

CHANDIGARH ADMINISTRATION
CO-OPERATIVE DEPARTMENT
NOTIFICATION

No. 8/1/315-HII(4)-2014/5854 Chandigarh, dated the 31.03.2014

In view of the directions contained in Government of India, Ministry of Agriculture, Department of Agriculture and Co-operation, New Delhi, letter bearing No. L-11012/2004-L&M (Vol. VI) dated 21st January, 2013, with regard to amendment of the Punjab State Co-operative Societies Act, to make it consistent with the provisions of the Constitution (97th Amendment) Act, 2011 and in exercise of the powers conferred under Article 243 ZS, the Administrator, Union Territory, Chandigarh is pleased to adopt the constitution (Ninety Seventh Amendment) Act, 2011 issued vide Govt. of India, Ministry of Law and Justice (Legislative Department) notification dated 13.1.2012 for the U.T. of Chandigarh and to make the following adaptations in the Punjab Co-operative Societies Act, 1961, as applicable to the Union Territory of Chandigarh, namely:-

1. These shall come into force with effect from 13.1.2013 as provided in the Gazettee of India, Extra Ordinary Part-II, Section I, New Delhi dated 13.1.2012.
2. In the Punjab Co-operative Societies Act, 1961 as applicable to the Union Territory, Chandigarh (hereinafter called as the 'Act of 1961'), in Section 24 the following shall be substituted, namely:-

“The Annual General Body Meeting of every Co-operative society shall be convened within a period of six months of close of the Financial year to transact the business for the purpose of:-

 - a) Approval of the programme of the activities of the Society prepared by the Committee for the ensuing year;
 - b) Election, if any, of the Members of the Committee other than nominated members;
 - c) Consideration of the Audit report and the Annual report;

d) Disposal of the net profits; and

e) Consideration of any other matter which may be brought forward in accordance with the bye-laws”.

3. In the said Act of 1961, in Section 26, the following shall be substituted, namely:-

“(1) The Board shall consist of such number of directors as may be provided by the State Government by law;

Provided that the maximum number of directors of a co-operative society shall not exceed twenty-one (21);

Provided further that the State Government shall, by law, provide for the reservation of one seat for the Scheduled Castes or the Scheduled Tribes and two seats for women on Board of every co-operative society consisting of individuals as members and having members from such class or category of persons.

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

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

(3) The State Government shall, by law, make provisions for co-option of person to be members of the Board having experience in the field of banking, management, finance or specialization in any other field relating to the objects and activities undertaken by the co-operative society, as members of the Board of such society.

Provided that the number of such co-opted members shall not exceed two in addition to twenty-one (21) directors specified in the first proviso to clause (1):

Provided further that such co-opted members shall not have the right to vote in any election of the co-operative society in their

capacity as such member or to be eligible to be elected as office bearers of the Board.

Provided also that the functional directors of a co-operative society shall also be the members of the Board and such members shall be excluded for the purpose of counting the total number of directors specified in the first proviso to clause (1).

(4) Notwithstanding anything contained in any law made by the State Government, the election of a Board shall be conducted before the expiry of the term of the Board so as to ensure that the newly elected members of the Board assume office, immediately on the expiry of the office of members of the outgoing Board.

(5) The superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to a co-operative society shall vest in such an authority or body, as may be provided by the State Government, by law;

Provided that the State Government may, by law, provide for the procedure and guidelines for the conduct of such elections”.

4. In the said Act of 1961, in Section 27, the following shall be substituted namely:-

(1) Notwithstanding anything contained in any law, provide for the time being in force, no Board shall be superseded or kept under suspension for a period exceeding six months;

Provided that the Board may be superseded or kept under suspension in case-

- (i) of its persistent default; or
- (ii) of negligence in the performance of its duties; or
- (iii) the Board has committed any act prejudicial to the interests of the co-operative society or its members; or
- (iv) there is stalemate in the constitution or functions of the Board; or
- (v) the authority or body as provided by the State Government, by law, under clause (2) of article 243ZK of Constitution of India, has failed to conduct

elections in accordance with the provisions of the State Act.

Provided further that the Board of any such co-operative society shall not be superseded or kept under suspension where there is no Government shareholding or loan or financial assistance or any guarantee by the Government.

Provided also that in case of a co-operative society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 shall also apply;

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

(2) In case of supersession of a Board, the administrator appointed to manage the affairs of such co-operative society shall arrange for conduct of elections within the period specified in clause (1) and handover the management to the elected Board.

(3) The State Government by law make provisions for the conditions of service of the administrator.”

5. In the said Act of 1961, for the existing provisions of Section 48, the following shall be substituted, namely:-

(1) The State Government, may, by law, make provisions with respect to the maintenance of accounts by the co-operative societies and the auditing of such accounts at least once in each financial year.

(2) The State Government shall, by law, lay down the minimum qualification and experience of auditors and auditing firms that shall be eligible for auditing accounts of the co-operative societies.

(3) Every co-operative society shall cause to be audited by an auditors or auditing firms referred to in clause (2) appointed by the general body of the co-operative society.

Provided that such auditors or auditing firms shall be appointed from a panel approved by a State Government or an authority authorized by the State Government in this behalf.

- (4) The accounts of every co-operative society shall be audited within six months of the close of the financial year to which such accounts relate.
- (5) The audit report of the accounts of an apex co-operative society, as may be defined by the State Act, shall be laid before the State Legislature in the manner, as may be provided by the State Legislature, by law”.
- (6) In the said Act of 1961, after Section 48, a new Section 48-A shall be inserted, as under:-

“Section 48-A-Every co-operative society shall file returns, within six months of the close of every financial year, to the authority designated by the State Government including the following matters, namely---

- (a) Annual report of its activities;
- (b) Its audited statement of accounts;
- (c) Plan for surplus disposal as approved by the general body of the co-operative society;
- (d) List of amendments to the bye-laws of the co-operative society, if any;
- (e) Declaration regarding date of holding of its general body meeting and conduct of election
When due; and
- (f) Any other information required by the Registrar in pursuance of any of the provisions of the Act.

7. In the said Act of 1961, in Section 51, the following shall be substituted, namely:-

- (1) The State Government may, by law, provide for access to every member of a co-operative society to the books, information and accounts of the co-operative Society kept in regular transaction of its business with such member.
- (2) The State Government may, by law, make provisions to ensure the participation of members in the management of the co-operative society providing minimum requirement

of attending meetings by the members and utilizing the minimum level of services as may be provided in such law.

- (3) The State Government may, by law, provide for co-operative education and training for its members”.

8. In the said Act of 1961, in Section 57, the following shall be substituted, namely:-

“Subject to the provisions of this Part, the State Government may, by law, make provisions with respect to the incorporation, regulation and winding up of co-operative societies based on the principles of voluntary formation, democratic, member-control, member-economic participation and autonomous functioning.”

9. In the said Act of 1961, in Section 71, the following shall be substituted, namely:-

- (1) The State Government may, by law, make provisions for the offences relating to the co-operative societies and penalties for such offences.

- (2) a law made by the State Government under clause (1) shall include the commission of the following act or omission as offences, namely—

- (a) a co-operative society or an officer or member thereof willfully makes a false return or furnishes false information or any person willfully not furnishes any information required from him by person authorized in this behalf under the provisions of the State Act;
- (b) Any person willfully or without any reasonable excuse disobeys any summons, requisition or lawful written order issued under the provisions of the State Act;
- (c) any employer who, without sufficient cause, fails to pay to a co-operative society amount deducted by him from its employee within a period of fourteen days from the date on which such deduction is made;
- (d) any officer or custodian who willfully fails to handover custody of books, accounts, documents, records, cash, security and other property belonging to a co-operative

society of which he is in an officer or custodian, to an authorized person; and

- (e) Whoever, before, during or after the election of members of the Board or office bearers, adopts any corrupt practice.”

V. Lalremthanga, I.A.S,
Secretary Cooperation,
Chandigarh Administration.

Endst. No. No. 8/1/315-HII(4)-2014/5855

Dated: 31.03.2014

A copy is forwarded to the Controller, Printing and Stationery, Union Territory, Chandigarh, with a request to publish the same in the Chandigarh Administration Gazette (Extra-ordinary) of today. 25 copies of the notification may be supplied to this department for office use.

Additional Secretary Cooperation,
For Secretary Cooperation,
Chandigarh Administration.

Endst. No. No. 8/1/315-HII(4)-2014/5856

Dated: 31.03.2014

A copy is forwarded to the following for information and necessary action to the:-

1. Secretary Cooperation, Chandigarh Administration.
2. Registrar, Cooperative Societies, Union Territory, Chandigarh.

Additional Secretary Cooperation,
For Secretary Cooperation,
Chandigarh Administration.