of section 149, where any decision and order has been passed by any subordinate officer, and no appeal lies against such decision or order, for the purpose of satisfying themselves as to the legality or propriety of any such decision or order, and as to the regularity of such proceedings. If in any case, it appears to the State Government or the Registrar, that any decision or order so called for should be modified, annulled or reversed, the State Government or the Registrar, as the case may be, may, after giving the person affected thereby an opportunity of being heard, pass such orders thereon as to it or him may seem just.

(2) Under this section, the revision shall lie to the State Government if the decision or order is passed by the Registrar, the Additional Registrar or a Joint Registrar, and to the Registrar if passed by any other officer.

(3) No application for revision shall be entertained, if made after two months of the date of communication of the decision or order. The revisional authority may entertain any such application made after such period, if the applicant satisfies it that he had sufficient cause for not making the application within such period.

(4) The State Government may, by order, direct that the powers conferred on it by this section shall, in such circumstances and under such conditions, if any, as may be specified in the direction, be exercised also by an officer of the rank of Secretary to Government.

CHAPTER XIV.

MISCELLANEOUS.

155. (1) Unless otherwise provided by this Act, all sums due from a society or from an officer 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, secondly in the case of a society of which the liability of the members is limited, from the members or past members or the estate of deceased members subject to the limit of their liability, and, thirdly, in the case of societies with unlimited liability from the members or past members or estate of deceased members.

(3) The liability of past members or estate of deceased members shall in all cases be subject to the provisions of section 33.

156. (1) The Registrar or any officer subordinate to him and empowered by him in this behalf 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 a Civil Court obtained by a society;
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(b) any amount due under a decision, award or order of the Registrar, [Co-operative Court] or Liquidator or [Co-operative Appellate Court];

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;

e) any amount due under a certificate granted by the Registrar under subsection (1) or (2) of section 101 or under sub-section (1) of section 137;

together with interest, if any, due on such amount or sum and the 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 purposes of article 182 in the First Schedule to the Indian Limitation Act, 1908.

157. The State Government may, by general or special order, exempt any society or class of societies from any of the provisions of this Act, or of the rules made thereunder, or may direct that such provisions 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 represent its case.

158. The State Government may, by notification in the Official Gazette, and Delegation of power of Registrar to federal authorities, subject to such conditions (if any) as it may think fit to impose, delegate all or any of the powers of the Registrar under this Act to any federal authority or to an officer thereof or to any officer of the Zilla Parishad constituted under the Maharashtra Zilla Parishads and Panchayat Samities Act, 1961 and such officer of the Zilla Parishad shall work under the general guidance, superintendence and control of the Registrar specified in the notification.

159. (1) No society shall open a branch or a place of business outside the State or other State, 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 Maharashtra except with 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 Maharashtra State under the foregoing sub-section, or which has a branch or a place of business in the Maharashtra State 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.

1 These words were substituted for the word “arbitrator”, by Mah. 3 of 1974 s. 43.
2 These words were substituted for the word “Tribunal”, ibid.
3 Clause (e) was inserted by Mah. 33 of 1969, s. 31.
4 The words “to be published in the Official Gazette,” were deleted by Mah. 27 of 1969, s. 22(a).
5 These words were inserted, ibid. s. 22(b).
6 This portion was inserted by Mah. 5 of 1962. s. 286, Tenth Sch.
160. (1) On the election of a new Committee and its Chairman, the retiring Chairman, in whose place the new Chairman is elected, shall hand over charge of the office of the Committee and all papers and property, if any, of the society in possession of the committee or any officer thereof, to the new Chairman of the Committee.

(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 empowered by him in this behalf, may by order in writing direct him to forthwith hand over such charge and property.

(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 hundred rupees or with both: and the Registrar may, on the retiring Chairman's failure to comply with such direction, take order for seizing the records and property and handing it over to the new Chairman, in the manner provided in section 80.

Members of State Legislature and certain local authorities to remunerate while holding offices in societies.

160A. Notwithstanding anything contained in this Act, or the rules or by-laws made thereunder, a member of the State Legislature or of a committee under the Hyderabad District Municipalities Act, 1956, or a member of a Zilla Parishad or Panchayat Samiti under the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961, while holding the office of Chairman of members of the committee of a society to which appointment is made by the State Government, or the office of liquidator or the office of nominee of the Registrar whether appointed individually or to a board of nominees, shall not be entitled to receive any remuneration other than travelling allowance, the daily allowance or such other allowance which is paid to the holder of any such office for the purpose of attending meetings of the committee or body, or in performing any other functions as the holder of such office.

Members of committees not entitled to travelling allowance.

160B. Subject to the provisions of section 160A, no member of the committee of any society shall be entitled to receive from the society the travelling allowance, the daily allowance or such other allowances or fees which are paid to the members for attending meetings of its committee, or for performing any other functions as such members, at a rate higher than the maximum rate prescribed in this behalf and different maximum rates may be prescribed for different societies or class of societies or for different purposes.

161. The Registrar, a person exercising the powers of the Registrar, a person authorised to audit the accounts of a society under section 81, or to hold an inquiry under section 83, or to make an inspection under section 84, and a person appointed as an administrator under section 78, or as a member constituting a Co-operative Court under section 91A] or as a Liquidator under section 103, [or an officer as defined in clause (20) of section 2.] shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.
162. No suit, prosecution or other legal proceedings shall lie against the Registrar or any person subordinate 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.

163. (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 by-laws, or the amendment of its by-laws, or the dissolution of the committee of a society, or the management of the society on dissolution thereof; or
(b) any dispute required to be referred to the Registrar, [or the Co-operative Court,] 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.

(3) 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.

164. No suit shall be instituted against a society, or any of its officers, in respect of any act touching the business of the society, until the expiration of two months next after notice in writing has been delivered to the Registrar or left at his office, stating the cause of action, the name, description and place of residence of the plaintiff and the relief which he claims, and the plaint shall contain a statement that such notice has been so delivered or left.

165. (1) The State Government may, for the whole or any part of the State Rules, 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 purpose 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 3, 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 8 and the procedure in the matter of such application;

(iii) prescribe the matters in respect of which a society may make, or the Registrar may direct a society to make, by-laws and the procedure to be followed in making, altering and abrogating by-laws and the conditions to be satisfied prior to such making, alteration or abrogation;

(iv) prescribe the procedure to be followed and conditions to be observed for change of name or liability, amalgamation, transfer, division, conversion, or reconstruction of society;

(v) prescribe the form of and procedure for an application under section 19 and the procedure for reconstruction of a society under that section;

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1 These words were substituted for the words "or his nominee or board of nominees" by Mah. 3 of 1974, s. 45.
2 The words "except for want of jurisdiction" were deleted, by Mah. 27 of 1969, s. 25.
3 Clause (f) was substituted by Mah. 33 of 1963, s. 32(a).
(vi) prescribe the conditions to be complied with by a person applying for admission or admitted as a member and provide for the election and admission of members and the payment to be made and the interests to be acquired before the exercise of the right of membership;

(vii) prescribe in the case of a federal society or class of federal societies the proportion of individual members to society members in such society or class of societies and the proportion of individual members to society members in the committee of such society or class of societies;

(viii) subject to the provisions of section 28, prescribe the maximum number of shares or portion of the capital of a society which may be held by a member;

(ix) prescribe the procedure for the admission of joint members, members of a joint Hindu undivided family, and minors and persons of unsound mind inheriting the share or interest of deceased members and provide for their rights and liabilities;

(x) 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;

(xi) prescribe the conditions and procedure for the transfer of share or interest;
(xii) provide for the nomination of a person to whom the share or the interest of a deceased member may be paid or transferred;

(xiii) provide for ascertaining the value of a share or interest of a past member or deceased member;

(xiv) prescribe the payments to be made and the conditions to be complied with by members applying for loans, the period for which loans may be made, and the amount which may be lent to an individual member;

(xv) provide for the inspection of documents in the Registrar's office and the levy of fee for granting certified copies of the same;

(xvi) provide for the procedure for registering the address of a society and the change of its address;

(xvii) provide for the formation and maintenance of a register of members, and where the liability of members is limited by shares, of a register of shares and a list of members;

(xviii) provide for securing that the share capital of any society shall be variable in such a way as may be necessary to secure that the share shall not appreciate in value and that necessary capital shall be available for the society as required;

(xx) provide for the procedure to be adopted by a society with limited liability in order to reduce its share capital;

(xx) prescribe the period for and terms upon which Government aid may be given to societies and terms under which the State Government may subscribe to the share capital of and guarantee the payment of the principal of and interest on debentures issued by societies;

(xvi) regulate 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;

(xxii) prescribe the limits for loans to be granted by a society or class of societies against different class of securities or without security and the procedure for granting loans;

(xxiii) prescribe the manner of recalling a loan;

(xxiv) prescribe the limits for granting credit by a non-credit society or a class of non-credit societies;

(xxv) prescribe the prohibitions and restrictions subject to which societies may trade or transact business with persons who are not members;

(xxvi) prescribe the conditions on which any charge in favour of a society shall be satisfied and the extent to which and the order in which the property to the charge shall be used in its satisfaction;

(xxvii) provide for giving reasonable notice of the charge under section 48;

(xxviii) prescribe the procedure by which a society shall calculate and write off bad debts;

(xxviii) prescribe the sums which, in addition to those referred to in section 15(1), shall be deducted from profits before arriving at the profit for the purpose of section 15(2);

(xxxx) provide for the formation and maintenance of reserve fund, and the objects to which such fund may be applied and for the investment and use of any fund including reserve fund under the control of a society;

(xxvii) prescribe the conditions under which profits may be distributed as dividend and bonus among the members and non-members of a society;

(xxviii) prescribe the rate at which a society shall contribute towards the education fund of the State federal society under section 68;

1[(xxviii-a) prescribe the rate or rates at which, and the manner in which, the societies (including other corporate bodies) shall contribute towards the Co-operative State Cadre Employment Fund under section 69A:]

1 Clause (xxvii-a) was inserted by Mah. 30 of 1978, s. 4.
(xxxiii) define the co-operative purpose for which a society shall, under section 69, utilise its fund;

(.xxxiv) prescribe the mode of investment of funds of a society under section 70 and the proportion of investment in any security or class of securities;

(.xxxv) provide for the payment of contribution to any provident fund which may be established by a society for the benefit of officers and servants employed by it and for the administration of such provident fund;

(.xxxvi) prescribe the procedure and conditions for the exercise by a federal society of the powers conferred by this Act;

(.xxxvii) provide for general meetings of the members, for the procedure at such meetings and the powers to be exercised by such meetings;

(.xxxviii) prescribe the conditions in which a member of a society may be disqualified from voting;

(.xxxix) provide for the removal and appointment of the committee or its members and other officers and for the appointment of administrator under section 78 and prescribe procedure at meeting of the committee and for the powers to be exercised and the duties to be performed by the committee, administrator and other officers;

(xl) prescribe qualifications for members of the committee and employees of a society or class of societies; duties to be performed by, and several and joint liabilities therefor, of such members and the conditions of service subject to which persons may be employed by societies;

[(xl-a) prescribe the amount and nature of the security to be furnished by any officers or employees of any society or class of societies, who are required to handle cash, securities or property belonging to the society, the maximum amount of cash which may be handled or kept at a time by any officer or employee, and the amount, in excess of which, all payments shall be made by or on behalf of the society by means of a cheque;

(xli) prescribe the returns to be submitted by a society to the Registrar and provide for the persons by whom and the form in which such returns shall be submitted;

(xlii) provide for the persons by whom and the form in which copies of documents and entries in books of societies may be certified and the charges to be levied for the supply of copies thereof;

(xliii) provide for the procedure to be adopted by the Registrar in the cases where the taking of possession of books, documents, securities, cash and other properties of a society or of a society the affairs of which have been ordered to be wound up, by the Registrar or by a person entitled to the same is resisted or obstructed;

(xliv) provide for the procedure to be adopted for taking possession of books, documents, securities, cash and other property of a society by a person acting under sections 81, 83 and 84 in cases where misappropriation of funds, breach of trust or fraud has been committed or where it is suspected or apprehended that the books, documents, securities, cash and other properties are likely to be tampered with or destroyed or removed;

(xlv) prescribe the accounts and books to be kept by a society or class of societies;

1 These words were substituted for the words "provide for the appointment, suspension and removal of the members of the committee" by Mah. 33 of 1963, s. 32(6).

2 These words were inserted, ibid., s. 32(c).

3 Clause (xl-a) was inserted by Mah. 27 of 1969, s. 26.
(xlvi) prescribe the procedure for conducting an audit, the matters on which the auditor shall submit a report, the form in which the statement of accounts shall be prepared for his audit, the limits within which the auditor may examine the monetary transactions of a society, the form of audit memorandum and report and the charges, if any, to be paid by a society for audit;

(xlvii) prescribe the procedure for appointment of auditors under section 81;

(xlviii) prescribe the form for the rectification of defects discovered in the course of audit, inspection or inquiry;

(xlix) prescribe the procedure and principles for the conduct of inquiry under section 83 and inspection under section 84;

(I) prescribe the procedure for apportioning the cost of inquiry and inspection and for assessing damages against delinquent promoters under section 88 and for recovery of cost and damages;

(ii) prescribe the manner in which appointment shall be made and control exercised by, and the number of persons comprising, and functions to be performed by, the authority constituted under section 90 the manner of election and nomination of such persons, the fees to be paid to such authority and the manner of such payment and the procedure for and the method of calculating any cost, charges or expenses required to be levied under this Act or the rules;

(iii) prescribe the qualifications of the members constituting the Co-operative Courts, provide for the terms and conditions of their appointment, prescribe the procedure to be followed in proceedings before the Registrar and the Co-operative Courts; provide for fixing, levying and collecting appropriate fees and expenses for determining the disputes (including expenses incurred by the parties to the proceedings), having regard to the services rendered or to be rendered or any expenditure incurred or likely to be incurred for the machinery set up therefor, provide for delegation of the power of fixing the scale of any such fees and expenses to the Registrar, and all such fees and expenses being applicable to any disputes and other proceedings which may be pending immediately before the enactment of Maharashtra Co-operative Societies (Third Amendment) Act, 1973, and transferred 86 and orders to the Co-operative Courts, and any fees already levied and collected or which may be levied made and collected hereafter in the form of court-fees, in cash or in any other manner, shall be deemed to be valid. The fixing, levying and collection of those fees and expenses in any disputes or other proceedings shall not be called in question before any Court or Tribunal merely on the ground that there is no authority for fixing or levying such fees or expenses or that such fees or expenses were not or are not chargeable in any pending proceedings or that such fee cannot be levied or collected in the form of court-fee stamps or on such other ground.

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1 Clause (iii) was substituted by Mah. 3 of 1974, s. 46(a).

2 This portion was deemed to have been substituted for the portion beginning with the words "and provide for " and ending with the words "such proceedings " by Mah. 58 of 1977, s. 4 with effect from 21st February 1974.

S. 3 of Mah. 58 of 1977 reads as follows:

"3. Notwithstanding anything contained in the principal Act or the rules or orders made Validation of thereunder or the orders made under these rules, or any other law for the time being in force, or charging and in any judgment, decision, decree, award or order of any Court or Tribunal, rule 86 of the Maharashtra Co-operative Societies Rules, 1961, made or purported to have been made by the State charging of Government under clause (iii) of sub-section (2) of section 165 of the principal Act with effect from fees and for the 1st March 1975 and the orders made or purported to have been made, from time to time, expenses for the Registrar under the said rule, shall be deemed to have been duly and validly made under determining the authority of the said section as amended by this Act and shall continue to be in force in the disputes, same form, until duly repealed or amended by the competent authority. And, accordingly, according to any action taken by the Registrar in laying down the fees and expenses to be paid to him or the other scales Co-operative Court for determining, the disputes and other proceedings and for making them laid down in applicable also to the disputes and other proceedings pending immediately before the commencement of Maharashtra Co-operative Societies (Third Amendment) Act, 1973, and transferred 86 and orders to the Co-operative Courts, and any fees already levied and collected or which may be levied made and collected hereafter in the form of court-fees, in cash or in any other manner, shall be deemed to be valid. The fixing, levying and collection of those fees and expenses in any disputes or other proceedings shall not be called in question before any Court or Tribunal merely on the ground that there is no authority for fixing or levying such fees or expenses or that such fees or expenses were not or are not chargeable in any pending proceedings or that such fee cannot be levied or collected in the form of court-fee stamps or on such other ground."
commencement of the Maharashtra Co-operative Societies (Third Amendment) Act, 1973 or which may be referred to as "instituted thereafter", provided for the III of mode of payment of these fees and expenses whether in the form of court-fee stamps, in cash or in any other manner; and provide for enforcing the decisions, awards or orders in such proceedings:]

(iii) prescribe the form in which a dispute shall be referred to the Registrar;

(iv) provide for the issue and service of processes and for providing of service thereof;

(iv) provide for the investigation of claims and objections that may be preferred against any attachment effectuated under section 95;

(vi) prescribe the procedure for and the method of recovery of any sums due under this Act or the rules;

(vii) prescribe the procedure to be followed for the custody of property attached under section 95;

(viii) prescribe the procedure to be followed in the execution of awards;

(ix) 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 under section 100;

(x) prescribe the procedure for attachment and sale of property for the realization of any security given by a person in the course of execution proceedings;

(xi) prescribe the procedure and conditions for the exercise of the powers conferred under section 105 and the procedure to be followed by a Liquidator and provide for the disposal of surplus assets;

(xii) prescribe the matters in which an appeal shall lie from the order of a Liquidator appointed under section 103;

(xiii) prescribe the procedure and conditions for the issue, redemption, reissue, transfer, replacement or conversion of debentures issued by a society to which Chapter XI is applicable;

(xiv) prescribe the maximum amount of principal, the rate of interest and other conditions for the guarantee of debentures issued by a society to which Chapter XI is applicable;

(xv) prescribe the qualifications and methods of appointment of an officer to effect sale under section 133 and the powers and functions which such an officer may exercise;

(xvi) prescribe for the appointment of a receiver of the produce and income of the mortgaged property for sale under section 133, the conditions in which he may be appointed or removed, the powers and functions which he may exercise and the expenses of management and remuneration which he may receive;

(xvii) prescribe the circumstances in which action may be taken by a land development bank against a mortgagor under section 133(2);

(xviii) prescribe in case of sale of immovable property under Chapter XI—

(a) the procedure for proclamation and conduct of the sale and the conditions on which an attempt of sale may be abandoned;

(b) the method of calculating the expenses incidental to the sale or attempted sale;

(c) the procedure for the receipt of deposit and disposal of the proceeds of sale;

* These words and figures were substituted for the words "by the Registrar" by Mah. 33 of 1963, s.32(d).
(d) the procedure for a resale if an attempted sale is abandoned or the purchase money is not deposited within the prescribed time and the penalty to be levied against the purchaser who fails so to deposit the purchase money;

(e) the form and method of disposal of money by a land development bank under section 135;

(f) the form of sale certificate under section 136;

(g) the procedure for the delivery by the Court of the property purchased to the purchaser under section 136;

(h) the form of the notice referred to in section 143; and

(i) the fee payable for the service of such notices and the manner of serving such notices on, and of the transmitting landlords’ fee to, the landlord named in such notices;

(lxix) prescribe the time within which and the procedure according to which property purchased by a land development bank at a sale of immovable property under Chapter XI shall be disposed of by the bank;

(lxx) prescribe the procedure to be followed in presenting and disposing of appeals;

1[(lxxi) prescribe the qualifications and the period of office of members of the Co-operative Appellate Court;]

(lxxii) prescribe in the case of appeals lying to the State Government the authority to which power of hearing appeals may be delegated;

(lxxiii) prescribe the method of communicating or publishing any order, decision or award required to be communicated or published under this Act or the rules;

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1 Clause (lxxi) was substituted by Mah. 3 of 1974, s. 46(d).
provide that the contravention of any of the rules shall be an offence under the Act;

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 is subject to the condition that the rules being made after previous publication.

(4) All rules made under this section shall be laid for not less than thirty days before each House of 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.

166. (1) The Bombay Co-operative Societies Act, 1936, in its application to the State of Maharashtra 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 by-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 Act repealed 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, arbitrator, liquidator or tribunal or other officer, authority or person under the provisions of the repealed Act shall stand transferred, where necessary, to the Registrar, arbitrator, liquidator or 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 State 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 Act repealed 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.

167. For the removal of doubt, it is hereby declared that the provisions of the Companies Act, 1956, shall not apply to societies registered, or deemed to be registered, under this Act.
MAHARASHTRA ACT No. XX OF 2006.

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 10th May 2006.)

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Fifty-seventh Year of the Republic of India as follows:—

1. This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2006.

Mah. XXIV of 1961.

(३८४) [किमत : रु. ९.००]
2. In section 101 of the Maharashtra Co-operative
Societies Act, 1960 (hereinafter referred to as “the principal
Act”),—

(a) in sub-section (1), for the portion beginning with the
words “the Registrar may, after making such inquiries as
he deems fit” and ending with the words “due as arrears”
the words “the Registrar may, after making the inquiry in
such manner as may be prescribed, grant a certificate for
the recovery of the amount stated therein to be due as
arrears. The application for grant of such certificate shall
be made in such form and by following such procedure,
accompanied by such fees and documents as may be
prescribed” shall be substituted;

(b) in sub-section (2), for the words “as he deems fit”
the words “as may be prescribed” shall be substituted.

3. In section 165 of the principal Act, in sub-section (2),
after clause (lix), the following clause shall be inserted,
namely:—

“(lix-a) to prescribe the manner in which inquiry is to be
made by the Registrar for grant of certificate for recovery
under section 101; the form and procedure for the
application for grant of such certificate and the fees and
documents to be accompanied thereto;”.
MAHARASHTRA ACT No. XXX OF 2007.

(First published, after having received the assent of the Governor, in the "Maharashtra Government Gazette", on the 10th December 2007).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS, both Houses of the State Legislature were not in session;

AND WHEREAS, the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Amendment) Ordinance, 2007, on the 18th August 2007;

[(५४५)]

[किमतः रुपये ९.००]
AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Fifty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2007.

(2) It shall be deemed to have come into force on the 18th August 2007.

2. In section 73-A of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”),—

(a) sub-section (5) shall be deleted;

(b) in the marginal note, the words “or for being designated officer of the same society for more than ten years” shall be deleted.

3. (1) The Maharashtra Co-operative Societies (Amendment) Ordinance, 2007, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.
MAHARASHTRA ACT No. XXXI OF 2007.

(First published, after having received the assent of the Governor, in the "Maharashtra Government Gazette", on the 10th December 2007).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS, it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing;

It is hereby enacted in the Fifty-eighth year of the Republic of India as follows:

1. This Act may be called the Maharashtra Co-operative Societies (Third Amendment) Act, 2007.
2. Section 73F of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as "the principal Act"), shall be re-numbered as sub-section (1) thereof; and,—

(a) in sub-section (1) as so re-numbered,—

(i) for the words "who or whose near relation is a dealer in such goods or is a director of a company or a partner in a firm carrying on business in such goods", the words "who is a dealer in such goods or is a director of a company or a partner in a firm carrying on business in such goods, in the area of operation of the society" shall be substituted;

(ii) the Explanation shall be deleted;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be added, namely :—

"(2) Any member who desires to carry on the business of the kind carried on by the society outside the area of operation of the society may apply to the society for permission to carry on such business. The society may grant such permission subject to such conditions as may be prescribed."; and

(c) in the marginal note, the words "or whose near relation" shall be deleted.

3. In section 73-FF of the principal Act, in sub-section (1), for clause (v), the following clause shall be substituted, namely :

"(v) carries on business of the kind carried on by the society either in the area of operation of the society or in contravention of the provisions of sub-section (2) of section 73F; or ".

4. In section 165 of the principal Act, in sub-section (2), after clause (xxxv-d), the following clause shall be inserted, namely :

"(xxxv-d-1) prescribe the conditions, on which the society may grant permission to a member to carry on the business of the kind carried on by it, outside its area of operation, under section 73F (2) ; ".

Shaskariyam Mundragalay, Mumbai
MAHARASHTRA ACT No. XI OF 2008.

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 2nd May 2008).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS both Houses of the State Legislature were not in session;
AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Second Amendment) Ordinance, 2007, on the 29th October 2007;
AND WHEREAS upon the re-assembly of the State Legislature on the 19th November 2007, a Bill for converting the said Ordinance into an Act of the State Legislature was introduced in
the Maharashtra Legislative Assembly on the 22nd November 2007, but it could not be passed as the same came to be referred to the Joint Committee of both Houses of the State Legislature;

AND WHEREAS the said Ordinance would have ceased to operate after 30th day of December 2007, on which date the period of six weeks from the date of re-assembly of the State Legislature was to expire;

AND WHEREAS both houses of the State Legislature were not in session and the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action to continue the provisions of the said Ordinance promulgated the Maharashtra Co-operative Societies (Second Amendment) (Continuance) Ordinance, 2007 on the 28th December 2007;

AND WHEREAS it is expedient to replace the Maharashtra Co-operative Societies (Second Amendment) (Continuance) Ordinance, 2007, by an Act of the State Legislature; it is hereby enacted in the Fifty-ninth Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2008.

(2) It shall be deemed to have come into force on the 29th October 2007.

2. In section 2 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”),—

(a) after clause (10-aii), the following clause shall be inserted, namely:

“(10-aii-l) “co-operative credit structure entity” means the primary agricultural credit co-operative society, the District Central Co-operative Bank or the State Co-operative Bank;”;

(b) after clause (10-A), the following clause shall be inserted, namely:

“(10-B) “depositor” or “financial service user” means a person who deposits certain amount in primary agricultural co-operative credit society for such period as may be prescribed;”;

(c) in clause (19), in sub-clause (a), the following words shall be added at the end, namely:

“and any depositor or financial service user of primary agricultural co-operative credit society”;

(d) after clause (19), the following clause shall be inserted, namely:

“(19A) “National Bank” means the National Bank for Agriculture and Rural Development (NABARD), constituted under the provisions of the National Bank for Agriculture and Rural Development Act, 1981;”.
3. In section 6 of the principal Act, in sub-section (1), after the first proviso, the following proviso shall be added, namely:

“Provided further that, the condition regarding residence of the members in the area of operation of the society shall not apply for registration of the society, being the co-operative credit structure entity.”

4. In section 13 of the principal Act, to sub-section (1), the following proviso shall be added, namely:

“Provided that, the application for registration of the amendment of by-laws of the co-operative credit structure entity shall be disposed of, by the Registrar within a period of one month from the date of its receipt.”

5. In section 21A of the principal Act, in sub-section (1), after the word “served” the following words shall be inserted, namely:

“or any primary agricultural co-operative credit society using the word ‘Bank’, ‘Banking’, ‘Banker’ or any other derivative of the word ‘Bank’ in its name.”

6. In section 22 of the principal Act, in sub-section (I), after clause (f), the following clause shall be inserted, namely:

“(g) the depositor or the financial service user.”

7. In section 27 of the principal Act, after sub-section (11), the following sub-section shall be added, namely:

“(12) In the case of a primary agricultural credit co-operative society, the depositor or financial service user shall have right to vote:

Provided that, out of joint depositors, joint financial service users whose name stands first in the relevant documents shall have the right to vote and in his absence whose name stands second and in the absence of both, the next shall have the right to vote:

Provided also that, unless two years by an individual depositors or financial service users are completed from the date of deposit or financial service use, no such person shall have right to vote; and, the depositor or the financial service user, other than an individual, shall have right to vote in the affairs of a primary agricultural credit co-operative society, provided they complete three years from the date of deposit or financial service use.”
8. In section 43 of the principal Act,—

(a) to sub-section (1), the following proviso shall be added, namely:

"Provided that, the co-operative credit structure entity shall adopt its own policies regarding interest rates on deposits and loans in conformity with the Reserve Bank of India guidelines."

(b) in sub-section (2), after the first proviso, the following proviso shall be added, namely:

"Provided further that, nothing in this sub-section shall apply to the co-operative credit structure entity. However, such entity may adopt its own policy in conformity with the Reserve Bank of India guidelines.",

(c) after sub-section (2), the following sub-section shall be added, namely:

"(3) Notwithstanding anything contained in sub-sections (1) and (2), and subject to the guidelines issued by the Reserve Bank of India and the National Bank, from time to time, a co-operative credit structure entity may,—

(a) borrow from any financial institution regulated by the Reserve Bank of India, keeping in view the interest of the society and its members;

(b) decide interest rates on deposits and loans; and

(c) decide loan policies and issues relating to individual loans."

9. In section 44 of the principal Act, after the first proviso, the following proviso shall be added, namely:

"Provided further that, nothing in this section shall apply to the loan making policy made by the co-operative credit structure entity. However, such entity shall adopt its own policy in conformity with the Reserve Bank of India guidelines."

10. To section 50 of the principal Act, the following proviso shall be added, namely:

"Provided that, in the case of the co-operative credit structure entity, the State Government shall not hold more than 25% of the total share capital and the entity shall have option to further reduce the share capital contributed by the Government."
11. To section 67 of the principal Act, the following proviso shall be added, namely:—

"Provided that, the primary agricultural credit co-operative society shall pay dividend to its members as per the guidelines issued by the Registrar, in accordance with criteria specified by the National Bank."

12. In section 68 of the principal Act, in sub-section (1), for the words "Every society" the words "Every society not being co-operative credit structure entity" shall be substituted.

13. For section 69A of the principal Act, the following section shall be substituted, namely:—

"69A. (1) There shall be constituted a Co-operative State Cadre of Secretaries of primary agricultural credit societies, multi-purpose co-operative societies and service co-operatives and such other classes of societies as may be prescribed in this behalf (hereinafter in this section referred to as "the Co-operative State Cadre") consisting of persons recruited for this purpose by the Central Societies notified in this behalf by the State Government. The number of persons to be recruited and their conditions of service shall be determined by the Central Societies in accordance with such general or special guidelines, if any, as may be issued by the State Government, from time to time.

(2) A Central Society may, from time to time, depute any person appointed by it to that cadre to work under any society referred to in sub-section (1), as it may consider necessary. Where any such person is posted to work under any society, his services shall be taken over by the society on such post, for such period and on such other terms and conditions, as the Central Society may determine, but the person so posted shall draw his salary and allowances from the Fund established under sub-section (3).

(2A) The immediate initial supervisory control on the person appointed to the cadre and deputed or posted to work as secretary under each of the societies referred to in sub-section (1) shall be with the Taluka Supervision Society consisting of the societies, in each respective Taluka to which such persons are deputed, as members thereof and registered for the purpose. The Taluka Supervision Society shall, exercise such powers and discharge such functions or perform such duties as may be conferred or imposed on it by the bye-laws of such society.

(3) An Apex society notified in this behalf by the State Government shall establish a Fund to be called "the Co-operative State Cadre Employment Fund", which, when established, shall
be deemed to have been established with effect from the 1st day of July 1973. It shall be utilized for meeting the expenses on the salaries, allowances and other emoluments to be paid to the persons appointed to the Co-operative State Cadre and the other expenditure relating to the Cadre.

(4) (a) Every society or class or classes of societies, which in the opinion of the State Government, derive any benefit, directly or indirectly, from the services of any Secretary belonging to the Co-operative State Cadre of Secretaries, and

(b) Every other body corporate carrying on any trade, business or industry or class or classes of such corporate bodies, which in the opinion of the State Government, derives such benefit as aforesaid, and which are notified by the State Government in this behalf, from time to time, by general or special order, shall, with effect from the first day of July 1977, contribute annually to the said Fund, at such rate and in such manner as may be prescribed, and different rates may be prescribed for different societies or other corporate bodies or class or classes of societies or class or classes of other corporate bodies. In determining the rate or rates of contribution, the State Government shall take into consideration the expenditure referred to in sub-section (3), the services likely to be rendered and the financial condition of the societies or other bodies concerned.

Explanation.—Notwithstanding anything contained in any law for the time being in force, for the purposes of levy and collection of the contribution to the said Fund by any other corporate body to which this section applies, such corporate body shall be deemed to be a society governed by this Act.

(5) Where there is a failure to comply with the requirements of the last preceding sub-section, the Registrar may serve a demand notice on the society concerned to pay the contribution within two months from the date of demand. Such demand shall be a charge on the income of the society. If the contribution is not paid within the period aforesaid, the Registrar may direct any Bank or person having custody of the Funds of the society to pay the amount of the contribution immediately, and such Bank or person shall comply with the orders of the Registrar. Every payment made pursuant to such direction shall be a sufficient discharge to such Bank or person from all liability to the society in respect of any sum so paid by it or him out of the moneys of the society in his custody.

(6) The State Government may make rules regulating all matters connected with or ancillary to the custody and maintenance of, the payment of moneys into, and the expenditure and withdrawal of moneys from, the said Fund.
(7) Notwithstanding anything contained in sub-sections (1) to (6), on and from the 1st day of January 2009, nothing in sub-sections (1) to (6) shall apply to a co-operative credit structure entity.

14. After section 69A of the principal Act, the following section shall be inserted, namely:

"69B. The State Government shall constitute District Level Committees and the State Level Committee, from time to time, as it shall deem fit, for solving the problems of Group Secretaries in the State."

15. For section 70 of the principal Act, the following section shall be substituted, namely:

"70. Every society other than the co-operative credit structure entity shall invest or deposit its funds in one or more of the following:

(a) in a Central Bank, or the State Co-operative Bank;

(b) in any of the securities specified in section 20 of the Indian Trusts Act, 1882;

(c) in the shares, or security bonds, or debentures, issued by any other society with limited liability and having the same classification to which it belongs:

Provided that, no society shall invest more than such proportion of its paid up share capital as may be prescribed:

Provided further that, the co-operative credit structure entity shall invest its funds subject to guidelines as may be issued, from time to time, by the Reserve Bank of India."

16. After section 72 of the principal Act, the following section shall be inserted, namely:

"72A. Notwithstanding anything contained in this Act or any other law for the time being in force, the co-operative credit structure entity shall have the liberty for the affiliation or disaffiliation with the federal structure of its choice:

Provided that, in the general meeting of the co-operative credit structure entity, a resolution for this purpose is passed by a majority of not less than 3/4th of the total members of such entity."
17. After section 73-E of the principal Act, the following section shall be inserted, namely:

"73-EA. Without prejudice to the other provisions of this Act or the rules made thereunder, in relation to the disqualification of being a member of a committee, no person shall be eligible for being appointed, nominated, co-opted or, for being a director of a District Central Co-operative Bank or of the State Co-operative Bank, if he—

(i) is a person who represents a society other than a primary agricultural credit co-operative society on the board of a District Central Co-operative Bank or State Co-operative Bank, if the society to whom he represents has committed a default towards the payments of such Bank for a period exceeding ninety days;

(ii) is a person who is defaulter of a primary agricultural credit co-operative society or is an office bearer of a defaulting primary agricultural co-operative credit society;

(iii) is a person, who represents a society whose Managing Committee is superseded."

18. In section 73-G of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:

"(4) (a) There shall be two professionals on the board of directors of District Central Co-operative Bank and State Co-operative Bank having qualifications prescribed by the Reserve Bank of India or the National Bank.

(b) The Registrar shall direct the bank concerned to co-opt such professionals on the board of directors within the time limit specified in the direction by the Registrar. If the bank fails to comply with the aforesaid directions, the Registrar himself shall appoint such professional directors and such appointment shall be binding on the said bank. The professional director shall have all the rights inclusive of voting right."

19. In section 73-H of the principal Act, after sub-section (2), the following proviso shall be added, namely:

"Provided that, in the case of co-operative credit structure entity, the Registrar or Administrator shall hold election within a period of two months from the date of taking over the management of the society."
20. In section 74 of the principal Act, to sub-section (2), the following proviso shall be added, namely:

"Provided that, the qualification for appointment of the Chief Executive Officer of the District Central Co-operative Bank and the State Co-operative Bank shall be such as may be prescribed by the Reserve Bank of India, from time to time."

21. In section 77A of the principal Act, in sub-section (3), for the proviso, the following provisos shall be substituted, namely:

Provided that, a committee or Administrator so appointed shall make necessary arrangements for constituting a new committee of the co-operative credit structure entity within two months from the date of assuming the management of the society:

Provided further that, if a committee is not, or cannot be, constituted at the expiry or determination of the term of office of the committee or the Administrator, the term of office of the committee or the Administrator, as the case may be, shall be deemed to be extended until the new committee is duly constituted:

Provided also that, in no circumstances the term of office of the committee of, or the Administrator appointed on, the co-operative credit structure entity shall exceed six months from the date of expiry of the term of its committee.

22. In section 78 of the principal Act,—

(a) in sub-section (1), the following provisos shall be added at the end, namely:

"Provided further that, the supersession or removal of the committee of the District Central Co-operative Bank or the State Co-operative Bank under this sub-section shall not be done without prior consultation with the Reserve Bank of India:

Provided also that, the committee of a primary agricultural co-operative credit society shall not be superseded by the Registrar, except under the following circumstances, namely:

(i) if a society incurs losses for three consecutive years; or
(ii) if serious financial irregularities or frauds have been identified; or
(iii) if there are judicial directives to this effect; or
(iv) if there is perpetual lack of quorum:"
Provided also that, the members of the Board of a primary agricultural credit co-operative society which has been superseded shall not be eligible to be re-elected, re-appointed, re-nominated or re-co-opted, as a member of the committee for a period of three years from the date of supersession of the Board.”;

(b) in sub-section (4),—

(i) before the existing proviso, the following proviso shall be inserted, namely:—

“Provided that, the committee or Administrator shall make arrangements for constitution of a new committee of co-operative credit structure entity, within a period of two months from the date of order of supersession of board of co-operative credit structure entity;”;

(ii) in the existing proviso, for the words, “Provided that” the words “Provided further that” shall be substituted;

(iii) after the existing proviso, the following proviso shall be added, namely:—

“Provided also that, in no circumstances the term of office of the committee of, or the Administrator appointed on, the co-operative credit structure entity shall exceed six months from the date of supersession of the committee.”

23. In section 81 of the principal Act,—

(i) in sub-section (I),—

(a) after sub-clause (a), the following proviso shall be inserted, namely:—

“Provided that, the audit of the District Central Co-operative Bank and the State Co-operative Bank shall be conducted by a Chartered Accountant approved by the National Bank;”;

(b) in sub-clause (b), after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that, the primary agricultural credit co-operative society shall arrange to get their accounts audited at least once in each co-operative year by an auditor from the panel of auditors maintained by the Registrar; or by a Chartered Accountant holding a certificate in cooperative audit issued by the Institute of Chartered Accountants of India. The District Central Co-operative Bank and the State Co-operative Bank shall arrange to get their accounts audited at least once in each co-operative year through a Chartered Accountant from the panel of auditors approved by the National Bank.”;
(ii) after sub-section (6), the following sub-section shall be added, namely:

“(7) Special audit of the Co-operative Bank if requested by the Reserve Bank of India shall be conducted and report thereof shall be submitted to the Reserve Bank of India under intimation to the Registrar alongwith the Special Audit Report.”

24. Section 110A of the principal Act shall be re-numbered as sub-section (1) thereof; and after the sub-section (1), so re-numbered, the following sub-section shall be inserted, namely:

“(2) Notwithstanding anything contained in this Act, in the case of the District Central Co-operative Bank and the State Co-operative Bank, the supersession of the Board and appointment of liquidator shall be made by the Registrar, within one month of being so advised by the Reserve Bank of India.”

25. In section 157 of the principal Act, after the word “societies”, at both the places where it occur, the words “other than co-operative credit structure entity” shall be inserted.

26. In section 165 of the principal Act, in sub-section (2), clause (xxxii-a) shall be deleted.

27. (1) The Maharashtra Co-operative Societies (Second Amendment) (Continuance) Ordinance, 2007, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.
MAHARASHTRA ACT No. II OF 2011.

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 14th January 2011).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Sixty-first Year of the Republic of India as follows:—

1. This Act may be called the Maharashtra Co-operative Societies Short title. (Amendment) Act, 2010.

2. In section 73 of the Maharashtra Co-operative Societies Act, 1960, Amendment in sub-section (1AB), for the portion beginning with the words "Every of section 73 such member shall execute" and ending with the words "by the State of Mah. Government by general or special order.", the following shall be XXIV of substituted, namely:—

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"Every such member,—

(i) in case of housing societies, within forty-five days of his assuming the office; and

(ii) in case of other societies, within fifteen days of his assuming the office;

shall execute a bond to that effect, in the form as specified by the State Government by general or special order."
MAHARASHTRA ACT No. XL OF 2014.

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 23rd December 2014).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Sixty-fifth Year of the Republic of India as follows:—

1. This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2014.
2. In section 73CB of the Maharashtra Co-operative Societies Act, 1960, in Mah. XXIV of the words, figures and letters "before the 31st December 2014" shall be substituted by "before the 30th June 2015".
MAHARASHTRA ACT No. XXIV OF 2015.
(First published, after having received the assent of the Governor in the “Maharashtra Government Gazette”, on the 31st July 2015).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Sixty-sixth Year of the Republic of India as follows:

1. This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2015.
2. After section 73CB of the Maharashtra Co-operative Societies Act, 1960, the following section shall be inserted, namely:

"73CC. Where due to scarcity, drought, flood, fire or any other natural calamity or rainy season or any election programme, of the State Legislative Assembly or Council or House of the People or a local authority, coinciding with the election programme of any society or class of societies, in the opinion of the State Government, it is not in the public interest to hold elections to any society or class of societies, the State Government may, notwithstanding anything contained in this Act or the rules, or bye-laws made thereunder, or any other law for the time being in force, for reasons to be recorded in writing, by general or special order, postpone the election of any society or class of societies, for a period not exceeding six months at a time, which period may further be extended so, however, that, the total period shall not exceed one year in the aggregate.".
An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS the Governor of Maharashtra had promulgated the Maharashtra Co-operative Societies (Amendment) Ordinance, 2016, on the 21st January 2016;

AND WHEREAS upon the re-assembly of the State Legislature on the 9th March 2016, the Maharashtra Co-operative Societies (Amendment) Bill, 2016 (L. A. Bill No. III of 2016), for converting the said Ordinance into an Act of the State Legislature was passed by the Maharashtra Legislative Assembly on the 15th March 2016 and was transmitted to the Maharashtra Legislative Council and the motion to refer it to the Select Committee of that House had been passed;

AND WHEREAS thereafter, as the session of the Maharashtra Legislative Council was prorogued on the 13th April 2016, the said Bill could not be passed by the Maharashtra Legislative Council;

In pursuance of clause (3) of article 348 of the Constitution of India, the following translation in English of the Maharashtra Co-operative Societies (Amendment) Act, 2016 (Mah. Act No. XXXIV of 2016), is hereby published under the authority of the Governor.

By order and in the name of the Governor of Maharashtra,

PRAKASH H. MALI,
Principal Secretary to Government,
Law and Judiciary Department.

MAHARASHTRA ACT No XXXIV OF 2016.

(First published, after having received the assent of the Governor in the “Maharashtra Government Gazette”, on the 17th October 2016).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.


WHEREAS the Governor of Maharashtra had promulgated the Maharashtra Co-operative Societies (Amendment) Ordinance, 2016, on the 21st January 2016;

AND WHEREAS upon the re-assembly of the State Legislature on the 9th March 2016, the Maharashtra Co-operative Societies (Amendment) Bill, 2016 (L. A. Bill No. III of 2016), for converting the said Ordinance into an Act of the State Legislature was passed by the Maharashtra Legislative Assembly on the 15th March 2016 and was transmitted to the Maharashtra Legislative Council and the motion to refer it to the Select Committee of that House had been passed;

AND WHEREAS thereafter, as the session of the Maharashtra Legislative Council was prorogued on the 13th April 2016, the said Bill could not be passed by the Maharashtra Legislative Council;

(1)
AND WHEREAS as provided by article 213 (2) (a) of the Constitution of India, the said Ordinance would have ceased to operate at the expiration of six weeks from the date of re-assembly of the State Legislature, that is, after the 19th April 2016;

AND WHEREAS both Houses of the State Legislature were not in session; and the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action to continue the operation of the provisions of the said Ordinance, for the purposes hereinafter appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Amendment and Continuance) Ordinance, 2016 (hereinafter referred to as “the said Continuance Ordinance”), on the 18th April 2016;

AND WHEREAS it is expedient to replace the said Continuance Ordinance by an Act of the State Legislature; it is hereby enacted in the Sixty-seventh year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2016.

(2) It shall be deemed to have come into force on the 21st January 2016.

2. In section 73CA of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) In case of an insured Co-operative Bank, if an order for supersession of its Committee, as per the requisition of the Reserve Bank of India, is made under section 110A, at any time within the period of ten years before the date of commencement of the Maharashtra Co-operative Societies (Amendment) Act, 2016 or at any time after such commencement, then no member of such Committee shall be eligible for being re-appointed, re-nominated, re-elected or re-co-opted on the Committee of such bank or, for being a member, or for being appointed, nominated, elected or co-opted, as a member of Committee of such bank or any other bank, for a period of two terms of the Committee from the date of order of supersession of the Committee.”.

3. (1) The Maharashtra Co-operative Societies (Amendment and Continuance) Ordinance, 2016 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.
MAHARASHTRA ACT No. XXXVI OF 2016.

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 17th October 2016).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS the Governor of Maharashtra had promulgated the Maharashtra Co-operative Societies (Second Amendment) Ordinance, 2016, on the 2nd March 2016;
AND WHEREAS upon the re-assembly of the State Legislature on the 9th March 2016, the Maharashtra Co-operative Societies (Second Amendment) Bill, 2016 (L. A. Bill No. VII of 2016), for converting the said Ordinance into an Act of the State Legislature was passed by the Maharashtra Legislative Assembly on the 6th April 2016 and was transmitted to the Maharashtra Legislative Council;

AND WHEREAS thereafter, as the session of the Maharashtra Legislative Council was prorogued on the 13th April 2016, the said Bill could not be passed by the Maharashtra Legislative Council;

AND WHEREAS as provided by article 213 (2)(a) of the Constitution of India, the said Ordinance would have ceased to operate at the expiration of six weeks from the date of re-assembly of the State Legislature, that is, after the 19th April 2016;

AND WHEREAS both Houses of the State Legislature were not in session; and the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action to continue the operation of the provisions of the said Ordinance, for the purposes hereinafter appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Amendment and Second Continuance) Ordinance, 2016 (hereinafter referred to as “the said Second Continuance Ordinance”) on the 18th April 2016;

AND WHEREAS it is expedient to replace the said Second Continuance Ordinance by an Act of the State Legislature; it is hereby enacted in the Sixty-seventh year of the Republic of India as follows:

1. (1) This Act may be called the Maharashtra Co-operative Societies (Second Amendment) Act, 2016.

   (2) It shall be deemed to have come into force on the 2nd March 2016.

2. In section 2 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), for clause (14-A), the following clause shall be substituted, namely:

   “(14-A) “functional director” means a Managing Director or a Chief Executive Officer by whatever designation called, nominated by the Committee;”.

3. In section 73AAA of the principal Act, in sub-section (2),—

   (a) for the second proviso, the following provisos shall be substituted, namely:

   “Provided further that, the Committee may nominate one person as a functional director:

   Provided also that, in the case of such societies or class of societies, as the State Government may by general or special order notify, where the number of permanent salaried employees of the society is twenty-five or more, the committee shall include,—

   (i) where the committee consists of not more than eleven members, one representative of the employees of the society; and

   (ii) where the committee consists of more than eleven members and not more than twenty-one members, two representatives of the employees of the society.
Such representatives of the employees shall be selected by the union or unions recognised under the Maharashtra Industrial Relations Act, or the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971, from amongst the employees of the society. Where there is no such recognised union or unions or where there is no union at all or where there is a dispute in relation to such issues including whether a union is recognised or not, then such representatives of the employees shall be elected by the employees of the society from amongst themselves in the prescribed manner. No employee who is under suspension shall be eligible for being selected or elected or for being continued as a member of the committee under this proviso:

Provided also that, the representative of the employees selected or elected as per the provisions of the third proviso shall have the right to take part in the meetings of the committee, but shall have no right to vote therein.

(b) for the third proviso, the following proviso shall be substituted, namely:

“Provided also that, in respect of the society having contribution of the Government towards its share capital, the committee shall also include following two members nominated by the Government, namely:

(i) one Government Officer not below the rank of the Assistant Registrar of Co-operative Societies, and

(ii) one person having such requisite experience relating to the work of the society and such qualifications, as may be specified by the Government, by an order published in the Official Gazette.”;

(c) the fourth proviso shall be deleted.

4. In section 73CA of the principal Act, in sub-section (1), in clause (vi), for the figures and letter “73A” the figures and letters “73AAA” shall be substituted.

5. (1) The Maharashtra Co-operative Societies (Amendment and Second Continuance) Ordinance, 2016, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.
An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Sixty-seventh Year of the Republic of India as follows:

1. This Act may be called the Maharashtra Co-operative Societies (Third Amendment) Act, 2016.
2. In section 81 of the Maharashstra Co-operative Societies Act, 1960, in sub-section (1), in clause (9), in the Explanation I, after clause (b), the following clauses shall be inserted, namely :

“(b-1) a person who is Cost Accountant within the meaning of the Cost and Works Accountants Act, 1959, who has a fair knowledge of the functioning of the societies and an experience of atleast one year of auditing in societies with a working knowledge of Marathi language;

(b-2) an auditing firm, which is a firm of more than one Cost Accountants within the meaning of the Cost and Works Accountants Act, 1959, having a fair knowledge of the functioning of the societies with a working knowledge of Marathi language;”.
MAHARASHTRA ACT No. XXXIII OF 2017.

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 26th April 2017.)

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Sixty-eighth Year of the Republic of India as follows:

1. This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2017. Short title.

2. In section 88 of the Maharashtra Co-operative Societies Act, 1960, in sub-section (1), after the second proviso, the following provisos shall be added, namely:

“Provided also that, the Government may, on the report of the Registrar or suo moto, for the reasons to be recorded in writing, extend..."
the said period as may be required, from time to time, to complete the proceedings under this sub-section:

Provided also that, in case of the proceedings under this sub-section which have not been completed within the aforesaid period on the date of commencement of the Maharashtra Co-operative Societies (Amendment) Act, 2017, the Government may, on the report of the Registrar or suo moto, for the reasons to be recorded in writing, extend the period, from time to time, for completion of such proceedings as may be required.”. 

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 7th September 2017).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960 for the purposes hereinafter appearing; it is hereby enacted in the Sixty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Co-operative Societies (Second Amendment) Act, 2017.

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

2. After Chapter XI of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as "the principal Act"), the following Chapter shall be inserted, namely:—

(1)
CHAPTER XI-1A
NON-AGRICULTURAL CO-OPERATIVE CREDIT SOCIETIES

144-2A. (1) Unless the context otherwise requires, this Chapter shall apply to the non-agricultural co-operative credit societies.

(2) The provisions of this Chapter shall be, in addition to and not, save as hereinafter provided, in derogation of the provisions of this Act or any other law for the time being in force.

144-3A. In this Chapter, unless the context otherwise requires,—

(a) “non-agricultural co-operative credit society” means a society, the primary object of which is to provide credit to its members and accept deposits from members and includes,—

(i) an urban credit co-operative society;

(ii) a rural non-agricultural credit co-operative society;

(iii) a salary earners’ credit co-operative society; and

(iv) any other society or class of societies, which the State Government may, by general or special order published in the Official Gazette, from time to time, specify in this behalf;

(b) “the Maharashtra State Non-agricultural Co-operative Credit Societies Regulatory Board” or “the Regulatory Board” means the Board constituted under section 144-13A;

(c) “Stabilization and Liquidity Support Fund” means the Stabilization and Liquidity Support Fund created under section 144-25A.

144-4A. (1) From the date of commencement of the Maharashtra Co-operative Societies (Second Amendment) Act, 2017 (hereinafter in this Chapter referred to as “the said Amendment Act, 2017”), a non-agricultural co-operative credit society may engage in any one or more of the following forms of business, namely:

(a) borrowing, raising or accepting deposits from members, lending or advancing of money either upon or without security, negotiating loans and advances, providing safe deposit vaults by itself to members;

(b) managing, selling and realizing any property which may come in possession of such non-agricultural co-operative credit society in satisfaction or part satisfaction of any of its claims;

(c) acquiring, holding and generally dealing with any property or any right, title or interest in any such property which may form the security or part of security for any loans or advances or which may be connected with any such security;

(d) acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purpose of the non-agricultural co-operative credit society;
(e) selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the non-agricultural co-operative credit society;

(f) acquiring and undertaking the whole or any part of the business of any member of the non-agricultural co-operative credit society for the purpose of recovery of loan advanced to such member, when such business is of a nature specified in this section;

(g) doing all such other things as are incidental or conducive to the promotion or advancement of the business of the non-agricultural co-operative credit society;

(h) undertaking functions itself or seek assistance for asset reconstruction with previous sanction of the Registrar in accordance with law for the time being in force;

(i) any other form of business which the State Government may, by notification in the Official Gazette, specify as a form of business in which it is lawful for a non-agricultural co-operative credit society to engage.

(2) In case any form of business other than the business referred under sub-section (1) is already undertaken by any non-agricultural co-operative credit society before the date of commencement of the said Amendment Act, 2017, such society shall conclude such business within eighteen months from the date of commencement of the said Amendment Act, 2017:

Provided that, in special cases, if the Registrar is satisfied that any extension to a non-agricultural co-operative credit society is in its interest, he may extend this period for a period not exceeding twelve months so that the total period does not exceed thirty months in the aggregate and subject to such terms and conditions, as he may deem fit.

144-5A. Notwithstanding anything contained in any Act, a non-agricultural co-operative credit society shall not accept deposit from any person who is not its member. If any society which has accepted deposit from non-members, before the date of commencement of the said Amendment Act, 2017, it shall either enroll them as members or refund deposits of all non-members within two years from commencement of the said Amendment Act, 2017.

Explanation.— For the purposes of this section, “member” does not include nominal member.

144-6A. Notwithstanding anything contained in section 144-4A or in any contract, no non-agricultural co-operative credit society shall directly or indirectly deal in buying or selling or bartering of goods, except in connection with the realization of security given to or held by it, or engage in any trade, buy, sell or barter goods for others.

Explanation.— For the purposes of this section, “goods” means every kind of movable property, other than actionable claims, stocks, money, bullion and specie, and all instruments referred to in sub-section (1) of section 144-4A.

144-7A. Notwithstanding anything contained in section 144-4A, no non-agricultural co-operative credit society shall hold any immovable property howsoever acquired, which is not required for its own use, for any period exceeding seven years from acquisition thereof or from the commencement of the said Amendment Act, 2017, whichever is later or any extension of such period under this section, and such property shall be disposed of within such period or extended period, as the case may be:
Provided that, the non-agricultural co-operative credit society may, within
the period of seven years as aforesaid deal in any such property for the purpose
of facilitating the disposal thereof:

Provided further that, the Registrar may in any particular case extend
the aforesaid period of seven years by such period not exceeding three years,
where he is satisfied that such extension shall be in the interest of the non-
agricultural co-operative credit society and shall also be subject to such terms
and conditions, as he may deem fit.

144-8A. The non-agricultural co-operative credit society shall not
exceed the limit on administrative and establishment expenses as notified
by the Regulatory Board.

144-9A. The non-agricultural co-operative credit society shall maintain
by way of cash reserve with itself or by way of average balance in current
account, saving account or short term deposit not exceeding fifteen days, in a
bank or banks a sum equivalent to such percentage which shall not be more
than five per cent., of the total of its deposits, as the Regulatory Board may
specify, from time to time and shall submit the return thereof to the Registrar,
on or before fifteenth day of the end of each quarter, showing the total and
for each branch, the amount so held:

Provided that, an over draft drawn on the statutory liquidity maintained
in excess of the limit specified in section 144-10A may be treated as cash
reserve for the purpose of this section.

Explanation.— For the purpose of this section, the term “bank” means a
bank as stated in section 70.

144-10A. The non-agricultural co-operative credit society shall maintain
the statutory liquidity ratio by way of average balance in term deposit in a
bank a sum equivalent to such percentage which shall not be less than twenty
five per cent., or such percentage not exceeding forty per cent., as the
Regulatory Board may, from time to time, specify, of the total of its deposits
and shall submit the return showing the amount so held to the Registrar on
or before fifteenth day of the end of each quarter.

Explanation.— For the purposes of this section, the term “bank” means
a bank as stated in section 70.

144-11A. (1) The non-agricultural co-operative credit society shall not,—

(a) grant any loans or advances on the security of its own shares as
per section 44;

(b) enter into any commitment for granting any loan or advance to
or on behalf of,—

(i) any of its present directors and his family members except
against his own fixed deposits or those held in the name of the family
member in the same society, where he is the director or against
adequate and clear security furnished by him;

(ii) any firm or company in which any of the directors and his
family member is interested as owner, partner, manager, guarantor
or major shareholder or in which he holds any interest.

(2) Where any loan or advance granted and disbursed by a non-
agricultural co-operative credit society is such that it could not have been
granted and disbursed, if clause \( (b) \) of sub-section \( (1) \) had been in force on the date on which the loan or advance was granted and disbursed before the commencement of the said Amendment Act, 2017, steps shall be taken to recover the amount due to the non-agricultural co-operative credit society on account of the loan or advance, together with interest, if any, due thereon within the period stipulated at the time of the grant of the loan or advance, or where no such period has been stipulated, before the expiry of two years from the date of the commencement of the said Amendment Act, 2017.

(3) If any question arises whether any transaction is a loan or advance for the purpose of this section, it shall be referred to the Registrar, whose decision shall be final.

Explanation.— For the purposes of this section, the term “family” shall have the same meaning as explained in Explanation I of sub-section \( (2) \) of section 75.

144-12A. (1) Notwithstanding anything contained in this Act, a non-agricultural co-operative credit society shall not, except with the prior approval of the Registrar and in consultation with the Regulatory Board, remit in whole or in part any debt due to it by,—

\( (a) \) any of its past and present Director and his family members; or

\( (b) \) any firm or company in which any of its past and present Director or his family member is interested as director, partner, managing agent or guarantor or major shareholder or in which he holds any interest.

(2) Any remission made in contravention of the provisions of sub-section \( (1) \) shall be void and of no effect.

Explanation.—For the purposes of this section, the term “family” shall have the same meaning as explained in Explanation I of sub-section \( (2) \) of section 75.

144-13A. The State Government shall, as soon as may be, after the commencement of the said Amendment Act, 2017, by notification in Official Gazette, constitute the Maharashtra State Non-Agricultural Co-operative Credit Societies Regulatory Board, to perform such duties and functions assigned to it by or under this Act.

144-14A. The Regulatory Board shall consist of the following members, namely:—

\( (a) \) The Registrar, who shall be the Chairman of the Regulatory Board;

\( (b) \) an officer not below the rank of Additional Registrar appointed by the Registrar;

\( (c) \) two retired officers, not below the rank of Deputy General Manager from any co-operative bank to be nominated by the State Government,—

\( (i) \) who shall have an experience of at least ten years as officer not below the rank of Deputy General Manager of bank and no disciplinary or any other legal action was taken against them; and

\( (ii) \) one of them shall be retired from the service of bank whose area of operation is entire State and other shall be retired from the service of bank whose area of operation is less than the State;
(d) one Chartered Accountant, whose name appears on the panel of auditors kept by the Registrar, and having at least ten years of experience of auditing of non-agricultural co-operative credit societies, to be nominated by the State Government;

(e) four representatives of the non-agricultural co-operative credit societies, who have been awarded “A” audit class in last three consecutive years, to be nominated by the State Government,—

(i) who shall have an experience of at least ten years as director of non-agricultural co-operative credit society and shall not be ineligible for being a member or being appointed or nominated or co-opted or elected as a member of committee of any society as specified in section 73CA; and

(ii) one of them shall be director of society whose area of operation is the entire State; one of them shall be director of society whose area of operation is not less than a district; and two of them shall be director of society whose area of operation is less than a district.

144-15A. An officer not below the rank of the Deputy Registrar shall be appointed as the Secretary of the Regulatory Board by the Registrar.

144-16A. Subject to the pleasure of the State Government, the term of the non-official members of the Regulatory Board shall be of three years from the date of nomination. The non-official member of the Regulatory Board may be renominated only once.

144-17A. A non-official member may resign his office at any time, by writing in his own hand, addressed to the Chairman of the Regulatory Board. The resignation of the member of the Regulatory Board shall come into effect as soon as it is received by the Chairman.

144-18A. The State Government may remove a non-official member from office, if the member,—

(a) becomes an insolvent; or

(b) is convicted and sentenced to imprisonment for an offence which in the opinion of the Government involves moral turpitude; or

(c) becomes of unsound mind, and stands so declared by a competent authority; or

(d) refuses to act or becomes incapable of acting as the member; or

(e) becomes ineligible for being a member or being appointed or nominated or co-opted or elected as a member of committee of any society as specified in section 73CA.

144-19A. Casual vacancies in the Regulatory Board shall be filled up as and when they fall vacant in the manner as provided in section 144-14A.

144-20A. Notice of the meeting of the Regulatory Board, quorum and procedure regarding transaction of the business of the Regulatory Board shall be such as may be prescribed.
144-21A. The non-official members of the Regulatory Board shall be paid such allowances, out of the Stabilization and Liquidity Support Fund, as the State Government may, by notification in the Official Gazette, specify from time to time.

144-22A. (1) Subject to the provisions of the Act and the rules made thereunder, the Regulatory Board shall have power to frame regulations for the following matters, namely:

(a) the maximum amount of deposit that can be collected from an individual member by a society;

(b) the maximum and minimum rates of interest for deposits and secured and unsecured loans;

(c) the upper limit up to which loan could be granted to an individual member and all his connected accounts;

(d) the maximum limit to be maintained by the non-agricultural co-operative credit society by way of cash reserve;

(e) the rate of contribution to be made by non-agricultural co-operative credit society to the Stabilization and Liquidity Support Fund and its periodicity which may be annual or otherwise;

(f) the criteria for a society to be eligible to receive support for the refund of deposit from the Stabilization and Liquidity Support Fund;

(g) the maximum limit of expenditure permitted to be incurred by non-agricultural co-operative credit society, on its administrative and establishment expenses.

(2) The Regulatory Board shall have power to issue guidelines for the following matters:

(a) the classification of non-performing asset;

(b) the minimum educational qualification and training for being eligible to be appointed as Chief Executive Officer and other officers and staff of society;

(c) the eligibility criteria for a society which may contribute to the Stabilization and Liquidity Support Fund;

(d) the recognition of one or more companies or societies to function as asset reconstruction company or otherwise in accordance with law for the time being in force;

(e) general guidelines on those matters which the Regulatory Board may deem fit and require to issue from time to time in the interest of the non-agricultural co-operative credit societies.

(3) The State Government may, by notification in the Official Gazette, confer any other functions and powers on the Regulatory Board, as it may deem fit from time to time.

144-23A. (1) The non-agricultural co-operative credit society shall be bound to comply with the regulations and guidelines, issued by the Regulatory Board as per section 144-22A.

(2) The Registrar may call report from society as to the compliance of regulations framed and guidelines issued by the Regulatory Board, from time to time.
Moratorium and or directions to non-agricultural co-operative credit society.

144-24 A. (1) The Registrar shall have power to impose moratorium and or issue directions, after giving an opportunity of being heard, where he is satisfied to do so, in case of any non-agricultural co-operative credit society, in order to prevent the affairs of any non-agricultural co-operative credit society being conducted in a manner detrimental to the interest of the depositors and, or members, or in a manner prejudicial to the interest of the non-agricultural co-operative credit society, or to secure the proper management of the non-agricultural co-operative credit society.

(2) For the purposes of this section, the Registrar may,—

(a) impose restrictions on any non-agricultural co-operative credit society for refund of deposit and or its withdrawal, till such date as may be specified;

(b) issue orders when a society shall not accept any more and further deposits, till it complies with certain conditions as related to Statutory Liquidity Ratio and Cash Reserve Ratio or any other condition; or

(c) modify or cancel any moratorium or direction issued under sub-section (1), and in so modifying or cancelling any moratorium or direction, may impose such conditions as he may deem fit, subject to which the modification or cancellation shall have effect.

Constitution of Stabilization and Liquidity Support Fund.

144-25A. The State Government shall, by notification in the Official Gazette, create “the Stabilization and Liquidity Support Fund” and shall consist of contributions made by the non-agricultural co-operative credit societies, refund of amount of assistance and interest thereupon, borrowings, donations received and any aid received from the Government.

Contribution to the Fund by the Societies.

144-26A. (1) Every non-agricultural co-operative credit society shall contribute annually or otherwise towards the Stabilization and Liquidity Support Fund at such rate and in such manner as may be notified by the Regulatory Board in the Official Gazette, from time to time.

(2) No portion of the contribution once made shall be refunded to any non-agricultural co-operative credit society for any reason.

Utilisation of the Fund.

144-27A. (1) The “Stabilization and Liquidity Support Fund” shall be utilized for providing liquidity support to the eligible non-agricultural co-operative credit society for maintaining Statutory Liquidity Ratio as specified in the section 144-10A on such terms and conditions as determined by the Regulatory Board, from time to time.

(2) The Stabilization and Liquidity Support Fund shall also be used for the settlement of claims in respect of the deposits of members of the non-agricultural co-operative credit societies which are taken into liquidation after the date of commencement of settlement as notified under sub-section (3) of this section. The amount of settlement per member depositor shall be a sum of the actual amount of deposit of the depositor or an amount which may be notified by the State Government in the Official Gazette, from time to time, whichever is less.

(3) For the purposes of sub-section (2) of this section, the State Government shall notify the date of the commencement of the settlement in the Official Gazette.
144-28A. (1) The Stabilization and Liquidity Support Fund shall be maintained and operated by the Regulatory Board.

(2) The money credited to the Stabilization and Liquidity Support Fund shall be deposited in the accounts opened in the name of the Regulatory Board in any Nationalized Bank, or the Maharashtra State Co-operative Bank, or the District Central Co-operative Bank having ‘A’ audit class during last three years, or any Bank having net worth of rupees two hundred crores or more.

(3) The money credited to the Stabilisation and Liquidity Support Fund may be invested in any of the aforesaid banks. The amount so invested in any bank shall not exceed twenty per cent. of total corpus of the said Fund at the time of such investment.

(4) For the purposes of this section, the Regulatory Board shall have following powers, namely:

(a) to pass order, to sanction and draw and pay an amount from the Stabilization and Liquidity Support Fund to an eligible society to maintain statutory liquidity ratio as prescribed by the Regulatory Board, at such rate of interest, schedule of repayment, as stated in the order;

(b) to pass order, to sanction and draw an amount from the Stabilization and Liquidity Support Fund to pay deposit of members of a non-agricultural co-operative credit society which is taken into liquidation after the date of commencement of the settlement;

(c) to frame such regulations as are necessary for providing support or assistance for repayment of deposit by the liquidator. The Regulatory Board shall be competent to decide the quantum of assistance or amount of support, as the case may be, subject to the amount notified by the State Government in the Official Gazette, from time to time Government.

(5) The Regulatory Board shall monitor recovery of the amount so released, from the society and or the liquidator of the society, as the case may be.

144-29A. If a non-agricultural co-operative credit society fails to contribute to the Stabilization and Liquidity Support Fund or the society fails to repay the sum availed for liquidity support or the liquidator fails to repay the financial assistance availed for settlement of depositor to the said Fund, the Registrar shall issue recovery certificate, after giving an opportunity of being heard, to recover arrears of sum of contribution, liquidity support or settlement, etc., as the case may be, as an arrear of land revenue, and the amount and interest so due shall rank as first in priority in respect of all other liabilities of the society or the liquidator, as the case may be.

144-30A. The Secretary of the Regulatory Board shall maintain the accounts of the Stabilization and Liquidity Support Fund in such form and manner as may be specified by the Regulatory Board. The audit of the accounts kept for the said Fund shall be done by the auditor appointed by the Regulatory Board.

144-31A. (1) Notwithstanding anything contained in this Act, if a contravention or default of the nature referred to in section 144-5A, section 144-9A, section 144-10A or, section 144-24A, as the case may be, is made by a non-agricultural co-operative credit society, then the Registrar may impose on such non-agricultural co-operative credit society,

(a) where the contravention is of the nature referred to in section 144-5A or section 144-24A, a penalty not exceeding twice the amount of the deposits in respect of which such contravention was made;
(b) where the contravention or default is of the nature referred to in sub-section (1) of section 144-9A or section 144-10A, a penalty not exceeding fifty thousand rupees or twice the amount involved in such contravention or default where such amount is quantifiable, whichever is more; and where such contravention or default is a continuing one, a further penalty which may extend to twenty-five thousand rupees; for everyday, after the first, during which the contravention or default continues.

(2) For the purpose of adjudging the penalty under sub-section (1), the Registrar shall serve notice on the non-agricultural co-operative credit society requiring it to show cause why the amount specified in the notice should not be imposed and a reasonable opportunity of being heard shall also be given to such non-agricultural co-operative credit society.

(3) Any penalty imposed by the Registrar under this section shall be payable within a period of fourteen days from the date on which notice issued by the Registrar demanding payment of the sum is served on the non-agricultural co-operative credit society and in the event of failure of the non-agricultural co-operative credit society to pay the sum within such period, it may be recovered in the manner provided by the Code of Criminal Procedure, 1973 for the recovery of the fines imposed by a Magistrate, as if such fine was imposed by the Magistrate himself. Such fine, on recovery shall be credited to the Stabilization and Liquidity Support Fund.”.

3. In section 146 of the principal Act, after clause (p), the following clauses shall be inserted, namely:—

“(p-1) in case of non-agricultural co-operative credit society, in addition to above,—

(i) the society violates section 43 or 44; or

(ii) the society engages in any form of business other than those referred to in sub-section (1) of section 144-4A; or

(iii) the society deals in any activity which is prohibited as per the provisions of section 144-6A; or

(iv) the society does not dispose of the property not required for the society within the stipulated period mentioned in section 144-7A; or

(v) the society exceeds the limit on administrative and establishment expenses as notified as per section 144-8A; or

(vi) the society acts contrary to the provisions of section 144-11A and section 144-12A; or

(vii) the society fails to comply with the guidelines issued and regulations framed under section 144-22A; or

(viii) the society fails to contribute towards the Stabilization and Liquidity Support Fund as per the provision of section 144-26A; or”.

Amendment of section 146 of Mah. XXIV of 1961.
4. In section 147 of the principal Act, after clause \((p)\), the following clauses shall be inserted, namely:

“(p-1) if it is an offence under clause \((p-1)\) of that section, with fine which may extend to twenty-five thousand rupees, or with imprisonment for a term which may extend to three years, or with both ; ”.

Amendment of section 147 of Mah. XXIV of 1961.
An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Sixty-eighth Year of the Republic of India as follows:—

1. This Act may be called the Maharashtra Co-operative Societies (Third Amendment) Act, 2017.

(1)
2. In section 152 of the Maharashtra Co-operative Societies Act, 1960,—

(a) in sub-section (1), after the figures “78” the figures and letter “,78A” shall be inserted;

(b) after sub-section (4), the following sub-section shall be added, namely:

“(5) The State Government may, by order published in the Official Gazette, direct that the powers conferred on it by this section, in circumstances and under such condition if any, as may be specified in the direction, be exercised also by an officer of the rank of Secretary to Government.”
MAHARASHTRA ACT No. L OF 2018.

(First published, after having received the assent of the Governor in the

An Act further to amend the Maharashtra Co-operative Societies Act, 1960

WHEREAS both Houses of the State Legislature were not in session;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Second Amendment) Ordinance, 2018 on the 13th June 2018;

AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Sixty-ninth Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Co-operative Societies (Second Amendment) Act, 2018.

(2) It shall be deemed to have come into force on the 13th June 2018.

SHORT TITLE AND COMMENCEMENT.

2. In section 73AAA of the Maharashtra Co-operative Societies Act, 1960 (hereafter referred to as “the principal Act”), in sub section (3), after the words “co-terminus with the term of the committee” the words “and on the expiry of the term of the committee, the members shall be deemed to have vacated their offices as members of the committee” shall be added.

3. In section 73CB of the principal Act, for sub-section (15), the following sub-section shall be substituted, namely :—

“(15) Where in respect of any society, the term of its committee has expired before the date of commencement of the Maharashtra Co-operative Society (Second Amendment) Act, 2018, the election to such committee shall be held by State Co-operative Election Authority within a period of six months from the date of such commencement :

Provided that, in respect of such a society, the committee shall continue to hold the office till such a period of six months or declaration of results of election of such a society whichever is earlier :

Provided further that, in case of society doing business of banking, the requisition made or guidelines issued by the Reserve Bank of India or the National Bank shall prevail.”.

4. In section 166 of the principal Act, sub-section (4) shall be deleted.

5. (1) The Maharashtra Co-operative Societies (Second Amendment) Ordinance, 2018, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provision of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of principal Act, as amended by this Act.
Maharashtra Shasan Rajpatra

Aasadayan Bhag Anath

Varh 4, Ank 85]

Shukwar, Deccember 14, 2018/Agharaban 23, Shak 1940 [Pusthe 2, Kintam: Rupaye 27.00]

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Praadhikrit Praakrshan

Maharashtra Vidhansabhe Aarthiniyam va Rathayapalanii Praharamit keltale Aayaveesh va Keltale Vinirmam Aani

Vidhi va Naya Vibhagakrun Aaleli Vichetake (Engrriji Anuvad).

In pursuance of clause (3) of article 348 of the Constitution of India, the following translation in

English of the Maharashtra Co-oprative Societies (Amendment) Act, 2018 (Mah. Act No. LXIV of 2018),

is hereby published under the authority of the Governor.

By order and in the name of the Governor of Maharashtra,

RAJENDRA G. BHAGWAT,

Secretary (Legislation) to Government,

Law and Judiciary Department.

MAHARASHTRA ACT No. LXIV OF 2018.

(First published, after having received the assent of the Governor in the “Maharashtra

Government Gazette”, on the 14th December 2018.)

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS both Houses of the State Legislature were not in session;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances

existed which rendered it necessary for him to take immediate action further to amend

the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter

appearing; and, therefore, promulgated the Maharashtra Co-operative Societies

(Amendment) Ordinance, 2018 on the 8th June 2018;
AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Sixty-ninth Year of the Republic of India as follows:

1. (1) This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2018.

(2) It shall be deemed to have come into force on the 8th June 2018.

2. In section 73AAA of the Maharashtra Co-operative Societies Act, 1960, (hereinafter referred to as “principal Act”) in sub-section (2), in the fifth proviso, for the words “in respect of the society having contribution of the Government towards its share capital” the words “in respect of society, excluding the Housing Society, having assistance of the Government in the form of share capital, loan, guarantee, grant, the Government land or any other form whether cash or kind” shall be substituted.

3. (1) The Maharashtra Co-operative Societies (Amendment) Ordinance, 2018, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provision of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of principal Act, as amended by this Act.
MAHARASHTRA ACT No. XXIII OF 2019.

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 23rd July 2019).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS both Houses of the State Legislature were not in session;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Amendment) Ordinance, 2019, on the 9th March 2019;

AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature with minor modifications; it is hereby enacted in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2019.

(2) It shall be deemed to have come into force on the 9th March 2019.
2. In section 73CB of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), to sub-section (11), after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that, in case of housing society having less than or up to 250 Members, the elections of the Committee shall be conducted by the said housing society in the manner as may be prescribed.”.

3. In section 101 of the principal Act, in sub-section (1), the words “by a co-operative housing society, for the recovery of its dues or for the recovery of its maintenance and service charges, or” and the Explanation II shall be deleted.

4. In section 146 of the principal Act, after clause (p-1), the following clause shall be inserted, namely:—

“(p-2) any officer or past officer or Member or past Member of the Committee of the housing society fails to supply the copies of the documents as provided under sub-section (2) of section 154B-8; or”.

5. In section 147 of the principal Act, after clause (p-1), the following clause shall be inserted, namely:—

“(p-2) if it is an offence under clause (p-2) of that section, with fine of rupees one hundred per day after the expiry of period as provided in sub-section (2) of section 154B-8, which may extend to five thousand rupees;”.

6. In section 152 of the principal Act, in sub-section (1), after the figures and words “105 including against an order for paying compensation to society” the words, figures and letters “, and sections 154B-2, 154B-3, 154B-9 and 154B-27” shall be inserted.

7. In section 154 of the principal Act, in sub-section (2A), after the words and figures or “under section 101” the words, figures and letter, “or section 154B-29” shall be inserted.

8. After section 154A of the principal Act, the following CHAPTER shall be inserted, namely:—

“CHAPTER XIII-B

CO-OPERATIVE HOUSING SOCIETIES

154B. (1) The following provisions of this Act shall apply mutatis mutandis to the housing societies, namely:—

Section 1, clauses (5), (6), (7), (8), (10), (10-ai), (10-aii), (10-aiii), (13), (14), (16), (17), (18), (20-A), (21), (24), (26), (27), (28), (29), (29A) and (31) of section 2, sections 3, 3A, 4, 5, 7, 9, 10, 12, 13, 14, 15, 17, 18, 19, 20, 20A, 21, 21A, 22, sub-sections (1), (2) and (3) of section 23, sections 25, 25A, 31, 33, 34, 35, 36, 37, 38, 40, 41, 42, except proviso of sub-section (1) of section 43, section 45 and sub-sections (1)(b), (2) and (3) of section 47, section 50, clauses (a) (c), (d) and (e) of section 62, sections 64, 65, 66, 67, 68, 69, 70, 71, 71A, 72, 73, sub-sections (2) to (7) of section 73ID, sections 73C, 73CB, 73CC, 73F, 73I, 75, 76, 77, 77A, 78A, sub-sections, (1), (1A), (1B), (2), (3) and (4) of section 79, sections 79A, 79AA, 80, 81 to 89A, 91 to 100, 102 to 110, 145 to 148A, 149 to 154, 154A and 155 to 168.
(2) The following provisions of this Act shall not apply to the housing societies, namely:

Clauses (1)(a) and (b), (2)(a), (b) and (c), (4), (9), (10-aii-1), (10A), (11), (11-A), (12), (14-A), (15), (16-A), (19) (a), (a-1), (b) and (c), (19A), (22), (23) and (25) of section 2, sections 6, 11, 16, 18A, 18B, 18C, 23(4), 24, 24A, 26, 27, 28, 29, 30, 32, 32A, 39, 44, 44A, 46, 47(f)(a), 47(4), 48, 48A, 49, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62(b), 63, 69B, 72A, 73(1A)(b), 73A, 73AAA, 73-B, 73CA, 73D, sub-section (1) of section 73ID, sections 74, 78, 90, 101, 110A and sections 111 to 144-1A.

154B-1. In this Chapter, unless the context otherwise requires,—

(1) "allotee" means a Member of a housing society to whom a plot of land or a site, or a flat in a building or complex held by it, is allotted by the co-operative society, or a person who has purchased a flat from the developer or competent authority and joined as a Member of the society;

(2) "Architect" means a person registered as an architect under the provisions of the Architects Act, 1972;

(3) "Association of society" means an association of,—

(a) not less than five registered co-operative housing societies, and

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

(4) "Auditor" means a person or an auditing firm who or which has been empanelled on the panel approved by the State Government under sub-section (1) of section 81;

(5) "Builder promoter" means,—

(i) a person who constructs or causes to be constructed an independent building or a building consisting of flats, or converts an existing building or a part thereof into flats including the re-development of building or buildings, for the purpose of selling all or some of the flats to other persons and includes his assignees; or

(ii) a person who develops land into a project, whether or not the person also constructs structures on any of the plots, for the purpose of selling to other persons all or some of the plots in the said project, whether with or without structures thereon; or

(iii) any development authority or any other public body in respect of allotees of,—

(a) buildings or flats, as the case may be, constructed by such authority or body on lands owned by it or placed at its disposal by the Government; or

(b) plots owned by such authority or body or placed at its disposal by the Government, for the purpose of selling all or some of the flats or plots; or

(iv) an apex State level co-operative housing finance society and a primary co-operative housing society which constructs flats or buildings for its Members or in respect of the allotees of such flats or buildings; or

(v) any other person who acts himself as a builder, coloniser, contractor, developer, estate developer or by any other name or claims to be acting as the holder of a power of attorney from the owner of the land on which the building or flat is constructed or plot is developed for sale; or
(vi) such other person who constructs any building or apartment for sale to the general public;

(6) “Chief promoter” means a promoter who has been elected so in the meeting of promoters for registration of a housing or premises society;

(7) “Corpus fund” means payment received or receivable by the society from the developer in lieu of surrendering its development rights of plot by way of registered document or contributed by Members for any purpose as decided in general meeting;

(8) “Co-operative Housing Association” means association of housing societies or other legal bodies for the purpose of maintenance of common amenities or conveyance of land and common amenities in respect of plot or layout;

(9) “Committee” means the managing Committee or other governing body of a society to which the direction and control of the management of the affairs of a society is entrusted to;

(10) “Committee Member” means a Member of the society who has been elected or co-opted or nominated in accordance with this Act, rules and bye-laws of the society;

(11) “defaulter” means a Member or flat owner or occupier who fails to pay the dues of the society within three months from the date of service of bill or notice or due date of payment, whichever is later;

(12) “dues” means the amount payable by a Member or flat owner to the society and demanded by the society by issuing bill or notice in writing and such demand is based on the provisions of this Act, rules and bye-laws of the society;

(13) “Flat” means block, chamber, dwelling unit, apartment, office, showroom, shop, godown, premises, suit, tenement, unit or by any other name, means a separate and self-contained part of any immovable property, including one or more rooms or enclosed spaces, located on one or more floors or any part thereof, in building or on a plot of land, used or intended to be used for any residential or commercial use such as residence, office, shop, showroom or godown or for carrying on any business, occupation, profession or trade, or for any other type of use ancillary to the purpose specified;

(14) “General Body” means all the Members of the society;

(15) “General Meeting” means meeting of General Body called and conducted in view of the provisions of this Act, rules and bye-laws;

(16) “Housing Federation” means the State or District Federal Society notified by the Government in the Official Gazette to be the representative of the registered Housing Societies of the specified areas notified by the Government, from time to time;

(17) “housing society” means a society, the object of which is to provide its Members with open plots for housing, dwelling houses or flats; or if open plots, the dwelling houses or flats are already acquired, to provide its Members common amenities and services and to demolish existing buildings and reconstruct or to construct additional tenements or premises by using potential of the land;

(a) “tenant ownership housing society” means a society the object of which is to allot the plots to its Members to construct the dwelling unit or flats thereon or to allot the dwelling units already constructed and where land is held either on lease hold or free hold basis by the society and houses are owned or to be owned by the Members;

(b) “tenant co-partnership housing society” means a society the object of which is to allot the flats already constructed or to be constructed to its Members and where both land and building or buildings are held either on free-hold or lease-hold basis by the society; and
(c) “other housing societies” means the house mortgage co-operative societies, house construction co-operative housing societies and premises co-operative societies where all the units are offices or commercial galas;

(18) “Member” means a person joining in an application for the registration of a housing society which is subsequently registered, or a person duly admitted to Membership of a society after its registration and includes associate or joint or provisional Member;

(a) “Associate Member” means husband, wife, father, mother, brother, sister, son, daughter, son-in-law, daughter-in-law, nephew, niece a person duly admitted to Membership of a housing society on written recommendation of a Member to exercise his rights and duties with his written prior consent and whose name does not stand in the share certificate;

(b) “Joint Member” means a person joining in an application for the registration of a housing society jointly, which is subsequently registered or a person who is duly admitted to Membership after its registration and who holds share, right, title and interest in the flat jointly but whose name does not stand first in the share certificate;

(c) “provisional Member” means a person who is duly admitted as a Member of a society temporarily after death of a Member on the basis of nomination till the admission of legal heir or heirs as the Member of the society in place of deceased Member;

(19) “Officer” means a person elected or appointed by a society to any office according to its bye-laws; and includes any office bearer such as a chairperson, vice-chairperson, president, vice-president, secretary, joint secretary, treasurer, joint treasurer, Member of the Committee, manager and any other person, by whatever name called, elected or appointed under this Act, the rules or the bye-laws, to give directions in regard to the business of such society;

(20) “person” includes,—

(i) an individual, who is competent to contract under the Indian Contract Act, 1872,

(ii) the State Government,

(iii) the Central Government,

(iv) a Hindu Undivided Family,

(v) a company registered under the law for the time being in force,

(vi) a firm registered under the Indian Partnership Act, 1932 or the Limited Liability Partnership Act, 2008,

(vii) local authority,

(viii) an association of persons or body of individuals whether incorporated or not,

(ix) a co-operative society registered under any law relating to co-operatives,

(x) a public trust or family trust formed in accordance with a relevant provisions of law,

(xi) any legal body which can hold the immovable property, and

(xii) any entity as may be notified by the State Government, from time to time;

(21) “Plot” means a piece of land numbered and shown as one plot in a layout sanctioned or to be sanctioned;

(22) “Promoter” means a person intending to become a Member of a proposed society and who becomes the Member on its registration;
(23) “Proposed society” means the society the proposal of which is submitted by the builder promoter or by the chief promoter to the Registrar and which has been granted permission for reservation of name and opening account in bank in its name.

154B-2. (1) No tenant co-partnership housing society shall be registered under this Act, unless it consists of at least five persons (each of such persons being a Member of different family) or at least fifty-one per cent. (of total number of flats as per sanctioned plan) flat purchasers or intending Members and who are qualified to become Member under this Act, whichever is higher, joins the registration proposal of housing society to be registered.

(2) No tenant ownership housing society shall be registered under this Act, unless it consists of at least five persons (each of such persons being a Member of different family) or at least fifty-one per cent. (of total number of plots as per proposed or sanctioned lay-out) plot purchasers and who are qualified to become Member under this Act, whichever is higher, joins the registration proposal of housing society to be registered.

(3) No Association of society shall be registered unless it has at least five housing societies as its Members.

(4) No Co-operative Housing Association shall be registered unless it has at least two housing societies or other legal bodies as its Members.

(5) Nothing in this section shall be deemed to affect the registration of any society made before the commencement of the Maharashtra Co-operative Societies (Amendment) Act, 2019.

(6) The word “limited” or “unlimited” shall be the last word in the name of every society with limited or unlimited liability, as the case may be, which is registered or deemed to be registered under this Act.

Explanation.—For the purpose of this section, the expression “Member of a family” means a wife, husband, father, mother, dependent son or unmarried dependent daughter.

154B-3. (1) For the purpose of granting permission to open an account in the bank and reservation of name of the proposed tenant co-partnership housing society or premises society, an application shall be made to the Registrar in the prescribed format and shall be accompanied with the copies of commencement certificate, or the building completion certificate given by the Architect and the copy of resolution of promoters electing chief promoter and authorizing him to make such application and on receipt of such application, the Registrar shall dispose of it within a period of thirty days from the date of its receipt.

(2) For the purpose of granting permission to open an account in the bank and reservation of name of the proposed tenant ownership housing society an application shall be made to the Registrar in the prescribed format and shall be accompanied with the copy of tentative lay-out plan certified by Architect or sanctioned lay-out plan and copy of resolution of promoters electing chief promoter and authorizing him to make such application and on receipt of such application, the Registrar shall decide it within a period of thirty days from the date of its receipt.

(3) For the purpose of registration of a housing society, an application shall be made to the Registrar in the prescribed format and shall be accompanied with documents as prescribed alongwith such fees as may be prescribed.
Provided that, the application shall be signed by the minimum number of plot or flat purchasers or owners or intending Members as provided under foregoing section:

Provided further that, for the registration of a Association of society or co-operative housing association, such application shall be signed by minimum number of authorized office bearers of different societies or legal bodies, as the case may be, as provided under foregoing section.

154B-4. (1) Notwithstanding anything contained in section 22, the society may admit any person as an associate, joint or provisional Member.

(2) Right to vote and contest the election shall be subject to the provisions of sub-sections (2), (3) and (4) of section 154B-11.

154B-5. A housing society shall not admit to its Membership persons exceeding the number of flats or plots, as the case may be, available for allotment in that co-operative housing society:

Provided that, a plot owners co-operative housing society may admit to its Membership an organization (co-operative housing society, company, association, etc.) of flat purchasers, in case the plot owner had constructed and sold flats as per prevailing rules, in place of original plot owner Member.

154B-6. (1) Every society may organise co-operative education and training, for its Members, officers and employees through such State federal societies or the State Apex Training Institutes, as the State Government may, by notification in the Official Gazette, specify. Such education and training shall,—

(i) ensure the effective and active participation of the Members in the management of the society;

(ii) groom talented employees for effective management;

(iii) develop professional skills through co-operative education and training.

(2) Every Member of the Committee, whether elected or co-opted, may undergo such co-operative education and training.

(3) (a) Co-operative societies specified by Government shall contribute annually towards the Co-operative Education and Training Fund, within such period and at such rates as may be prescribed and different rates may be prescribed for different societies or classes of societies and such contribution shall be paid in the manner as may be prescribed.

(b) The Co-operative Education and Training Fund shall be used for the purpose of promotion of co-operative movement in the State by way of education of the Members and training of officers of the co-operative societies on co-operative principles and management practices, and for the training and incidental expenses borne by the institutions notified under sub-section (1).

(c) The Co-operative Education and Training Fund shall be administered, utilised, maintained and audited, in the manner as may be prescribed, by such Authority or the Institution as may be notified by the State Government, in this behalf.

(4) Where any society fails to pay the contribution towards the Co-operative Education and Training Fund, within the prescribed period, the amount of contribution due on the date of commencement of the Maharashtra Co-operative Societies (Amendment) Act, 2019 shall be recoverable as arrears of land revenue and on the Authority or the Institution notified in the clause (c) of sub-section (3) making a report of such failure to the Registrar, the Registrar shall, after making such inquiry as he deems fit, grant a certificate for recovery of the amount due as an arrear of land revenue.
154B-7. Subject to the provisions of this Act, in case of a housing society, no transfer of share or interest of a Member or the occupancy right, except the transfer of his heir or a nominee, shall be effective unless,—

(a) the dues of housing society are paid;

(b) the transferee applies and acquires Membership of the co-operative housing society in due course of time:

Provided that, the transfer of share or interest in respect of leasehold properties shall be governed by the terms of the lease, which are not inconsistent with lease of land to the co-operative housing society or with lease by housing society to its Members.

Explanation.— For the purpose of this section, occupancy right shall not include right of a tenant or a licensee on leave and license basis.

154B-8. (1) Every Member of a society shall be entitled to inspect, free of cost, at the society's office during office hours, or any time fixed for the purpose by the society, a copy of the Act, the rule and the bye-laws, the last audited annual balance sheet, the profit and loss account, a list of the members of the Committee, a register of members, the minutes of general meetings, minutes of Committee meetings and those portions of the books and records in which his transactions with the society have been recorded.

(2) A society shall furnish to a Member, on request in writing and on payment of such fees at such rate as may be decided by the Registrar, from time to time, the copies of any documents mentioned in the foregoing subsection within forty-five days from the date of payment of such fees and when the Society is assisted by the Government in the form of share capital, loan and land, the said Society shall furnish such information within thirty days from the date so requested by a member.

154B-9. When any question arises in respect of a Membership of a person as to whether he has been duly admitted to the Membership of society or has been admitted in violation of the provisions of this Act, rules and bye-laws, the Registrar suo motu or on an application shall decide such question within three months from the date of application and if he is satisfied that the person has been admitted as Member in violation of provisions of this Act, rules and bye-laws, pass an order to remove such person from Membership, but no such order adverse to any such Member shall be given without giving him an opportunity of being heard.

154B-10. (1) A Member shall be entitle to exercise such rights as provided under this Act, rules and bye-laws.

(2) Every Member of a housing society, whether registered before or after the commencement of the Maharashtra Co-operative Societies (Amendment) Act, 2019, to whom plot of land or dwelling units have been allotted, shall be issued certificate of allotment by the co-operative housing society under its seal and signature in such form as may be prescribed.

Subject to the provisions of the Transfer of Property Act, 1882 or the Registration Act, 1908, any allotment (including re-allotment), of a plot of land or dwelling unit in a building of a co-operative housing society to its Member as per terms of allotment shall entitle such Member to hold such plot of land or dwelling unit with such title, right and interest, as the case may be.

(3) Except when there is a contract to the contrary, a Member of co-operative housing society shall not be entitle to any title or interest in any plot of land or dwelling unit in a building of a co-operative housing society until he has made such payment as may be specified by the co-operative housing society towards the cost of such plot of land or, construction of such dwelling unit, as the case may be, to the co-operative housing society.
(4) No Member shall be eligible for being appointed, nominated, elected, co-opted or for being a Member of a Committee, if he is a defaulter of the society.

(5) (i) It shall be the duty of the Member of the society to pay the dues of the society within time as decided by society in its general meeting.

(ii) Member shall vacate the flat when required for redevelopment of the building or buildings of the society as decided in its general meeting.

(iii) Member shall perform his duties as provided in this Act, rules and bye-laws.

(6) The Associate Member shall have right to contest the election to the Committee with prior written consent of a Member.

(7) Any action contemplated against the original Member in the Act shall be applicable to such an Associate Member.

154B-11. (1) No Member of society shall have more than one vote in its affairs:

Provided that, every right to vote shall be exercised personally:

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

(2) The Associate Member shall have right to vote with prior written consent of a Member.

(3) The provisional Member shall have right to vote.

(4) In case of joint Member the person whose name stands first in the share certificate, shall have right to vote. In his absence, the person whose name stands second, and in the absence of both, the person whose name stands next and likewise, who is present and who is not a minor, shall have right to vote.

(5) In case of Association of society, authorised Member of member society shall have right to vote.

(6) In case of company or firm or any other body corporate or local authority or any legal body constituted under any law for the time being in force, the authorised director or person or any one of the partners as appointed by the firm, shall have right to vote.

154B-12. A Member may transfer his share, right, title and interest of his property in the society by way of registered document by following the due procedure as provided in the rules or bye-laws.

154B-13. On the death of a Member of a society, the society shall transfer share, right, title and interest in the property of the deceased Member in the society to a person or persons on the basis of testamentary documents or succession certificate or legal heirship certificate or document of family arrangement executed by the persons, who are entitled to inherit the property of the deceased Member or to a person duly nominated in accordance with the rules:

Provided that, society shall admit nominee as a provisional Member after the death of a Member till legal heir or heirs or a person who is entitled to the flat and shares in accordance with succession law or under will or testamentary document are admitted as Member in place of such deceased Member:

Provided further that, if no person has been so nominated, society shall admit such person as provisional Member as may appear to the Committee to be the heir or legal representative of the deceased Member in the manner as may be prescribed.
154B-14. A society shall have a charge upon share and interest of a Member or past Member or deceased Member to the extent of dues payable by such Member to the society.

154B-15. Every society shall create such funds as may be prescribed and also such other funds as it may, from time to time, decide.

154B-16. Every society shall levy the charges as prescribed towards its such funds created under section 154B-15.

154B-17. A society shall invest or deposit its funds in one or more of the following:

(a) in a District Central Co-operative Bank, the State Co-operative Bank, having awarded at least “A” Audit Class in last three consecutive years, if no such Central Co-operative Bank is available in district, then any Nationalised Bank;

(b) in any of the securities specified in section 20 of the Indian Trusts Act, 1882;

(c) in the shares, or security bonds, or debentures, issued by any other society with limited liability;

(d) in any other mode permitted by the rules, or by general or special order issued in that behalf by the State Government.

154B-18. Funds mentioned in foregoing sections shall be utilized for the purpose as may be specified in bye-laws of the society:

Provided that, the corpus fund may be utilized for the purpose as may be decided in the general meeting of the society.

154B-19. (1) Committee shall consist of such number of Members as may be decided by the State Government by notification or special order, from time to time.

(2) The Committee of the society shall stand constituted on the date of declaration of result of election to the Committee by returning officer where more than two third of the Committee Members of the strength as may be decided by the Registrar, from time to time, have been elected:

Provided that, in case two third is a fraction, it shall be rounded off to next higher number.

(3) The term of the office of the elected Members of the Committee and its office bearers shall be five years from the date of first meeting of newly constituted Committee and the term of the office bearers shall be co-terminus with the term of the Committee.

(4) Any casual vacancy in the Committee may be filled by co-option and term of the co-opted Member shall be co-terminus with the term of the Committee.

154B-20. (1) Notwithstanding anything contained in this Act or in the rules made thereunder or in any bye-laws of any society, on the Committee of such society or class of societies as the State Government may, by general or special order, direct, three seats shall be reserved for,—

(a) one Member belonging to the Scheduled Castes or Scheduled Tribes;
(b) one Member belonging to the Other Backward Classes; and
(c) one Member belonging to the De-notified Tribes (Vimukta Jatis), Nomadic Tribes or Special Backward Classes.

(2) Any individual Member of the society, or any elected Member of the Committee or a Member society or any Member of the Committee of the Member society, whether elected, co-opted or appointed under this section, belonging to the Scheduled Castes or Scheduled Tribes, or Other Backward Classes or De-notified Tribes (Vimukta Jatis) or Nomadic Tribes or Special Backward Classes, shall be eligible to contest the election to a reserved seat and every person who is entitled to vote at the election to the Committee shall be entitled to vote at the election to any such reserved seat.

Explanation.—For the purposes of this section,—

(a) a general or special order, if any, issued by the State Government under section 73-B as it existed before the date of commencement of the Maharashtra Co-operative Societies (Amendment) Act, 1983, shall be deemed to have been issued under sub-section (1) of this section and shall continue to be in force until duly repealed or amended;

(b) the expression “Scheduled Castes” includes “Nav-Boudhas”;

(c) the expression “Other Backward Classes, De-notified Tribes (Vimukta Jatis) and Nomadic Tribes and Special Backward Classes” means such classes or parts of or groups within such classes as are declared, from time to time, by the State government to be Other Backward Classes, De-notified Tribes (Vimukta Jatis) and Nomadic Tribes and Special Backward Classes.

154B-21. (1) Notwithstanding anything contained in this Act or in the rules made thereunder, or in the by-laws of any society, there shall be two seats reserved for women on the Committee of each society consisting of individuals as Members and having Members from such class or category of persons, to represent the women Members.

(2) Any individual woman Member of the society, or any woman Member of the Committee of a Member-society, whether elected, co-opted or nominated, shall be eligible to contest the election to the seat reserved under sub-section (1).

(3) Nothing in this section shall apply to a Committee of a society exclusively of women Members.

154B-22. Till the time the Members of reserved categories are not available or elected to fill the reserved seats as provided in sections 154B-20 and 154B-21, such reserved seats shall not be counted for strength of managing Committee for composition of quorum for conducting its meetings.

154B-23. (1) Without prejudice to the other provisions of this Act or the rules made thereunder, in relation to the disqualification of being a Member of the Committee, no person shall be eligible to be appointed, nominated, elected, co-opted for being a Member of Committee,—

(i) if he is a defaulter of any society, or

(ii) if he carries on business of letting, subletting and selling of flats in the housing society of which he is a Member, or

(iii) if he has been held responsible under section 79, 88,154 B-8(2) or 154B-27 or for payment of cost of enquiry under section 85, or

(iv) if he has incurred any disqualification under this Act or the rules made thereunder, or
(v) if he incurs any of the disqualification similar to that mentioned in the provisions of clause (vii), (viii) or (ix) of clause (f) of sub-section (1) of section 73CA.

(2) A Member, who has incurred any disqualification under sub-section (1), shall cease to be a Member of Committee and his seat shall thereupon be deemed to be vacant.

(3) A Member of a Committee who has ceased to be a Member thereof, on account of having incurred disqualification under clause (ii), (iii), (iv) or (v) of sub-section (1), shall not be eligible to be re-elected, re-co-opted or re-nominated as a Member of Committee for five years from the date on which he or she has so ceased to be a Member of the Committee.

(4) A Member of a Committee who has ceased to be a Member thereof, on account of having incurred disqualification other than disqualifications, referred to in sub-section (3), shall, unless otherwise specifically provided in this Act, be eligible to be re-elected, re-co-opted or re-nominated as a Member of Committee as soon as such disqualification ceases to exist.

154B-24. (1) An officer who holds office by virtue of his election to that office shall cease to be such officer if a motion of no confidence is passed at a meeting of a Committee by not less than two third majority of the Committee Members who are present and entitled to vote at such meeting and his office shall thereupon be deemed to be vacant.

(2) The provisions of sub-sections (2) to (7) of section 731D shall apply mutatis mutandis to such motion.

154B-25. Management of housing society, housing complex, housing association or housing federation shall be carried out in the manner as may be prescribed.

154B-26. (1) Except when there is a contract to the contrary, allotment of plots of land, flats, house or other dwelling units shall be made by the Committee of a housing society to the Members strictly on the basis of draw of lots in respect of such Members whose enrollment as a Member of a housing society is found proper in accordance with provisions of this Act and rules framed thereunder and the bye-laws of a housing society duly registered.

(2) Every Member of a housing society, whether registered before or after the commencement of the Maharashtra Co-operative Societies Amendment) Act, 2019, to whom plots, flats, houses or other dwelling units have been allotted, shall be issued certificate of allotment by the co-operative housing society under its seal and signature in such form, on such terms and on such conditions as may be prescribed. Such certificate shall be issued forthwith when all the dues as may be determined and notified by the housing society are duly paid by the Member.

154B-27. (1) If any society is required to take action for performance of its obligations, responsibilities and duties as provided in this Act, rules and bye-laws or to execute the orders issued by the State Government or by the Registrar, from time to time, and such actions are not taken or such orders are not executed, the Registrar suo motu or on an application may issue directions to take such action or actions or execute such orders.
(2) Where any society is required to take any action or to execute the orders as provided in the foregoing sub-section and such action is not taken or orders are not executed,—

(i) within the time provided in this Act, rules or the bye-laws or in the order, as the case may be;

(ii) where no time is provided, within such time having regard to the nature and extent of the action to be taken as the Registrar may specify by notice in writing,

the Registrar may himself or through a person authorized by him take such action or execute such order at the expense of the society and such expenses shall be recoverable from the responsible officer of the society as if it were arrears of land revenue:

Provided that, before issuing an order or direction and fixing the responsibility of payment of expenses an opportunity of being heard shall be given to the officer of society to whom the Registrar considers to be responsible for not taking such action or not executing such orders.

(3) The Application submitted by a Member to the society for the certificate or certificates for sale of his flat or mortgaging it for obtaining loan or for any other purpose shall be decided by the society within a period of thirty days from the date of receipt of such application and decision thereon shall be intimated to him within a period of fifteen days. If society fails to decide and intimate such application within such time or if such application is rejected, the Member may file appeal to the Registrar for appropriate relief within a period of three months from date of submission of application to the society or within a period of two months from the date of decision of rejection by society, whichever is earlier:

Provided that, every such appeal shall be disposed of by the Registrar within a period of sixty days from the date of its receipt after giving opportunity of being heard to all the parties.

154B-28. (1) Notwithstanding anything contained in this Act but subject to the provisions of this section, the State Government may, by notification in the Official Gazette, notify any society as a Housing Federation for the areas specified in the notification.

(2) Every society may affiliate to notified Housing Federation of the area wherein society is located.

(3) Every notified Housing Federation shall create the Education and Training Fund.

(4) Every housing society in the areas for which Housing Federation is notified under sub-section (1) shall contribute to the Education and Training Fund maintained by the notified Housing Federation at the rate as may be decided by the State Government by special or general order, from time to time.

(5) Every notified Housing Federation shall utilise Education and Training Fund for,—

(i) arranging seminars on issues related to housing societies;

(ii) imparting training to the persons to be appointed as managers or special recovery officers and to the Members and officers of housing societies;
any other purpose as may be notified by the Government from
time to time.

(6) (i) Every notified Housing Federation shall prepare, declare and
maintain the panel of managers and special recovery officers as per the
guidelines issued by the Registrar, from time to time.

(ii) The Registrar *suo motu* or on an application may remove such person
from the panel maintained by Federation who,—

(a) has doubtful integrity, or

(b) has been convicted, or

(c) has been declared mentally incapable, or

(d) has misused his position while rendering his services, or

(e) failed to discharge his duties:

Provided that, such person shall not be removed without giving him
a reasonable opportunity of being heard.

(iii) Required qualifications for the Auditors, Managers and Special
Recovery Officers shall be decided by the Registrar, from time to time.

(iv) Every notified Housing Federation shall apply to the Registrar for
debt of necessary powers to the persons so trained as special recovery
officer for recovery of the dues of the affiliated societies.

(7) Every society may,—

(i) appoint Special Recovery Officer from such panel for execution
of Recovery Certificates or Recovery Orders or decrees; and

(ii) appoint manager from such panel for maintaining records and
books of accounts of the society.

(8) Remuneration of Special Recovery Officers shall be decided by the
Registrar, from time to time.

154B-29. (1) Notwithstanding anything contained in sections 91, 93
and 98, on an application made by a housing society for the recovery of its
dues or for the recovery of its repairs and maintenance, construction cost
and service charges, and on the housing society concerned furnishing a
statement of accounts and any other documents as may be prescribed, in
respect of the arrears, the Registrar may, after making such inquiries as he
deems fit, grant a certificate for the recovery of the amount stated therein, to
be due as arrears.

Explanation.— For the purposes of this sub-section, the expression
“repairs and maintenance and service charges” means such charges as are
so specified in the by-laws of the concerned housing society.

(2) Where the Registrar is satisfied that the concerned society has failed
to take action under the foregoing sub-section in respect of any amount due
as arrears, the Registrar may, on his motion, after making such inquiries as he
deems fit, grant a certificate for the recovery of the amount stated therein,
to be due as arrears and such a certificate shall be deemed to have been
issued as if on an application made by the society concerned.

(3) A certificate granted by the Registrar under sub-section (1) or (2)
shall be final and a 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, as arrears of land revenue. A revision shall lie against such order or
grant of certificate, in the manner laid down under section 154 and such
certificate shall not be liable to be questioned in any court.
(4) It shall be lawful for the Collector and the Registrar to take precautionary measures in accordance with the provisions of the Maharashtra Land Revenue Code, 1966 or any law or provisions corresponding thereto 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.

154B-30. In case of a house building society where all plots have been allotted to its Members and basic civic service have been transferred to the local civic body, the Registrar shall, after giving sixty days notice to the Committee, initiate winding up proceedings and such co-operative house building society shall be wound up:

Provided that, in the case of a co-operative house building society where land has been allotted on perpetual lease, before passing winding up orders the prior consent of the lessor shall be obtained:

Provided further that, where a house building co-operative society has been provided land to run a club, school, community center, dispensary or community facility, etc., by the lessor, the above provision shall not apply to such co-operative house building society, if the general body decides to run these activities for the benefit of the Members and the residence.

154B-31. (1) The rules, orders, by-laws, circulars or instruments having the force of law and existing on the date of commencement of the Maharashtra Co-operative Societies (Amendment) Act, 2019, which are applicable to the societies governed by this Chapter on the date of such commencement, shall, until expressly repealed, modified or amended, continue to apply to the said societies.

(2) Every proceedings by or against the society and pending before any Court, tribunal or authority on the said date of commencement shall be continued and decided as if the provisions of this Chapter are not made applicable in respect of such societies.”.

9. In section 156 of the principal Act, in sub-section (1), in clause(e), after the words, brackets and figures “sub-section (7) of section 137” the words, figures and letter “or section154B-29” shall be inserted.

10. (1) If any difficulty arises in giving effect to the provisions of the principal Act, as amended by this Act, the State Government may, as occasion arises, by an order published in the Official Gazette, do anything not inconsistent with the provisions of the principal Act, as amended by this Act which appears to it to be necessary or expedient for the purpose of removing the difficulty:

Provided that, no such order shall be made after expiry of a period of two years from the date of commencement of the Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be, after it is made, before each house of the State Legislature.

11. (1) The Maharashtra Co-operative Societies (Amendment) Ordinance, 2019, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.
An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Seventy-first year of the Republic of India as follows:—

1. This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2020.

(Mah. Act No. XIV of 2020)
2. In section 73CC of the Maharashtra Co-operative Societies Act, 1960, for the words “rainy season or” the words “rainy season or due to scarcity, drought, flood, fire, hailstorm or any other natural calamity farmers, farm labourers or other persons on large scale have suffered resulting in reduction in numbers of voters and on the implementation of any Government Scheme made for their rehabilitation, there is likelihood of increase in numbers of voters or due to” shall be substituted.
An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS both Houses of the State Legislature were not in session;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Amendment) Ordinance, 2020 on the 10th July 2020;

AND WHEREAS it is expedient to replace the said Ordinance, by an Act of the State Legislature; it is hereby enacted in the Seventy-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Co-operative Societies (Second Amendment) Act, 2020.

(2) It shall be deemed to have come into force on the 10th July 2020.
2. In section 73AAA of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), to sub-section (3), the following proviso shall be added, namely:—

“Provided that, if the election to the Committee of the society could not be held for any reason not attributable to the members of the Committee of such Society, the existing members of the Committee shall be deemed to have continued till new committee is duly constituted.”.

3. In section 73CB of the principal Act, in sub-section (15), after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that, where the election of the Committee of any society which was due but has not been conducted before the date of commencement of the Maharashtra Co-operative Societies (Second Amendment) Act 2020, then election of Committee of such society shall be conducted,—

(a) within six months from the date of commencement of the said Amendment Act; or

(b) where the period within which such election should have been conducted is extended by the State Government by general or special order, then within six months from the date on which such extended period expires:”.

4. (1) The Maharashtra Co-operative Societies (Amendment) Ordinance, 2020, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or, as the case may be, issued under the corresponding provisions of the principal Act, as amended by this Act.
An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purpose hereinafter appearing; it is hereby enacted in the Seventy-first Year of the Republic of India as follows:

1. This Act may be called the Maharashtra Co-operative Societies (Third Amendment) Act, 2020.
2. In section 73-CA of the Maharashtra Co-operative Societies Act, 1960, in sub-section (3A), the words, brackets and figures “at any time within the period of ten years before the date of commencements of the Maharashtra Co-operative Societies (Amendment) Act, 2016 or at any time after such commencement” shall be deleted.
MAHARASHTRA ACT No. XXX of 2020.

[First published, after having received the assent of the Governor in the "Maharashtra Government Gazette" on the 28th December 2020].

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS both Houses of the State Legislature were not in session;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; and therefore, promulgated the Maharashtra Co-operative Societies (Second Amendment) Ordinance, 2020, on the 28th October 2020;
AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Seventy-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Co-operative Societies (Fourth Amendment) Act, 2020.

(2) It shall be deemed to have come into force on the 28th October 2020.

2. In section 27 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), to sub-section (1A), the following proviso shall be added, namely:

“Provided that, the provisions of this sub-section shall not be applicable,—

(a) in respect of elections of societies to be conducted on or before the 31st March 2021; and

(b) where voters list for conducting the elections has been finalized prior to the commencement of the Maharashtra Co-operative Societies (Fourth Amendment) Act, 2020.”.

3. In section 75 of the principal Act, in sub-section (1),—

(a) before the existing proviso, the following proviso shall be added, namely:

“Provided that, for the financial year 2019-2020, the society may get its books of accounts audited within nine months from the close of its financial year and call the annual general body meeting within twelve months from the close of its financial year.”;

(b) in the existing proviso, for the words “Provided that,” the words “Provided further that,” shall be substituted.

4. In section 81 of the principal Act, in sub-section (1), in clause (a), after the third proviso, the following proviso shall be added, namely:

“Provided also that, for the financial year 2019-2020, the society shall cause its audit to be completed within a period of nine months from the close of the financial year 2019-2020.”.

5. In section 154B-19 of the principal Act, to sub-section (3), the following proviso shall be added, namely:

“Provided that, if the election to the Committee of the society could not be held for the reason not attributable to the members of the Committee of such society, the existing members of the Committee shall be deemed to have been continued till the new Committee is duly constituted.”.
6. (1) The Maharashtra Co-operative Societies (Second Amendment) Ordinance, 2020, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.
An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS both Houses of the State Legislature were not in session;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Third Amendment) Ordinance, 2020, on the 2nd November 2020;

AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Seventy-first Year of the Republic of India as follows:—
1. (1) This Act may be called the Maharashtra Co-operative Societies (Fifth Amendment) Act, 2020.
   (2) It shall be deemed to have come into force on the 2nd November 2020.

2. In section 65 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), in sub-section (2), after the first proviso, the following proviso shall be added, namely:
   “Provided further that, the profits of the society shall be appropriated with the approval of the Committee in the financial year 2020-2021 and the same shall be laid in the annual general body meeting of a society held thereafter for ratification.”.

3. In section 75 of the principal Act, after sub-section (2A), the following sub-section shall be inserted, namely:
   “(2B) The Committee shall, in the financial year 2020-2021, have the power to decide on the disposal of surplus and annual budget for the next year and to appoint an auditor or auditing firm from a panel approved by the State Government in this behalf having such minimum qualifications and experience as laid down in section 81. The decisions of the Committee in respect of the above matters shall be laid in the annual general body meeting of a society held thereafter for ratification.”.

4. In section 81 of the principal Act, in sub-section (1), in clause (a) after the word and figures “section 75”, the words, figure, letter and brackets “or by the Committee, as provided in sub-section (2B) thereof” shall be inserted.

5. (1) The Maharashtra Co-operative Societies (Third Amendment) Ordinance, 2020, is hereby repealed.
   (2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.
In pursuance of clause (3) of article 348 of the Constitution of India, the following translation in English of the Maharashtra Co-operative Societies (Amendment) Act, 2021 (Maharashtra Act No. XI of 2021), is hereby published under the authority of the Governor.

By order and in the name of the Governor of Maharashtra,

SATISH WAGHOLE,
I/c. Secretary (Legislation) to Government,
Law and Judiciary Department.

MAHARASHTRA ACT NO. XI OF 2021.

(First published, after having received the assent of the Governor in the “Maharashtra Government Gazette”, on the 16th July 2021).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Seventy-second Year of the Republic of the India as follows:—

1. This Act may be called the Maharashtra Co-operative Societies (Amendment) Act, 2021.
2. In section 26 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), in sub-section (2), for the sixth proviso, the following proviso shall be substituted, namely:

“Provided also that, in the respect of elections of societies to be conducted on or before the 31st March 2022, all the members of the society shall be eligible for voting, unless otherwise ineligible for voting.”

3. In section 27 of the principal Act, in sub-section (IA), for the existing proviso, the following proviso shall be substituted, namely:

“Provided that, the provision of this sub-section shall not be applicable in respect of elections of societies to be conducted on or before the 31st March 2022.”

4. (1) If any difficulty arises in giving effect to the provisions of the principal Act, as amended by this Act, the State Government may, as occasion arises, by an order published in the Official Gazette, do anything not inconsistent with the provisions of the principal Act, as amended by this Act, which appears to it to be necessary or expedient for the purpose of removing the difficulty:

Provided that, no such order shall be made after the expiry of the period of two year from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be after it is made, before each house of the State Legislature.
MAHARASHTRA ACT NO. V OF 2022.

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 20th January 2022).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS both Houses of the State Legislature were not in session;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Amendment) Ordinance, 2021, on the 1st October 2021;

By order and in the name of the Governor of Maharashtra,

SATISH WAGHOLE,
I/c. Secretary (Legislation) to Government,
Law and Judiciary Department.

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In pursuance of clause (3) of article 348 of the Constitution of India, the following translation in English of the Maharashtra Co-operative Societies (Second Amendment) Act, 2021 (Maharashtra Act No. V of 2022), is hereby published under the authority of the Governor.
AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Seventy-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Co-operative Societies (Second Amendment) Act, 2021.

(2) It shall be deemed to have come into force on the 1st October 2021.

2. In section 65 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), in sub-section (2), in second proviso, after the figures and sign “2020-2021” the words, figures and sign “and year 2021-2022” shall be inserted.

3. In section 75 of the principal Act,—

(i) in sub-section (1), in first proviso, after the figures and sign “2019-2020” the words, figures and sign “and year 2020-2021” shall be inserted;

(ii) in sub-section (2B), after the figures and sign “2020-2021” the words, figures and sign “and year 2021-2022” shall be inserted.

4. In section 81 of the principal Act, in sub-section (1), in clause (a), in fourth proviso, after the figures and sign “2019-2020”, in both the places where they occur, the words, figures and sign “and year 2020-2021” shall be inserted.

5. (1) The Maharashtra Co-operative Societies (Amendment) Ordinance, 2021, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.
In pursuance of clause (3) of article 348 of the Constitution of India, the following translation in English of the Maharashtra Co-operative Societies (Amendment and Validation) Act, 2021 (Mah. Act No. VI of 2022), is hereby published under the authority of the Governor.

By order and in the name of the Governor of Maharashtra,

SATISH WAGHOLE,
V/c. Secretary (Legislation) to Government, Law and Judiciary Department.

MAHARASHTRA ACT No. VI OF 2022.

(First published, after having received the assent of the Governor in the “Maharashtra Government Gazette”, on the 20th January 2022).

An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS both Houses of the State Legislature were not in session;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinabove appearing; and, therefore, promulgated the Maharashtra Co-operative Societies (Amendment and Validation) Ordinance, 2021, on the 2nd November 2021;

AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Seventy-second Year of the Republic of India as follows :-

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1. (1) This Act may be called the Maharashtra Co-operative Societies (Amendment and Validation) Act, 2021.

(2) It shall be deemed to have come into force on the 2nd November 2021.

2. In section 73AAA of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), in sub-section (3),—

(i) before the existing proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 24th March 2020, namely:—

“Provided that, if the term of office of the elected members of the committee and its office bearers has expired, and if the election to the committee of the society could not be held due to imposition of lockdown in the State in view of the Covid-19 pandemic, the orders issued by the Government, from time to time, or any reason not attributable to the members of the committee of the society, such members and office bearers of the committee shall be deemed to have continued as members and office bearers of the committee till new committee is duly constituted.”;

(ii) in the existing proviso, for the words “Provided that” the words “Provided further that” shall be substituted.

3. Notwithstanding anything contained in the principal Act or in any judgment, decree or order of any court, to the contrary, anything done or any action taken or order issued, by the committee or the members of the committee and its office bearers, under the provisions of the principal Act or rules or orders or by-laws, made thereunder, shall be deemed to have been validly done, taken or, as the case may be, issued, in accordance with law as if, the provisions of the first proviso to sub-section (3) of section 73AAA, as amended by the Maharashtra Co-operative Societies (Amendment and Validation) Act, 2021, had been continuously in force at all material times.

4. (1) The Maharashtra Co-operative Societies (Amendment and Validation) Ordinance, 2021, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.
An Act further to amend the Maharashtra Co-operative Societies Act, 1960.

WHEREAS it is expedient further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes hereinafter appearing; it is hereby enacted in the Seventy-second Year of the Republic of India as follows:

1. This Act may be called the Maharashtra Co-operative Societies (Third Amendment) Act, 2021.

2. In section 2 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), in clause (19), sub-clause (a-1) shall be deleted.

3. In section 25A of the principal Act, after the words “provisions of this Act”, the words “or the rules made thereunder” shall be inserted.
4. For section 26 of the principal Act, the following section shall be substituted, namely:—

   “26. A member shall be entitled to exercise such rights as provided in the Act, rules and by-laws:

   Provided that, no member shall exercise the rights, until he has made such payment to the society in respect of membership, or acquired such interest in the society, as may be prescribed and specified under the by-laws of the society, from time to time:

   Provided further that, in case of increase in minimum contribution of member in share capital to exercise rights of membership, the society shall give a due notice of demand to the member and give reasonable period to comply with it.”.

5. In section 27 of the principal Act,—

   (1) sub-section (1A) shall be deleted;

   (2) in sub-section (3), the word “active” shall be deleted.

6. In section 73A of the principal Act, in sub-section (9), the words “is not an active member and” shall be deleted.

7. In section 73AAA of the principal Act, in sub-section (1),—

   (1) after first proviso, the following proviso shall be inserted, namely:—

   “Provided further that, in case of an apex society and, in exceptional circumstances, in case of any other society, the Registrar may increase the number of members of the committee upto twenty-five with the prior approval of the State Government;”;

   (2) in the second proviso, for the words “Provided further that” the words “Provided also that” shall be substituted.

8. In section 73CA of the principal Act, in sub-section (1),—

   (1) clause (ii-a) shall be deleted;

   (2) in clause (iv), after the words “the rules made thereunder” the words “or by-laws of the society” shall be inserted.

9. In section 75 of the principal Act, in sub-section (1),—

   (1) before the first proviso, the following proviso shall be inserted, namely:—

   “Provided that, the Registrar may, in exceptional circumstances such as infectious diseases, pandemic, flood, heavy rains, droughts or earthquake, by general or special order, extend the above referred period not exceeding three months;”;

   (2) in the first proviso, for the words “Provided that” the words “Provided further that” shall be substituted;

   (3) in the second proviso, for the words “Provided further that” the words “Provided also that” shall be substituted.

10. In section 77A of the principal Act,—

   (1) in sub-section (1), the third proviso shall be deleted;

   (2) in sub-section (3),—
(i) for the words “six months” the words “twelve months” shall be substituted;

(ii) in the proviso, for the words “six months” the words “twelve months” shall be substituted.

11. In section 78 of the principal Act, in sub-section (1),—

(1) in clause (i), for the words “six months” the words “twelve months” shall be substituted;

(2) the third proviso shall be deleted.

12. In section 78A of the principal Act, in sub-section (1), in clause (a), in sub-clause (ii), for the words “six months” the words “twelve months” shall be substituted.

13. In section 79 of the principal Act,—

(1) the existing sub-section (1) shall be renumbered as sub-section (1-1A) thereof; and before sub-section (1-1A) as so renumbered, the following sub-section shall be inserted, namely:—

“(1) The Registrar may direct any society or class of societies to take action to comply with the provisions of this Act, rules made thereunder, by-laws of the society or any order passed by the Registrar under this Act; and the officer or officers of the society shall be bound to comply with order within the period specified therein.”;

(2) in sub-section (3), for the words, brackets and figure “sub-section (1)”, the words, brackets, figures and letter “sub-sections (1) and (1-1A)” shall be substituted.

14. For section 82 of the principal Act, the following section shall be substituted, namely:—

“82. (1) If the result of the audit held under the last preceding section discloses any defects in the working of a society, the society shall within three months from the date of the audit report, explain to the Registrar the defects or the irregularities pointed out by the auditor or auditing firm, and take steps to rectify the defects and provide remedy to irregularities, and report to the Registrar the action taken by it thereon and place the same before the next general body meeting. The Registrar may also make an order directing the society or its officers to take such action, as may be specified in the order to remedy such defects, within the time specified therein.

(2) The Registrar or the person authorised by him shall scrutinise the audit rectification report and accordingly inform the society about such report within six months from the date of receipt thereof.

(3) It shall be the responsibility of the auditor or auditing firm concerned to offer his or its remarks, as the case may be, on the rectification report of the society, itemwise, till entire rectification is made by the society and submit his or its report to the Registrar.

(4) If, the society fails to submit the audit rectification report to the Registrar and to the annual general body meeting, the Registrar may by an order declare that any officer or member of the committee, as the case may be, whose duty was to submit the audit rectification report to the Registrar and to the annual general body meeting, and who without
reasonable excuse failed to do the aforesaid act, shall be disqualified for being elected or for being any officer or member of the committee for such period not exceeding five years, as he may specify in such an order and, if the officer is a servant of the society, impose upon him a penalty of an amount not exceeding five thousand rupees:

Provided that, before making such an order under this sub-section, the Registrar shall give, or cause to be given, a reasonable opportunity to the person concerned of showing cause against the action proposed to be taken against him.”.

15. In section 109 of the principal Act, in sub-section (1),—

(1) for the words “extended by the Registrar” the words “extended by the Registrar or the Government” shall be substituted;

(2) for the first proviso, the following provisos shall be substituted, namely:—

“Provided that, the Registrar shall not grant any extension for a period exceeding one year at a time and four years in the aggregate:

Provided further that, if it is necessary to grant further extension beyond ten years, the Registrar shall send proposal for such extension to the Government. The Government may grant extension for a period not exceeding one year at a time and five years in the aggregate:

Provided also that, immediately, after the expiry of fifteen years from the date aforesaid, it shall be deemed that the liquidation proceedings have been terminated and the Registrar shall pass an order of terminating the liquidation proceedings;”;

(3) the second proviso shall be deleted.

16. In section 144-5A of the principal Act, before Explanation, the following proviso shall be inserted, namely:—

“Provided that, the salary earners’ credit co-operative society may accept deposits voluntarily from their members after their retirement by enrolling them as nominal members.”.

17. In section 146 of the principal Act, clause (l-1) shall be deleted.

18. In section 147 of the principal Act, clause (l-1) shall be deleted.

19. In section 152A of the principal Act, in sub-section (1), for the words “within three days” the words "within three working days” shall be substituted.

20. In section 154 of the principal Act, in sub-section (2A),—

(a) the words and figures “or Certificate issued by the Liquidator under section 105” shall be deleted;

(b) for the words “amount of recoverable dues : ” the words “amount of recoverable dues. If the revision application is allowed, the Revisional Authority may pass an order directing the society to refund the amount so deposited to the applicant : ” shall be substituted.
21. In section 154B of the principal Act,—

(1) in sub-section (1), for the figures, letters, words and brackets “78A, sub-sections, (1), (1A)” the figures, letters, words, brackets and sign “78A, sub-sections (1), (1-1A), (1A)” shall be substituted.

(2) in sub-section (2), for the brackets, figures, letters and sign “(19) (a), (a-1), (b)” brackets, figures, letters “(19) (a), (b)” shall be substituted.

22. In section 157 of the principal Act, the second proviso shall be deleted.