



**The Madhya Pradesh Co-Operative Societies (Amendment) Act,
2009**

Act 2 of 2010

Keyword(s):

Federal Society, Training Fund, Disqualification for membership of Board of Directors, State Government Representative

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“(क) धारा ७२-घ के खण्ड (एक) में उल्लिखित अपराध के लिए, ऐसे जुर्माने से, जो पांच लाख रुपये तक हो सकेगा या कारावास से, जिसकी अवधि तीन वर्ष की हो सकेगी या दोनों से;

(ख) धारा ७२-घ के खण्ड (दो) में उल्लिखित अपराध के लिए, ऐसे जुर्माने से जो ५ लाख रुपये तक का हो सकेगा या कारावास से, जिसकी अवधि तीन वर्ष की हो सकेगी या दोनों से;

(ग) धारा ७२-घ के खण्ड (तीन) में उल्लिखित अपराध के लिये, ऐसे जुर्माने से, जो पांच लाख रुपये तक का हो सकेगा या कारावास से, जिसकी अवधि तीन वर्ष तक की हो सकेगी या दोनों से;

(घ) धारा ७२-घ के खण्ड (चार), (पांच), (छह), (सात), (आठ), (नौ) और (दस) में उल्लिखित अपराध के लिये ऐसे जुर्माने से, जो पांच लाख रुपये तक का हो सकेगा या कारावास से, जिसकी अवधि तीन वर्ष तक की हो सकेगी या दोनों से.”

धारा ७५ का संशोधन.

२८. मूल अधिनियम की धारा ७५ में,—

(एक) खण्ड (क), (घ), (ङ) और (ज) में, अंक “२०००” के स्थान पर, अंक “५०,०००” स्थापित किए जाएं;

(दो) खण्ड (ख), (ग), और (ज) में, अंक “१०००” के स्थान पर, अंक “२५,०००” स्थापित किए जाएं;

(तीन) खण्ड (झ) में, अंक “५००” के स्थान पर, अंक “२५,०००” स्थापित किए जाएं;

(चार) खण्ड (च), (छ) और (ट) में, अंक, “२५०” के स्थान पर, अंक “२५,०००” स्थापित किए जाएं;

धारा ८०-क का संशोधन.

२९. मूल अधिनियम की धारा ८०-क में, शब्द “जिसकी अंशपूजी में राज्य सरकार ने अभिदाय किया है या उधार या वित्तीय सहायता दी है या किसी अन्य रूप में दिए गए उधारों के प्रतिदाय की प्रत्याभूति दी है” का लोप किया जाए.

भोपाल, दिनांक 4 जनवरी 2010

क्र. 30-3-इक्कीस-अ (प्रा.)—भारत के संविधान के अनुच्छेद 348 के खण्ड (3) के अनुसरण में, मध्यप्रदेश सहकारी सोसाइटी (संशोधन) अधिनियम, 2009 (क्रमांक 2 सन् 2010) का अंग्रेजी अनुवाद राज्यपाल के प्राधिकार से एतद्वारा प्रकाशित किया जाता है.

मध्यप्रदेश के राज्यपाल के नाम से तथा आदेशानुसार,
राजेश यादव, अतिरिक्त सचिव.

MADHYA PRADESH ACT

No. 2 OF 2010.

THE MADHYA PRADESH CO-OPERATIVE SOCIETIES (AMENDMENT) ACT, 2009.

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MADHYA PRADESH ACT

No. 2 OF 2010.

THE MADHYA PRADESH CO-OPERATIVE SOCIETIES (AMENDMENT) ACT, 2009.

[Received the assent of the Governor on the 30th December, 2009; assent first published in the "Madhya Pradesh Gazette (Extra-ordinary)", dated the 4th January 2010]

An Act further to amend the Madhya Pradesh Co-operative Societies Act 1960.

Be it enacted by the Madhya Pradesh Legislature in the Sixtieth Year of the Republic of India as follows:—

- Short title.** 1. This Act may be called the Madhya Pradesh Co-operative Societies (Amendment) Act, 2009.
- Amendment of Section 10.** 2. In Section 10 of the Madhya Pradesh Co-operative Societies Act, 1960 (No. 17 of 1961) (hereinafter referred to as the principal Act),—
- (i) in sub-section (1), clause (iii) and clause (iv) shall be omitted;
- (ii) in sub-section (1-a), after clause (b), the following clause shall be inserted, namely :— “(ba) Federal Society;”.
- Amendment of Section 18-A.** 3. In Section 18-A of the principal Act, sub-section (5) shall be omitted.
- Amendment of Section 19-C.** 4. In Section 19-C of the principal Act, —
- (i) in sub-section (1), in the proviso, for the words “seven days”, the words “fifteen days” shall be substituted;
- (ii) for sub-section (1-A), the following sub-section shall be substituted, namely :—
- “(1-A) Any person aggrieved by the resolution of the committee under sub-section (1) may refer the dispute before the Registrar within thirty days of the communication of such resolution.”;
- (iii) for sub-section (3), the following sub-section shall be substituted, namely :—
- “(3) No member who has been expelled shall be eligible for re-admission for a period of six years from the date of such expulsion.”.
- Amendment of Section 28.** 5. In Section 28 of the principal Act, after sub-section (3), the following new sub-section shall be added, namely :—
- “(4) If an employee or officer of the society does not provide the record for inspection under sub-section (2) or grant the certified copy of such records or registers or extracts thereof under sub-section (3) to the members of the society, then the Registrar may, by order, impose on him a penalty not exceeding fifty thousand rupees :
- Provided that no order shall be made under this sub-section unless the person concerned is given a reasonable opportunity of being heard.”.
- Amendment of Section 32.** 6. In Section 32 of the principal Act, after sub-section (4), the following new sub-section shall be inserted, namely :—
- “(5) Every society shall carry on day today business by its registered address and shall

maintain records pertaining to the society at its registered address and if the society does not —

- (i) communicate the changed address, to the Registrar, or
- (ii) carry on the business at its registered address, or
- (iii) maintain the records at its registered address, the Registrar may impose penalty not exceeding fifty thousand rupees on the officer responsible after giving a reasonable opportunity of being heard.”

7. In Section 43-A of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely :—

Amendment of Section 43-A.

“(1-A) Every society shall create a separate fund to be called “Training Fund” in which two percent amount of its profit shall be transferred every year for the purpose of training to members and employees of the society.”

8. In Section 48 of the principal Act, —

Amendment of Section 48.

- (i) in sub-section (3), in clause (a), for sub-clause (i), the following sub-clause shall be substituted, namely :—
- “(i) in which half or more than half the members belong to Scheduled Castes, Scheduled Tribes and Other Backward Classes, half the total number of seats shall be reserved for the members belonging to Scheduled Castes, Scheduled Tribes and Other Backward Classes in the same proportion as the members of Scheduled Castes, Scheduled Tribes and Other Backward Classes bears but in any case total reservation of seats shall not exceed fifty percent.”;
- (ii) in sub-section (8), for the words “shall not exceed fifteen” the words “shall not exceed fifteen and in the case of Co-operative Bank or Urban Co-operative Bank, the total number of members shall not exceed eighteen” shall be substituted.

9. In Section 48-A of the principal Act, in sub-section (5), for the word “co-option”, the word “election” shall be substituted.

Amendment of Section 48-A.

10. For section 48-AA of the principal Act, the following section shall be substituted, namely :—

Substitution of Section 48-AA.

“48-AA. No person shall be eligible for election as a member of the Board of Directors of a society and shall cease to hold his office as such, if he suffers from any disqualification specified in this Act or the rules made thereunder and no society shall elect any member as its representative to the Board of Directors of any other society or to represent the society in other society, if he suffers from any disqualifications specified in this Act or the rules made thereunder:

Disqualification for membership of Board of Directors and for representation.

Provided that if a member suffers from any of the disqualifications specified in the Act or the rules made thereunder —

- (i) it shall be lawful for the Board of Directors of the society to disqualify such member where he is elected as a Director, being a member of that society, after giving him a reasonable opportunity of being heard, within two months from the date of coming to the notice of the society from holding the post and if the society fails to take action within two months, the Registrar shall disqualify such member from holding such post, by an order in writing after giving him reasonable opportunity of being heard,
- (ii) if the member incurs a disqualification in the higher level society, for his actions as a representative, such higher level society shall take action to disqualify him

for holding the post in the higher level society and if the society fails to take action within two months, the Registrar shall disqualify such member from holding such posts by an order in writing after giving him reasonable opportunity of being heard.

Explanation.—For the purpose of this section, the expression “disqualification” shall not include the disqualification specified in Section 50-A for election as a member of the Board of Directors or a representative of a society.”

Amendment of Section 48-B.

11. In Section 48-B of the principal Act,—

- (i) in sub-section (2), for full stop, the colon shall be substituted and thereafter the following proviso shall be added, namely :—

“Provided that where the number of representative to be elected is more than one, total number of reservation of representative shall not exceed fifty percent.”;

- (ii) in sub-section (3), for full stop, the colon shall be substituted and thereafter the following proviso shall be added, namely :—

“Provided that number of total reserved seats of the delegates shall not exceed fifty percent.”.

Amendment of Section 48-C.

12. In Section 48-C of the principal Act, for clause (c), the following clauses shall be inserted, namely :—

“(C) take decision in respect of no-confidence motion against Chairman and office bearers and remove them from office :

Provided that meeting for the above purpose shall be presided over by the Registrar or any person authorised by him in this behalf;

(ca) take decision on the resignation submitted by the Directors;”.

Amendment of Section 49.

13. In Section 49 of principal Act, in sub-section (9), after clause (b), the following clause shall be inserted, namely :—

“(ba) If the society fails to circulate the minutes to the person invited for the meeting within 30 days from the conclusion of the meeting, the Registrar may, by an order, impose, on the responsible officer of the society, a penalty not exceeding fifty thousand rupees :

Provided that no order shall be made under this clause unless the person concerned is given a reasonable opportunity of being heard.”.

Amendment of Section 49-E.

14. In Section 49-E of the principal Act, in sub-section (1), for clause (a), the following clause shall be substituted, namely :—

“(a) Notwithstanding anything contained in this Act or rules or byelaws made thereunder, for every apex society where the State Government has contributed to its share capital or has given loans or financial assistance or has guaranteed the repayment of loans granted in any other form, there shall be a Managing Director, not below the rank of class I officer, who shall be appointed by the State Government.

Provided that in case of State Co-operative Bank, the Managing Director shall be appointed by the Board of Directors of the Bank as per the guidelines issued by the Registrar in accordance with the criteria stipulated by the Reserve Bank.”

15. In Section 53-B of the principal Act, in sub-section (2), for the words “three years”, the words “six years ” shall be substituted.

Amendment of Section 53-B.

16. In Section 55 of the principal Act, in sub-section (2), in the second proviso, for full stop, the colon shall be substituted and thereafter the following proviso shall be added, namely :—

Amendment of Section 55.

“Provided also that the Registrar or the officer referred to above may admit dispute after the expiry of thirty days, if the applicant satisfy the Registrar or officer referred to above that he had sufficient cause for not referring the dispute within the stipulated time.”

17. In Section 56 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely :—

Amendment of Section 56.

“(3) If any officer or the employee of the society, on whom specify responsibility has been fixed under sub-section (2), fails to maintain the records, registers, books of accounts and to furnish to the Registrar such information and such returns as may be required by the Registrar within the specified time, the Registrar may, by order, remove such officer and if the officer is an employee of the society, impose on him a penalty not exceeding fifty thousand rupees :

Provided that no order shall be made under this sub-section unless the person concerned is given a reasonable opportunity of being heard.”

18. In Section 58 of the principal Act, in sub-section (1), for the second proviso, the following proviso shall be substituted, namely :—

Amendment of Section 58.

“Provided further that—

- (i) a Central Society or an Apex Society may get the accounts audited, by a Chartered Accountant approved by the Registrar; and
- (ii) an urban Co-operative Bank may get the accounts audited by a Chartered Accountant approved by the Reserve Bank.”

19. In Section 58-B of the principal Act,—

Amendment of Section 58-B,

- (i) sub-section (2) shall be omitted;
- (ii) in sub-section (3), the words, bracket and figure “or sub-section (2)” shall be omitted.

20. For Section 59 of the principal Act, the following section shall be substituted, namely:—

Substitution of Section 59.

“59. (1) The Registrar may, on his own motion or, on the application of —

Inquiry.

- (i) a society to which the society is affiliated; or
- (ii) a creditor to whom the society is indebted; or
- (iii) not less than one-half of the members of the committee; or

- (iv) not less than one-tenth of the total number of members of the society, hold an inquiry into the matters relating to the constitution, working and financial condition of the society or into the specific matters raised in the application or the Registrar shall cause an inquiry to be made into such case by the Collector or any officer sub-ordinate to the Collector or the officer of any other department or by a inquiry committee consisting of the officers.

(2) The Collector may on his own motion or on receipt of the application under sub-section (1) hold or cause to be held an inquiry by himself or by the officer sub-ordinate to him in respect of such society which is working in the jurisdiction of the District.

(3) The Registrar shall order an inquiry only after the receipt of a fee, as may be prescribed, from applicant or applicants specified in clauses (i) to (iv) of sub-section (1) to meet the costs of the inquiry to be conducted.

(4) The Registrar, or the officer authorised by him under sub-section (1) and (2), shall, for the purposes of an inquiry under this section, have the following powers, namely :—

- (a) he shall at all times have free access to the books, accounts, documents, 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, securities, cash or other properties, to produce the same, if they relate to the head office of the society at any place at the headquarter thereof and if they relate to any branch of the society, at any place the town wherein such branch thereof is located;
- (b) he may summon any person who, he has reason to believe, has knowledge of any of the affairs of the society, to appear before him at any place at the head quarters of the society or any branch thereof and may examine such person on oath.

(5) The inquiry shall be completed and submitted to the Registrar within a period of four months from the date of ordering the inquiry.”.

Amendment of Section 59-A.

21. In Section 59-A of the principal Act, in sub-section (2), for the words “five thousand”, the words “fifty thousand” shall be substituted.

Amendment of Section 61.

22. In Section 61 of the principal Act,—

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

“(2) The Registrar may make an order directing the society or its officers or the society to which it is affiliated to take such action as may, be specified in the order within sixty days to remedy the defects disclosed in the audit, inquiry or inspection.”;

- (ii) after sub-section (2), the following new sub-section shall be inserted, namely:—

“(3) If any officer or the employee of the society fails to comply the direction of the Registrar within sixty days, the Registrar may, by order, declare such officer to be disqualified for being a member of Board of Directors and if the officer is an employee of the society, impose on him a penalty not exceeding fifty thousand rupees :

Provided that no order shall be made under this sub-section unless the person concerned is given a reasonable opportunity of being heard.”.

23. In Section 66 of the principal Act, in sub-section (1), for the words, figures and bracket "Section 64 or sub-section (2) of Section 55", the words, figures and bracket "Section 64 sub-section (2) of Section 55 or Section 84-A" shall be substituted.

Amendment of Section 66.

24. Section 72 of the principal Act shall be renumbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following new sub-section shall be added, namely :—

Amendment of Section 72.

"(2) Where the liquidator submitted the final report to the Registrar after disposal of assets and liabilities, then the Registrar shall, after satisfaction on final report, cancel the registration of the society."

25. In Section 72-B of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely :—

Amendment of Section 72-B.

"(1) (a) Every member of housing society shall be entitled according to the priority list under clause (e) to a plot for housing including low density housing, dwelling house or a flat, as the case may be and in case dwelling house or flat have already been acquired, the common amenities and services including housing finance.

(b) The list of membership comprising his name, his father's and mother's name, his date of birth and permanent account number of Income Tax, if any, shall be maintained by the society and such list shall be prepared in accordance with his admission in the society.

(c) Where a society gets any land from Government or any other agency on concessional rate for the housing purpose, it shall be compulsory for the member thereof to submit an affidavit to the effect that there is no plot/flat/house in his name or in the name of his family member in that municipal area.

(d) Every housing society on the basis of the list prepared under clause (b) shall ask by a letter to each member of the list to deposit the development charges, construction charges and other expenses to be incurred for facilities, by a registered post within such period which shall not be less than two months as specified in the letter and the society shall also publish a press note for the above purpose in a newspaper having circulation in the jurisdiction of the society and the society shall keep record of the letters sent to the member concerned and the society shall ensure that the intimation for depositing the necessary amount has been received by the member.

(e) The society shall prepare a priority list for plot allotment every year on the basis of the required amount deposited by the member after receipt of the letter and if any change is effected in the list, the intimation thereof shall be sent to the member concerned by registered post and a copy of such changed list shall also be sent to the concerned Deputy Registrar / Assistant Registrar by 30th April every year and the plots shall be allotted to the members on the basis of final priority list and such list shall be made available by the society to general public on the website of the society and the website shall be updated every year.

(f) Along with the membership list and priority list of members prepared under clause (b) and clause (e), every housing society shall submit its yearly balance sheet and particulars of assets and liabilities to the Deputy Registrar / Assistant Registrar concerned of the District and this information shall also be made available to the general public on the website of the society.

(g) The land held by the society or any part thereof shall not be sold or leased out and no action for transferring of such land shall be taken without permission of the Registrar.

- (h) If a member fails to pay his share of legal expenses, maintenance and services, as the case may be, within the prescribed time, the society shall impose a surcharge at the rate of 20% for a period not exceeding three months and if default continues beyond three months, the services shall be discontinued forthwith :

Provided that such services shall not be discontinued unless the member concerned is given a reasonable opportunity of being heard by the committee in this behalf.”.

Amendment of
Section 72-D.

26. In Section 72-D of the principal Act,—

- (i) for clause (ii), the following clause shall be substituted, namely :—
“(ii) Tampering with the membership list.”;
- (ii) after clause (vii), the following clauses shall be added, namely :—
“(viii) Allotment of plots to members are not made according to the priority list of members.
(ix) Selling or leasing out the land held by society or transferred the land without permission of the Registrar.
(x) Not complying with the provisions of clause (f) of sub-section (1) of Section 72-B.”.

Amendment of
Section 72-E.

27. In Section 72-E of the principal Act, for clauses (a) to (d), the following clauses shall be substituted, namely

- “(a) for an offence mentioned in clause (i) of Section 72-D, with a fine which may extend to five lac rupees or with imprisonment or a term which may extend to three years or with both;
- (b) for an offence mentioned in clause (ii) of Section 72-D with a fine which may extend to five lac rupees or with imprisonment for a term which may extend to three years or with both;
- (c) for an offence mentioned in clause (iii) of Section 72-D, with a fine which may extend to five lac rupees or with imprisonment for a term which may extend to three years or with both;
- (d) for an offence mentioned in clauses (iv), (v), (vi), (vii), (viii), (ix) and (x) of Section 72-D, with a fine which may extend to five lac rupees or with imprisonment for a term which may extend to three years or with both.”.

Amendment of
Section 75.

28. In Section 75 of the principal Act,—

- (i) in clauses (a), (d), (e) and (h) for the figure “2000”, the figure “50,000” shall be substituted;
- (ii) in clauses (b), (c) and (j), for the figure “1000”, the figure “25,000” shall be substituted;
- (iii) in clause (i), for the figure “500”, the figure “25,000” shall be substituted;
- (iv) in clauses (f), (g) and (k), for the figure “250”, the figure “25,000” shall be substituted.”.

Amendment of
Section 80-A.

29. In Section 80-A of the principal Act, the words “for which Government has contributed to its share capital or has given loans or financial assistance or has guaranteed the repayment of loans granted in any other form” shall be omitted.