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SECRETARIAT  
OF  
THE ODISHA LEGISLATIVE ASSEMBLY

NOTIFICATION

The 5th September, 2018

No.8381/L.A.—The following Bill which has been introduced in the Odisha Legislative Assembly on the 5th September, 2018 is herewith published under Rule 68 of the Rules of Procedure and Conduct of Business in the Odisha Legislative Assembly for general information.

**THE ODISHA CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 2018**

**A**

**BILL**

**TO AMEND THE ODISHA CO-OPERATIVE SOCIETIES ACT, 1962.**

Be it enacted by the Legislature of the state of Odisha in Sixty-ninth Year of Republic of India as follows:-

Short title.                   1. This Act may be called the Odisha Co-operative Societies (Amendment) Act, 2018.

Amendment of section 18.           2. In the Odisha Co-operative Societies Act, 1962, in section 18, in sub-section (1), —

(i) for the words “and Farmers’ Service Co-operative Society”, the words and comma“, Farmers’ Service Co-operative Society and Society dealing with credit business” shall be substituted;

Odisha Act  
2 of 1963.

(ii) the following Explanation shall be added, namely: —

Explanation.— ‘Society dealing with credit business’ means the Primary Society, other than the Co-operative Bank and Society organised exclusively for promotion of economic interest of any particular professional or occupational group, whose principal object is accepting deposit and advancing loan.”; and

(iii) the following proviso shall be added, after the explanation so added, namely:-

“Provided that the nominal member so enrolled, prior to the commencement of the Odisha Co-operative Societies (Amendment) Act, 2018, shall discharge the liability incurred, if any, and the Society shall refund the share capital contribution, after its determination and any other dues to such nominal member within a period of one year from the date of such commencement.”

## **STATEMENT OF OBJECTS AND REASONS**

The 12th meeting of the State Level Co-ordination Committee (SLCC) on Non-Banking Financial Companies for the State of Odisha was held by the Reserve Bank of India on the 9th June, 2017 under the Chairmanship of the Chief Secretary, Odisha. In the said meeting the participants raised concern about the collection of deposits by the Co-operative Societies, by enrolling individuals as their nominal member. It was observed that ineffectiveness of the existing regulations and in the absence of proper monitoring, the Co-operative Societies become conduits for potential mischief which need to be prohibited. Besides, the Central Registrar of Co-operative Societies by an instruction has prohibited Co-operative Societies registered under the Multi-State Co-operative Societies Act, 2002 from collecting deposits from nominal members. Considering the gravity of the situation and the concern of the members of the SLCC, it was decided to restrict the collection of deposits from the nominal members by the Co-operative Societies, by bringing amendments to the existing Odisha Co-operative Societies Act, 1962 which was under consideration of the Government.

Accordingly, it was decided to bring amendment in section 18 of the Odisha Co-operative Societies Act, 1962 and by this amendment societies dealing with credit business, other than the Co-operative Bank and the societies organized exclusively for promotion of economic interest of any particular professional or occupational group, whose principal object is accepting deposit and advancing loan, shall admit any person as nominal member. Suitable changes in the existing provisions of the Act are proposed.

The Bill seeks to achieve the above objectives.

(SURJYA NARAYAN PATRO)

Member-in-Charge

A.K. SARANGI

Secretary

Odisha Legislative Assembly

