

## HIMACHAL PRADESH CO-OPERATIVE SOCIETIES ACT, 2012

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>THE HIMACHAL PRADESH CO-OPERATIVE SOCIETIES ACT, 1968</b> (Act No. 3 of 1969) AN ACT</p> <p><i>to consolidate and amend the law relating to co-operative societies in Himachal Pradesh.</i></p> <p><i>Be it enacted by the Legislative Assembly of Himachal Pradesh in the Nineteenth Year of the Republic of India as follows:-</i></p> <p style="text-align: center;">CHAPTER 1 PRELIMINARY</p> <p><b>1. Short title, extent and commencement :-</b>(1) This Act may be called the Himachal Pradesh Co-operative societies Act,1968.</p> <p>2. It extends to the whole of Himachal Pradesh.</p> <p>3. It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint in this behalf.</p> <p><b>2. Definitions:—</b> In this Act, unless there is anything repugnant in the subject or context,--</p> <p>(1) "bye-law" means a bye-law registered or deemed to have been registered under the Act; and includes a registered amendment of the bye-law;</p> <p><b>(1-A) Nil.</b></p>	<p><b>THE HIMACHAL PRADESH CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 2012</b> AN ACT</p> <p><i>further to consolidate and amend the law relating to co-operative societies in Himachal Pradesh to facilitate the voluntary formation, autonomous functioning, democratic control and professional management of co-operative societies.</i></p> <p><i>Be it enacted by the Legislative Assembly of Himachal Pradesh in the Sixty Second Year of the Republic of India as follows:-</i></p> <p style="text-align: center;">CHAPTER 1 PRELIMINARY</p> <p><b>1. Short title, extent and commencement:-</b> (1) This Act may be called the Himachal Pradesh Co-operative Societies (Amendment) Act, 2012</p> <p>2. It extends to the whole of Himachal Pradesh.</p> <p>3. It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.</p> <p><b>2. Definitions:-</b> In this Act, unless there is anything repugnant in the subject or context,--</p> <p>(1) No change</p> <p>(1-A) “apex society” means a secondary society of which at least ten co-operative societies are member and the area of operation of which extends to the whole of the territory of Himachal Pradesh, or even beyond;</p>	<p>To bring the provisions of H.P. Co-operative Societies Act, 1968 in tune/conformity with the Constitution (Ninety Seventh Amendment) Act, 2011.</p> <p style="text-align: center;"><b>(Art. 43 B)</b></p> <p>To define the terms used in the Act.</p>

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<p>(1-B) Nil.</p> <p>(2) “Committee” means the governing body of a cooperative society, by whatever name called, to which the management of the affairs of the cooperative society, is entrusted;</p> <p>(2-A) Nil.</p> <p>(2-B) Nil.</p> <p>(3) “Cooperative society” means a society registered or deemed to be registered under this Act;</p> <p>(4) “Cooperative society with unlimited liability” means a cooperative society the liability of whose members is unlimited for the purpose of contributing jointly and severally to any deficiency in the assets of the society, in the event of its being wound up;</p> <p>(5) “Co-operative Society with limited liability” means a Co-operative society having the liability of its members limited by its bye-laws to the amount, if any , unpaid on the shares respectively held by them or to such amount as they may, respectively, thereby undertake to contribute to the assets of the society in the event of its being wound up;</p> <p>(6) “Co-operative year” means the year beginning from first day of April, or as may be prescribed by the Government for keeping the accounts of a Co-operative society;</p> <p>(6-A) “Deposit Insurance Corporation” means the</p>	<p>(1-B) “area of operation’ means the area from which the persons are admitted as members;</p> <p>(2) “board or committee” means the board of directors or governing body of a co-operative society, by whatever name called, to which the management of the affairs of the co-operative society, is entrusted;</p> <p>(2-A) “co-operative bank” means a co-operative society which undertakes banking business;</p> <p>(2-B) “co-operative principles” means the co-operative principles specified in First Schedule;</p> <p>(3) “co-operative society” means a society registered or deemed to be registered under this Act;</p> <p>(4) “co-operative society with unlimited liability” means a co-operative society the liability of whose members is unlimited for the purpose of contributing jointly and severally to any deficiency in the assets of the society in the event of its being wound up;</p> <p>(5) “co-operative society with limited liability” means a co-operative society having the liability of its members limited by its bye-laws to the amount, if any, unpaid on the shares respectively held by them or to such amount as they may, respectively, thereby undertake to contribute to the assets of the society in the event of its being wound up;</p> <p>(6) “co-operative year” means the year beginning from first day of April, or as may be prescribed by the Government for keeping the accounts of a co-operative society;</p>	

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<p>Deposit Insurance and Credit Guarantee Corporation established under section 3 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961; and</p> <p><b>(6-B) NIL</b></p> <p>(7) “Dispute” means any matter capable of being the subject of civil litigation and includes a claim in respect of any sum payable to or by a Co-operative society whether such claim be admitted or not;</p> <p>(8) “Family” means husband, wife and unmarried sons and daughters;</p> <p>(9) “Federal society” means a society not less than three-fourth of the members of which are societies;</p> <p><b>(9-A) Nil.</b></p> <p><b>(9-B) Nil</b></p> <p>(10) “Member” means a person joining in the application for the registration of a Co-operative society and a person admitted to membership after such registration in accordance with this Act, the rules and the bye-laws, and includes a nominal and an associate member;</p>	<p>(6-A) “Deposit Insurance Corporation” means the Deposit Insurance and Credit Guarantee Corporation established under section 3 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961;</p> <p><b>(6-B)</b> “director” means a member of the board or committee;</p> <p>(7) “Dispute” means any matter capable of being the subject of civil litigation and includes a claim in respect of any sum payable to or by a co-operative society whether such claim be admitted or not;</p> <p>(8) “family” means husband, wife and unmarried sons and daughters;</p> <p>(9) “federal society” means a society not less than three-fourth of the members of which are societies;</p> <p><b>(9-A)</b> “financial year” means a period of one year beginning from first day of April and ending on 31<sup>st</sup> day of March, or as may be prescribed by the Government, for keeping the financial accounts;</p> <p><b>(9-B)</b> “financing bank” means a co-operative society the objects of which include the creation of funds to be lent to other co-operative societies.</p> <p>(10) “Member” means a person joining in the application for the registration of a co-operative society and a person admitted to membership after such registration in accordance with this Act, the rules and the bye-laws, and includes a nominal, joint and an associate member;</p>	

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(10-A) Nil	(10-A) “ Managing Director” means a Chief Executive of a co-operative society appointed or nominated under section 35-B;	
(10-B) Nil	(10-B) “National Bank” means the National Bank for Agriculture and Rural Development constituted under NABARD Act, 1981.	
(10-C) Nil.	(10-C) “office-bearer” means a president, vice-president, chairperson, vice-chairperson, elected secretary or treasurer of a co-operative society and includes any other person to be elected by the board of any co-operative society;	
(11) “Officer” means the President, Vice-President, Chairman, Vice-Chairman, Secretary, Assistant Secretary, Manager, Member of a committee, treasurer, Liquidator, Administrator and includes any other person empowered under the rules or the bye-laws to give directions in regard to the business of a Co-operative society;	(11) “officer” means a president, vice-president, chairman or chairperson, vice-chairman or vice-chairperson, secretary, assistant secretary, manager, director, member of a committee, treasurer, liquidator, administrator and includes any other person empowered under the rules or the bye-laws to give directions in regard to the business of a co-operative society;	
(11-A) Nil.	(11-A) “ primary society” means a co-operative society which does not enroll societies as its members;	
(12) “Registrar” means Registrar of Co-operative Society appointed under section 3, and includes any person appointed to assist the Registrar on whom all or any of the powers or duties of the Registrar have been or has been conferred or imposed under this Act;	(12) “Registrar” means Registrar of Co-operative Societies appointed under section 3, and includes any person appointed to assist the Registrar on whom all or any of the powers or duties of the Registrar have been or has been conferred or imposed under this Act;	
(12-A) “Reserve Bank” means the Reserve Bank of	(12-A)“Reserve Bank” means the Reserve Bank of	

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<p>India constituted under the Reserve Bank of India Act, 1934;</p> <p>(13) “Rules” means rules made or deemed to be made under this Act;</p> <p>(14) “ Prescribed” means prescribed by rules made under this Act;</p> <p><b>(14-A) Nil.</b></p> <p>(15) “Society” or “Registered Society” means a Co-operative society registered or deemed to be registered under this Act;</p> <p>(16) “State Government” or “Government” unless expressed otherwise, means the Government of Himachal Pradesh;</p> <p>(17) “State” means the State of Himachal Pradesh;</p> <p>(18) “Official Gazette” means the Rajpatra, Himachal Pradesh; and</p> <p>(19) “Financial Bank” means a Co-operative society the objects of which include the creation of funds to be lent to other Co-operative societies.</p>	<p>India constituted under the Reserve Bank of India Act, 1934;</p> <p>(13) “rules” means the rules made under this Act;</p> <p>(14) “prescribed” means prescribed by rules;</p> <p><b>(14-A)</b> “secondary society” means a co-operative society of which at least one member is a co-operative society;</p> <p>(15) “society” or “registered society” means a co-operative society registered or deemed to be registered under this Act;</p> <p>(16) “State Government” or “Government” unless expressed otherwise, means the Government of Himachal Pradesh;</p> <p>(17) “State” means the State of Himachal Pradesh; and</p> <p>(18) “Official Gazette” means the Rajpatra, Himachal Pradesh.</p> <p>(19) <b>Deleted</b></p>	
<p style="text-align: center;"><b>CHAPTER II</b></p> <p style="text-align: center;">REGISTRATION OF CO-OPERATIVE SOCIETIES</p> <p><b>3. Registrar:—</b> (1) The State Government may appoint a person to be Registrar of Co-operative societies for the State and may appoint such number</p>	<p style="text-align: center;"><b>CHAPTER II</b></p> <p style="text-align: center;">REGISTRATION OF CO-OPERATIVE SOCIETIES</p> <p><b>3. Registrar :—No change</b></p>	

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<p>of Additional Registrars, Joint Registrars, Deputy Registrars, Assistant Registrars and other person, as it may think fit to assist him.</p> <p>(2) The State Government may, by general or special order confer on any person appointed to assist the Registrar all or any of the powers of the Registrar under this Act.</p> <p>(3) Every person appointed to assist the Registrar shall exercise the power conferred on him under sub-section (2) subject to the general guidance, superintendence and control of the Registrar.</p> <p>(4) Notwithstanding anything contained in the Act, where any power of the Registrar is exercised by any other person appointed under sub-section (1) to assist the Registrar, the order passed or decision made by such person shall, for the purpose of appeal, not be deemed to be the order or decision of the Registrar.</p> <p><b>4. Societies which may be registered :-</b> Subject to the provisions of this Act, and any rules framed thereunder, a co-operative society which has, as its objects, the promotion of the economic and social <b>interests</b> of its members or the public in accordance with the co-operative principles, or a co-operative society established with the object of facilitating the operations of such a society, including, a society formed by the division of any existing co-operative society or amalgamation of existing co-operative societies, may be registered under this Act.</p> <p><b>5. Registration with limited or unlimited liability :-</b> (1) A Co-operative society may be registered with or without limited liability:</p>	<p><b>4. Societies which may be registered :-</b> Subject to the provisions of this Act, and any rules framed thereunder, a co-operative society which has as its objects to meet the economic, social and <b>educational</b> needs of its members or the public in accordance with the <i>co-operative principles as specified in First Schedule</i>, or a co-operative society established with the object of facilitating the operations of such society, including, a society formed by the division of any existing co-operative society or amalgamation of existing co-operative societies, may be registered under this Act.</p> <p><b>Registration with limited or unlimited liability:—</b> No change</p>	<p>The objects of a co-operative society has been broaden to include educational needs of members in tune with the constitutional amendment providing for education and training needs of members/ employees of the co-operative societies.</p>

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<p>Provided that—</p> <p>a. The liability of a Co-operative society of which any member is a Co-operative society shall be limited; and</p> <p>b. no Co-operative society shall be registered as a society with unlimited liability if, amongst its objects, it also includes any object other than the advancement of loans to its members.</p> <p>(2) The word “limited” or its equivalent in any Indian language shall be the last word in the name of Co-operative society registered or deemed to be registered under the Act with limited liability.</p> <p><b>6. Restriction on holding of shares:—</b> In any Co-operative society, no member other than the State Government or any other Co-operative shall—</p> <p>i. hold more than such portion of the total share capital of the society not exceeding one-fifth thereof, as may be prescribed, or</p> <p>ii. have or claim any interest in the shares of such society exceeding ten thousand rupees:</p> <p>Provided that the State Government may, by notification in official Gazette, specify, in respect of any Co-operative society, a higher maximum than one-fifth of the share capital or higher amount than ten thousand rupees, as the case may be.</p>	<p><b>6. Restrictions on registration and holding of shares:—</b>(1) No <i>primary society</i> shall be registered under this Act unless it consists of at least ten persons, each of such persons being a member of different <i>families</i> who are qualified to be members under this Act and who reside in the area of operation of the society.</p> <p>(2) No <i>secondary</i> or <i>apex society</i> shall be registered under this Act unless it consists of at least five registered societies.</p> <p>(3) In any co-operative society, no member other than the State Government or any other co-operative society shall, hold more than one-fifth of the total paid up share capital of the society.</p>	<p>The provision amended to provide for holding of shares in a co-operative society not more than one-fifth of the total paid up share capital. The state government is excluded from above restrictions. The separate provisions for registration of primary, secondary or apex society has been made. The requirement of ten persons from different families has been made to broad-base the memberships and avoid it to become a family institution.</p>

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<p><b>7. Application for registration :-</b> (1) Application for the registration of a co-operative society shall be made to the Registrar in such form as may be prescribed and the applicants shall furnish to him all such information about the society as he may require.</p> <p>(2) Every such application shall conform to the following:-</p> <p>(a) the application shall be accompanied by three copies of the bye-laws of the co-operative society;</p> <p>(b) where all the applicants are individuals, the number of applicants shall not be less than ten, each of such ten persons being a member of a different family and competent to contract under section 11 of the Indian Contract Act, (9 of 1872) and where all the applicants are not individuals, the number of such applicants shall not be less than five;</p> <p>(c) every one of the applicants who is an individual shall be above the age of 18 years; and</p> <p>(d) where the objects of the co-operative society include creation of funds to be lent to its members and where all the applicants are individuals, the applicant shall reside in the same town or village or in the same group of village, or belong to a common interest or pursue the same occupation.</p> <p>(3) The application shall be signed -</p> <p>(a) in the case of a society of which no member is a co-operative society, by all individuals as qualified in accordance with the requirements of clause (b) and clause (c) of subsection (2);</p>	<p><b>7. Application for registration: No change</b></p>	



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<p>and</p> <p>(b) in the case of a society of which a member is a society, by a duly authorized person on behalf of every such Society and where all the members of the society are not societies, by all other members.</p> <p><b>8. Registration:—</b>(1) If the Registrar is satisfied—</p> <p>(a) that the application complies with the provisions of this Act and the rules;</p> <p>(b) that the aims of the proposed society are in accordance with section 4;</p> <p>(c) that the aims of the proposed society are not inconsistent with the principles of the social justice;</p> <p>(d) that he proposed bye-laws are not contrary to the provisions of this Act and the rules; and</p> <p>(e) that the proposed society has reasonable chances of success;</p> <p>he may register the society and its bye-laws.</p> <p>(2) The application for registration shall be disposed of by the Registrar within a period of ninety days from the date of receipt thereof by him.</p> <p>(3) If the Registrar fails to dispose of the application within the period specified in sub-section (2), the applicant society shall be deemed to have been registered.</p> <p>(4) When the Registrar refuses to register a society, he shall communicate the order of refusal, together with the reasons thereof to such of the applicants as may be prescribed.</p>	<p><b>8. Registration :—</b> (1) If the Registrar is satisfied—</p> <p>(a) that the application complies with the provisions of this Act and the rules;</p> <p>(b) that the aims of the proposed society are in accordance with section 4;</p> <p>(c) that the aims of the proposed society are not inconsistent with <b>the co-operative principles and</b> the principles of social justice;</p> <p>(d) that he proposed bye-laws are not contrary to the provisions of this Act and the rules; and</p> <p>(e) that the proposed society has reasonable chances of success <b>in terms of such norms or pre-requisites, if any, as may be specified by the Registrar for different types of societies from time to time;</b></p> <p>he may register the society and its bye-laws <b>and shall issue to the society, a certificate of registration containing registration number, the date of registration and the registered name and address of the society along with a copy of its registered bye-laws.</b></p> <p>(2) The application for registration shall be disposed of by the Registrar within a period of ninety days from the date of receipt thereof by him.</p> <p>(3) If the Registrar fails to dispose of the application</p>	<p>The amendment has been made to ensure aims of the proposed society to be consistent with the co-operative principles and registration of viable societies as per norms to be specified by Registrar. The time period of ninety days has been specified to dispose off the application of registration by Registrar, failing which applicant society shall be deemed to have been registered. Registrar to communicate the order of refusal together with the reasons therefor to the applicant.</p>

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<p><b>9. Evidence of Registration :-</b> Where a co-operative society is registered under this Act or is deemed to have been registered under sub-section (3) of section 8, the Registrar shall issue a certificate of registration signed by him, which shall be conclusive evidence that the society therein mentioned is a society duly registered under this Act, unless it is proved that the registration has been cancelled.</p> <p><b>10. Societies to be bodies corporate :-</b> The registration of a co-operative society shall render it a body corporate by the name under which it is registered having perpetual succession and a common seal, and with power to hold property, enter into contracts, institute and defend suits and other legal proceedings and to do all things necessary for the purposes for which it is constituted.</p> <p><b>11. Amendment of by-laws of a Co-operative</b></p>	<p>within the period specified in sub-section (2), the applicant society shall be deemed to have been registered.</p> <p>(4) When the Registrar refuses to register a society, he shall communicate the order of refusal, together with the reasons thereof to such of the applicants as may be prescribed.</p> <p><b>(5) No application for registration shall be refused unless an opportunity of being heard is afforded to the applicant and when the Registrar refuses to register a proposed society, he shall send to the applicant by a registered post the order of refusal, together with the reasons therefor.</b></p> <p><b>9. Evidence of Registration :- No change</b></p> <p><b>10. Societies to be bodies corporate :- No change</b></p> <p><b>11. Amendment of bye-laws of a co-operative society:-</b></p>	<p>The clause has been inserted to provide an opportunity to the applicant in case of refusal to register a society by Registrar.</p>

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<p><b>society :—</b> (1) No amendment of any bye-law of a Co-operative society shall be valid unless approved by the resolution of a general meeting and registered under this Act for which purpose three copies of the amendment shall be forwarded to the Registrar as prescribed.</p> <p>(2) If the Registrar is satisfied that the proposed amendment—</p> <p>(i) is not contrary to the provisions of this Act and the Rules,</p> <p>(ii) does not conflict with Co-operative principles,</p> <p>(iii) will promote the economic or social interest of the members of the society,</p> <p>(iv) is not inconsistent with the principles of social justice, he may register the amendment.</p> <p>(3) When the Registrar registers an amendment, he shall forward to the society a copy of the registered amendment together with a certificate signed by him and such certificate shall be conclusive evidence that the amendment has been duly registered.</p> <p>(4) Where the Registrar refuses to register an amendment of the bye-laws, of a Co-operative society, he shall communicate the order of refusal together with the reasons thereof to the society.</p> <p>(5) Any amendment which is not disposed of by the Registrar within 90 days of its receipt, shall be deemed to have been registered under this Act and the provisions of sub-section (3) of this section shall apply to such amendment.</p> <p>(6) An amendment of the bye-laws of a Co-operative society shall, unless it is expressed to come into operation on a particular day, come into force on the</p>	<p>(1) No amendment of any bye-law of a co-operative society shall be valid unless approved by the resolution of a general meeting and registered under this Act for which purpose three copies of the amendment shall be forwarded to the Registrar as prescribed:</p> <p><b>Provided that no such resolution shall be passed by the general body unless fifteen clear days of written notice of the proposed resolution and of the general meeting has been given along with a copy of proposed amendment to each member of the society.</b></p> <p>(2) If the Registrar is satisfied that the proposed amendment—</p> <p>(i) is not contrary to the provisions of this Act and the Rules;</p> <p>(ii) does not conflict with co-operative principles;</p> <p>(iii) will promote the economic or social interest of the members of the society;</p> <p>(iv) is not inconsistent with the principles of social justice;</p> <p>he may register the amendment.</p> <p>(3) When the Registrar registers an amendment, he shall forward to the society a copy of the registered amendment together with a certificate signed by him and such certificate shall be conclusive evidence that the amendment has been duly registered:</p> <p><b>Provided that if the society is indebted to a financing bank, and the amendment proposed by the society impinges upon the interests of such financing bank, the Registrar shall not register the amendment unless he gives an opportunity of being heard to the financing bank.</b></p> <p>(4) Where the Registrar refuses to register an amendment</p>	<p>The amendment provide for fifteen days clear notice of the proposed amendment of bye-laws along with copy of the proposed amendment. The amendment also provide for opportunity to be given to financing bank before registration of amendment by Registrar. The order of refusal shall be made only after affording opportunity of being heard to the society by Registrar.</p>

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<p>day on which it is registered.</p> <p><b>11-A Power of the Registrar, to direct amendment of bye-laws :—</b> (1) If it appears to the Registrar that an amendment of bye-laws of a society is necessary or desirable in the public interest or in the interest of the society or in the interest of Co-operative movement, he may call upon the society in writing to make the requisite amendment within such time as he may specify.</p> <p>(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, register such amendment and issue to the society a copy of such amendment certified by him. With effect from the date of registration of such amendment in aforesaid manner the bye-laws shall be deemed to have been duly amended and the bye-laws as amended shall be binding on the society and its members.</p>	<p>of the bye-laws, of a co-operative society, he shall communicate the order of refusal together with the reasons thereof to the society:</p> <p><b>Provided that no order refusing to register the amendment shall be passed except after giving the co-operative society an opportunity of being heard.</b></p> <p>(5) Any amendment which is not disposed of by the Registrar within 90 days of its receipt, shall be deemed to have been registered under this Act and the provisions of sub-section (3) of this section shall apply to such amendment.</p> <p>(6) An amendment of the bye-laws of a co-operative society shall, unless it is expressed to come into operation on a particular day, come into force on the day on which it is registered.</p> <p><b>deleted</b></p>	<p>The Registrar to dispose of the amendment proposal within ninety days failing which it shall be deemed registration. The clause also specify the date when such amendment comes into force.</p> <p>Deleted</p>

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<p>(3) The certified copy issued under sub-section (2) shall be conclusive evidence that the amendment has been duly registered.</p> <p><b>12. Change of name and its effect:-</b> (1) A co-operative society may, by an amendment of its bye-laws, change its name.</p> <p>(2) Where a co-operative society changes its name, the Registrar shall enter the new name on the register of co-operative societies in the place of the former name and shall amend the certificate of registration accordingly.</p> <p>(3) The change of name of a co-operative society shall not affect any rights or obligations of the co-operative society, or of any of its members or past members or deceased members; and any legal proceedings pending may be continued by or against the society under its new name.</p> <p><b>13. Change of liability :-</b> (1) Subject to the provisions of this Act and the Rules, a co-operative society may, by an amendment of its bye-laws, change the form or extent of its liability.</p> <p>(2) When a co-operative 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 any bye-law or contract to the contrary, any member or creditor shall during a period of 3 months from the date of service of the notice upon him, have option of withdrawing his shares, deposits or loans, as the case</p>	<p><b>12. Change of name and its effect:-</b> (1) A co-operative society may, by an amendment of its bye-laws, change its name:</p> <p style="text-align: center;"><b>Provided that no society shall change its name in case there exists another society with a similar name and title in its area of operation.</b></p> <p>(2) Where a co-operative society changes its name, the Registrar shall enter the new name on the register of co-operative societies in the place of the former name and shall amend the certificate of registration accordingly.</p> <p>(3) The change of name of a co-operative society shall not affect any rights or obligations of the co-operative society, or of any of its members or past members or deceased members; and any legal proceedings pending may be continued by or against the society under its new name.</p> <p><b>13. Change of liability :-</b> No change</p>	<p>The amendment provide for restriction to change name to similar name already exists with another society.</p>

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<p>may be.</p> <p>(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.</p> <p>(4) Any member of a bye-law of a co-operative society changing the form or extent of its liability shall not be registered or take effect until, either -</p> <p style="padding-left: 40px;">(a) the assent thereto of all members and creditors has been obtained, or</p> <p style="padding-left: 40px;">(b) all claims of members and creditors who exercise the option referred to in sub-section (2) within the period specified therein, have been met in full.</p> <p><b>14. Amalgamation, transfer of assets and liabilities, conversion and division of societies :-</b> (1) A co-operative society may, <i>with the previous approval of the Registrar and</i> by resolution passed by a three-fourth majority of the members present and voting at a special general meeting of the society -</p> <p>(a) transfer its assets and liabilities in whole or in part to any other society;</p> <p>(b) divide itself into two or more co-operative societies and form as such new societies;</p> <p>(c) convert itself into any other class of society and form as such a new class of society.</p> <p>["Provided that in case of all insured co-operative bank, no resolution under this Subsection shall be passed without the prior approval in writing of the Reserve Bank of India".].</p> <p>(2) Any two or more co-operative societies may, <i>with the previous approval of the Registrar and</i> by a</p>	<p><b>14. Amalgamation, transfer of assets and liabilities, conversion and division of societies:-</b> (1) A co-operative society may by resolution passed by a three-fourth majority of the members present and voting at a special general meeting of the society--</p> <p>(a) transfer its assets and liabilities in whole or in part to any other society;</p> <p>(b) divide itself into two or more co-operative societies and form as such new societies;</p> <p>(c) convert itself into any other class of society and become, as such, a new class of society:</p> <p>Provided further that in case of an insured co-operative bank, no resolution under this sub-section shall be passed without the prior approval in writing of the Reserve Bank of India.</p> <p>(2) Any two or more co-operative societies may by a resolution passed by a three-fourth majority of the members present and voting at a special general meeting</p>	<p>The amendment vest power of amalgamation, transfer of assets and liabilities, etc. in general body of a co-operative society and the words <b>‘with the previous approval of the Registrar’</b> has been deleted.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>resolution passed by a three-fourth majority of the members present and voting at a special general meeting of each society, amalgamate themselves and form a new society.</p> <p>(3) The resolution of a co-operative society under sub-section (1) or sub-section (2) shall contain all particulars of the transfer, division, conversion or amalgamation, as the case may be.</p> <p>(4) When a co-operative society has passed any such resolution, it shall give notice thereof in writing to all its members and creditors and, notwithstanding any bye-laws or contract to the contrary, any member or creditor shall during the period of three months of the date of service of the notice upon him, have the option of withdrawing his shares, deposits or loans, as the case may be.</p> <p>(5) Any member or creditor who does not exercise his option within the period specified in sub-section (4) shall be deemed to have assented to the resolution.</p> <p>(6) A resolution passed by a co-operative society under this section shall not take effect until, either -</p> <p>(a) the assent thereto of all the members and creditors has been obtained; or</p> <p>(b) all claims of members and creditors who exercise the option referred to in subsection (4) within the period specified therein, have been met in full.</p> <p>(7) When a resolution passed by a society under this section involves transfer of ally assets and liabilities, the resolution shall, notwithstanding anything contained in any law for the time being in force, be sufficient conveyance to vest the assets and liabilities</p>	<p>of each society, amalgamate themselves and form a new society.</p> <p><b>(3) Where the State Government has subscribed to the share capital of a co-operative society or has given financial assistance or guarantee, no resolution under sub-section (1) and (2) shall be passed without the prior approval in writing of the Registrar.</b></p> <p>(4) The resolution of a co-operative society under sub-section (1) or sub-section (2) shall contain all particulars of the transfer, division, conversion or amalgamation, as the case may be.</p> <p>(5) When a co-operative society has passed any such resolution, it shall give notice thereof in writing to all its members and creditors and notwithstanding any bye-laws or contract to the contrary, any member or creditor shall during the period of three months of the date of service of the notice upon him, have the option of withdrawing his shares, deposits or loans, as the case may be.</p> <p>(6) Any member or creditor who does not exercise his option within the period specified in sub-section (4) shall be deemed to have assented to the resolution.</p> <p>(7) A resolution passed by a co-operative society under this section shall not take effect until, either —</p> <p>(a) the assent thereto of all the members and creditors has been obtained; or</p> <p>(b) all claims of members and creditors who exercise the option referred to in sub-section(4) within the period specified therein, have been met in full.</p> <p>(8) When a resolution passed by a society under this section involves transfer of any assets and liabilities, the resolution shall, notwithstanding anything contained in any law for the time being in force, be sufficient</p>	<p>The amendment however, provide for prior approval of Registrar in case state government has subscribed to share capital or has given financial assistance or guarantee etc. to a co-operative society.</p>

<b>H.P. Co-operative Societies Act ,1968</b>	<b>H.P. Co-operative Societies Act, 2012</b>	
<p>in the transferee without any further assurance.</p> <p><b>14-A Power to direct amalgamation, conversion and reorganization of societies :—</b> (1) Where the Registrar is satisfied that it is essential or desirable in the public interest of Co-operative movement for the purpose of securing the proper management of any society or societies, that two or more societies should be amalgamated or should be reorganized or should be converted into any other class of society or societies, should transfer assets and liabilities thereof in whole or in part in equal proportion to the total assets and liabilities to any other society then notwithstanding anything contained in the last preceding section but subject to the provisions of this section, the Registrar may order such amalgamation or reorganization or conversion or transfer of assets and liabilities of such society or societies as the case may be, with such constitution, property, rights, interests, liabilities, duties and obligations as may be specified in the order.</p> <p>(2) No order shall be made under this section unless the Registrar, after inviting the suggestions and objections in writing from the concerned society or societies or members or creditors thereof and also the concerned financing Bank or Banks, has considered and made such modifications in the proposed order as may seem to him desirable in the light of such suggestions and objections, which may be received by him within sixty days from the date of inviting such suggestions and objections.</p> <p>(3) The order referred to in sub-section (1) may</p>	<p>conveyance to vest the assets and liabilities in the transferee without any further assurance.</p> <p><b>14-A Power to direct amalgamation, conversion and reorganization of societies :— Deleted</b></p>	<p>To bring the provisions of the Act in conformity with the Constitution (Ninety Seventh Amendment) Act, 2011 as the said amendment provide for autonomy to be given to co-operative in its functioning. The existing provision vests the Registrar with powers to direct amalgamation, conversion and reorganization of societies which is contrary to the spirit of Constitutional Amendment.</p>



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>contain such incidental, consequential and supplemental provisions as may, in the opinion of the Registrar, be necessary to give effect to the amalgamation or the reorganization or the conversion or the transfer of assets and liabilities, as the case may be.</p> <p>(4) Every member or creditor of such of the societies to be amalgamated or reorganized or converted or whose assets and liabilities are to be transferred, who has objected to the scheme of such an amalgamation or organization or conversion or transfer of assets and liabilities under sub-section (2) of this section and his objection remains unsatisfied, within the period specified in the order, shall be entitled to receive his share or interest or deposit or loan or other dues, as the case may be.</p> <p>(5) On the issue of an order under sub-section (1) the provision contained in sub-section (7) of section 14, shall apply to the societies so amalgamated or re-organised, as such an amalgamation or re-organisation was made under that section.</p> <p><b>15. Cancellation of registration certificate of co-operative societies in certain cases:-</b> (1) When the whole of the assets and liabilities of a co-operative society are transferred to another society in accordance with the provisions of section 14, the registration of the first mentioned society shall stand cancelled and that society shall be deemed to have been dissolved and shall cease to exist as a corporate body.</p> <p>(2) When two or more co-operative societies are amalgamated into a new co-operative society in accordance with the provision of section 14, the</p>	<p><b>15. Cancellation of registration certificate of co-operative societies in certain cases :-</b> <b>No change.</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>registration of each of the amalgamating societies shall stand cancelled on the registration of the new society and each such society shall be deemed to have been dissolved and shall cease to exist as a corporate body.</p> <p>(3) Where a society divides itself into two or more societies in accordance with the provisions of section 14, the registration of that society shall stand cancelled on the registration of new societies and that society shall be deemed to have been dissolved and shall cease to exist as a corporate body.</p> <p>(4) When a co-operative society is converted from one class to another in accordance with section 14, the registration of the first mentioned class of society shall stand cancelled and society shall be deemed to have been dissolved and shall cease to exist as a corporate body.</p> <p><b>16. Partnership of societies:-</b> (1) Any two or more societies may <b>with the prior approval of the Registrar</b>, by resolution passed by three-fourth majority of members present and the voting at a special 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 date of the meeting.</p> <p>(2) Nothing in the Indian Partnership Act, 1932 (9 of 1932), shall apply to such partnership.</p>	<p><b>16. Partnership and collaboration of societies:-</b> (1) Any two or more societies may, by resolution passed by three-fourth majority of the members present and after voting at a special general meeting of each such society, enter into partnership to carry out any one or more specific business.</p> <p>(2) A written notice of the date and place of the general meeting shall be given to each member before ten clear days of such meeting.</p> <p>(3) Nothing in the Indian Partnership Act, 1932 (9 of 1932), shall apply to such partnership.</p> <p>(4) Any co-operative society may enter into collaboration with any other organization approved by the government to carry out any one or more specified objects provided in the byelaws of such society and where such</p>	<p>The amendment provide for formation of partnership and collaboration of the societies without prior approval of Registrar. This is in tune with constitutional provisions and provisions of the Multi State Co-operative Societies Act, 2002</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>16-A. NIL</p>	<p>collaboration requires creation of a new organization under any other law for the time being in force, such organization may be registered as an institution under such law for fulfilment of the objectives with which it was created and such collaboration shall be reviewed every year by the general body of the society.</p> <p><b>16-A. Promotion of subsidiary institution:-</b> (1) Any co-operative society may, by a resolution passed at general meeting by a majority of members present and voting, promote one or more subsidiary institutions, which may be registered under any law for the time being in force for the furtherance of its stated objects.</p> <p>(2) Any subsidiary institution promoted under sub-section (1) shall exist only as long as general body of the co-operative society deems its existence necessary:</p> <p>Provided that a co-operative society, while promoting such a subsidiary institution shall not transfer or assign its substantive part of business or activities undertaken in furtherance of its stated objects.</p> <p><b>Explanation:-</b> For the purpose of this section,-</p> <p>(a) an institution shall be deemed to be a subsidiary institution if the co-operative society-</p> <p>(i) controls the management or board of directors or members of governing body of such institution; or</p> <p>(ii) holds more than half in nominal value of equity shares of such institutions;</p> <p>(b) a subsidiary institution shall not include a partnership firm.</p> <p>(3) The annual reports and accounts of any such subsidiary institution shall be placed each year before</p>	<p>The new section has been inserted to facilitate the promotion of subsidiary institution by a co-operative society. The general body has been vested with powers to promote such institution for the furtherance of its stated objects. This will broaden the activities of a co-operative society by promoting subsidiary organization. The explanation of subsidiary institution has been provided. The provision is in tune with the existing provision of MSCSA, 2002.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p style="text-align: center;"><b>CHAPTER III</b></p> <p style="text-align: center;"><b>MEMBERS OF CO-OPERATIVE SOCIETIES AND THEIR RIGHTS AND LIABILITIES</b></p> <p><b>17. Persons who may become members :-</b> No person shall be admitted to membership of co-operative society except the following namely:-</p> <p>(a) an individual competent to contract under section 11 of the Indian Contract Act, 1872 (9 of 1872);</p> <p>(b) any other registered society (except a society under liquidation proceedings);</p> <p>(c) State Government ; and</p> <p>(d) such class or classes of persons or associations or persons as may be notified by the State Government in this behalf.</p> <p><b>18. Nominal or associate members :-</b> (1) Notwithstanding anything contained in Section 17, a society may also have the following kinds of members:-</p> <p>(a) nominal members; and</p> <p>(b) associate members.</p> <p>(2) (a) a person with whom the co-operative society has or proposes to have business dealings may admitted as a nominal members.</p>	<p>general meeting of the promoting co-operative society.</p> <p style="text-align: center;"><b>CHAPTER III</b></p> <p style="text-align: center;"><b>MEMBERS OF CO-OPERATIVE SOCIETIES AND THEIR RIGHTS AND LIABILITIES</b></p> <p><b>17. Persons who may become members :-</b> No person shall be admitted to membership of co-operative society except the following namely:-</p> <p>(a) an individual who is competent to contract under section 11 of the Indian Contract Act, 1872 (9 of 1872) <b>and who needs the services of a co-operative society, accepts the responsibilities and fulfils such other conditions as may be specified in the bye-laws of the co-operative society;</b></p> <p>(b) any other registered society (except a society under liquidation proceedings);</p> <p>(c) State Government; and</p> <p>(d) such class or classes of persons or associations of persons as may be notified by the State Government in this behalf.</p> <p><b>18. Nominal or associate or joint members:-</b> (1) Notwithstanding anything contained in section 17, a society may also have the following kinds of members:—</p> <p>(a) nominal members;</p> <p>(b) associate members; and</p> <p>(c) <b>joint members.</b></p> <p>(2) (a) A person with whom the co-operative society has or proposes to have business dealings may be</p>	<p>The section has been amended to make it more member centric and ensure that persons who needs the services of a co-operative society and accepts the responsibilities etc. become members. This section also provide for membership of other registered society, state government and association, etc.</p> <p>The amendment includes joint members in the categories of nominal or associate members. A joint member has been given voting right. The person whose name stand first in the share certificate or in absence of it, the</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(b) In the school stores or any other such societies a minor may be admitted as an associate member.</p> <p>(c) A nominal or an associate member shall have no right to share in the profits of the society, nor shall be eligible for the membership of the committee, nor shall he be entitled to such privilege and rights as may be specified in the bye-laws of the society in preference over a member.</p> <p>(3) Save as provided in this section a nominal or an associate member shall have such privileges and rights of a member, as may be specified in the bye-laws of the society.</p> <p><b>19. Member not to exercise rights till due payment made:-</b> No member of a Society shall exercise the rights of a member unless he has made such payments to the society in respect of membership or has acquired such interest in the society as may be prescribed by the rules or the bye-laws of such society.</p>	<p>admitted as a nominal member;</p> <p>(b) in the school stores or any other such societies a minor may be admitted as an associate member;</p> <p>(c) where a share in a society is held by more than one person, all persons holding such share shall be joint members;</p> <p>(d) a nominal member shall have no right to vote, or to contest elections or to share in the profits of the society, nor shall he be eligible for the membership of the committee, nor shall he be entitled to such privilege and rights as may be specified in the bye-laws of the society in preference over a member;</p> <p>(e) an associate member shall not have a right to vote or contest any election;</p> <p>(f) <b>in case of a joint member, only the person whose name stands first in the share certificate and in the absence of entry in the share certificate, the person whose name stands first in the member register, shall have the right to vote and to contest elections.</b></p> <p>(3) Save as provided in this section, a nominal or an associate or joint member shall have such privileges and rights of a member, as may be specified in the bye-laws of the society.</p> <p><b>19. Members not to exercise rights till due payment made:-</b> No member of a Society shall exercise the rights of a member unless he has made payment in respect of all dues to the society including the payment in respect of membership, or availed such minimum level of services, or has acquired such interest in the society, as may be specified in the bye-laws or prescribed by the</p>	<p>persons whose name stand first in the member register shall have the right to vote and contest elections.</p> <p>The amendment provides for restriction on exercising his rights by a member until he clears all dues of the society or avails such minimum level of services, or acquires</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>19-A</b>     <b>NIL</b></p>	<p>rules.</p> <p><b>19-A. Disqualification for member of a co-operative society:-</b> No person shall be eligible for being a member of a co-operative society if-</p> <p>(a) his business is in conflict or competitive with the business of such co-operative society; or</p> <p>(b) he used for two consecutive years the services below the minimum level specified in the byelaws; or</p> <p>(c) he has not attended three consecutive general meetings of the society and such absence has not been condoned by the members in the general meeting; or</p> <p>(d) he has made any default in payment of any amount to be paid to the society under the byelaws of such society; or</p> <p>(e) he fails to avail the products and services made available by such co-operative society as specified in the byelaws.</p>	<p>such interest in the society, as may be specified in the bye-laws.</p> <p>The new section has been inserted to provide for disqualification of member of a co-operative society on the analogy of similar provision existing in the MSCS, Act, 2002 and in conformity with the Const. Amendment. The provision is to ensure that a member clears his default and avails minimum services of the co-operative society.</p>
<p><b>19-B.</b>     <b>NIL</b></p>	<p><b>19-B. Expulsion of members:-</b> (1) A co-operative society may, by resolution passed by a majority of not less than two-thirds of the members present and voting at a general meeting of members held for the purpose, expel a member for acts which are detrimental to the proper working of the society, or persistently defaulting payment of his dues, or has been failing to comply with the provisions of the byelaws, or other matters in connection with his dealings with the society:</p> <p>Provided that the member concerned shall not be expelled unless he has been given a reasonable</p>	<p>The new section has been inserted to provide for expulsion of members by a coop. society after affording the member concerned an opportunity of being heard. The provision also provides for forfeiture of shares held by the member. The</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>20. Votes of members :-</b> Every member of a society shall have one vote, in the affairs, of a society:</p> <p>Provided that-</p> <ul style="list-style-type: none"> <li>(a) nominal or associate member shall not have right of vote;</li> <li>(b) in the case of equality of votes, the chairman shall have a casting vote;</li> <li>(c) where the Government is a member of the society, each person nominated ["under section 35 or appointed as Managing director under section 35 B"] by the Government on the committee shall have one vote; and</li> <li>(d) where a share of a society is held jointly by more than one person, only the person whose name stands first in the share certificate, and in its absence in the member register shall have the right to cast one vote; and</li> <li>(c) save as otherwise provided in the bye-laws a minor to whom the share of a deceased member is transferred under section 23 shall not be entitled to vote.</li> </ul>	<p>opportunity of making representation in the matter and except in accordance with the procedure laid down in the rules.</p> <p>(2) The expulsion from membership may involve forfeiture of shares held by the member.</p> <p>(3) No member of the co-operative society who has been expelled under sub-section (1), shall be eligible for readmission as a member of that society, for a period of one year from the date of such expulsion.</p> <p><b>20. Votes of members:-</b> Every member of a society shall have one vote, in the affairs of a society:</p> <p>Provided that--</p> <ul style="list-style-type: none"> <li>(a) nominal or associate member shall not have the right to vote;</li> <li>(b) in case of equality of votes, the chairperson shall have a casting vote;</li> <li>(c) where the Government is a member of the society, each person nominated ["under section 35 or appointed as Managing Director under section 35-B"] by the Government on the committee shall have one vote;</li> <li>(d) <b>a member who has not transacted any business with the society during the last one year or has not attended at least one out of the last three consecutive general meetings shall not have the right to vote and contest elections;</b></li> <li>(e) where a share of a society is held jointly by more than one person, only the person whose name stands first in the share certificate, and in its absence in the member register, shall have the</li> </ul>	<p>amendment restricts the expelled members for a period of one year to rejoin the society on the analogy of similar provision existing in the MSCS, Act, 2002 and in conformity with the Const. Amendment.</p> <p>The amendment vests voting right in a member provided that he is not nominal or associate member. The provision also provides for casting vote in case of equality of vote. The nominee of the state government has also been given right to vote. The member remaining absent from three continuous general meetings without leave or a member who has not transacted any business for the last one year with society is deprived of right to vote and contest elections. <b>(Art. 243ZO(2))</b></p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>21. Manner of exercising vote:-</b> (1) Every member of a society shall exercise his vote in person and no member shall be permitted to vote by proxy.</p> <p>(2) Notwithstanding anything contained in sub-section (1), the society which is a member of another society, may appoint such number of its members as may be prescribed, to vote in the affair of such other society.</p> <p><b>22. Restrictions on transfer of shares or interest:-</b>  (1) The transfer of a share or interest in the capital of a society shall be subject to such conditions and restrictions, as to the maximum holding as are specified in section 6.  (2) A member shall not transfer any share held by him or his interest in the capital or property of any society or any party thereof unless-</p> <p>(a) he has held such share or interest for not less than one year;</p> <p>(b) the transfer is made to the society or a member of the society or to a person whose application for membership has been accepted by the society; and</p>	<p>right to vote or contest the elections;</p> <p>(f) save as otherwise provided in the bye-laws, a minor to whom the share of a deceased member is transferred under section 23 shall not be entitled to vote; and</p> <p><b>(g) a person who is a defaulter for any debt or dues, directly or indirectly of any society shall be debarred from exercising the right to vote in any meeting and to contest elections.</b></p> <p><b>21. Manner of exercising vote:- No change</b></p> <p><b>22. Restrictions on transfer of shares or interest:-</b>  No change</p>	



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(c) the committee has approved such transfer.</p> <p><b>23. Transfer of interest on death of a member :-</b>  (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 rules, or if no persons has been 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, is admitted as member of the society:  Provided further that nothing in this sub-section shall prevent a minor or a person of unsound mind from acquiring by in heritage or otherwise the share or interest of a deceased member in a cooperative 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 or 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 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.</p>	<p><b>23. Transfer of interest on death of a member:-</b> No Change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>24. Disposal of share or interest of expelled, resigned or insane members:-</b> When a member of a society is expelled or resigns in accordance with the rules or the bye-laws, or when a member becomes insane:-</p> <p>(a) his share or interest shall be transferred to another person qualified to be the transferee in accordance with the provisions of section 22, and the value thereof determined in accordance with the rule shall be paid to such member or, if he is insane, to any person appointed to manage his properties under the <b>Indian Lunacy Act, 1912 (4 of 1912), or</b></p> <p>(b) in case of a society with unlimited liability, if the bye-laws so provide, the value of his share or interest determined in accordance with the rules, shall be paid to him, or if he is insane, to any person appointed to manage his properties under the <b>Indian Lunacy Act, 1912 (4 of 1912).</b></p>	<p><b>24. Disposal of share or interest on expulsion, resignation or insanity of a member:-</b> When a member of a society is expelled or resigns in accordance with the Act, rules or the bye-laws, or when a member becomes insane:-</p> <p>(a) his share or interest shall be transferred to another person qualified to be the transferee in accordance with the provisions of section 22, and the value thereof determined in accordance with the rules, shall be paid to such member or, if he is insane, to any person appointed to manage his properties under the <b>Mental Health Act, 1987 (14 of 1987); or</b></p> <p>(b) in case of a society with unlimited liability, if the bye-laws so provide, the value of his share or interest determined in accordance with the rules, shall be paid to him, or if he is insane, to any person appointed to manage his properties under the <b>Mental Health Act, 1987 (14 of 1987).</b></p>	<p>The amendment provide for procedure of disposal of share or interest on expulsion, resignation or insanity of a member. The wards “Mental Health Act, 1987 (14 of 1987)”. Substituted for Indian Lunacy Act, 1912 (4 of 1912).</p>
<p><b>25. Disposal of moneys due to an expelled or resigned or insane member:-</b> All sums calculated in accordance with the rules to be due from a society to a member, other than payments in respect of the share or interest of such member of the society, shall subject to the provisions of section 22, be paid:-</p> <p>(a) In the case of a member who has been expelled or has resigned from a society, to him; and</p> <p>(b) in the case of a member who has become insane, to any person appointed to manage his</p>	<p><b>25. Disposal of moneys due to an expelled or resigned or insane member:-</b> All sums calculated in accordance with the rules to be due from a society to a member, other than payments in respect of the share or interest of such member of the society, shall subject to the provisions of section 22, be paid:-</p> <p>(a) In the case of a member who has been expelled or has resigned from a society, to him; and</p> <p>(b) in the case of a member who has become insane, to any person appointed to manage his properties</p>	<p>The amendment provide for procedure of disposal of share or interest on expulsion, resignation or insanity of a member. The wards “Mental Health Act, 1987 (14 of 1987)”. Substituted for Indian Lunacy Act, 1912 (4 of 1912).</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>properties under the Indian Lunacy Act, 1912 (4 of 1912).</p> <p><b>26. Rights of members to see books, etc. :- (1)</b> Every society shall keep open to inspection for its members or non-members free of charge, at all reasonable times, at the registered address of the society-</p> <p>(a) a copy of this Act;</p> <p>(b) a copy of the Rules;</p> <p>(c) a copy of the bye-laws of the society; and</p> <p>(d) a register of members.</p> <p>(2) All registers and records of a society except books and <b>other documents relating to accounts other than one's own</b> shall be open to inspection in the office of the society by any member of such society on payments of such fees as may be specified in the bye-laws.</p> <p><b>(3) Subject to such conditions and payment of such fees as may be specified in the bye-laws, the society shall, on an application made by any member thereof, grant him a certified copy of such records or registers or extracts thereof.</b></p>	<p>under <b>the Mental Health Act,1987(14 of 1987).</b></p> <p><b>26.Rights of a member to get information:- (1)</b> Every society shall keep open to inspection for its members or those desirous of becoming members, free of charge, at all reasonable times, at the registered address of the society--</p> <p>(a) a copy of the Act;</p> <p>(b) a copy of the rules;</p> <p>(c) a copy of the bye-laws of the society;</p> <p>(d) a register of members; and</p> <p><b>(e) the latest audited balance sheet of the society.</b></p> <p>(2) All books, registers and records of a society, <b>as may be prescribed</b>, shall be open to inspection in the office of the society by any member of such society on payments of such fee as may be specified in the bye-laws.</p> <p><b>(3) Every co-operative society shall designate a Co-operative Information Officer to provide, on application made to him and on payment of such fee as may be specified in the byelaws, information or certified copy to any member, within thirty days from the date of receipt of application, about the affairs and management of the society which the member is entitled to get under sub-section (2).</b></p> <p><b>(4) Any member, who does not get the information may file a complaint to the Registrar within a period of thirty days regarding non-supplying of the information who shall hear and dispose of the complaint within forty-five days thereafter:</b></p> <p style="text-align: center;"><b>Provided that the Registrar, after affording opportunity of being heard, may impose</b></p>	<p>The amendment provides for right to information to members of a co-operative society on such payment of fee or free. The section requires a co-operative society to designate its co-operative information officer to provide information sought by a member within 30 days. There is a provision of filling complaint before Registrar within 30 days against failure to supply information by the authority designated. The Registrar after affording opportunity of being heard has been empowered to impose penalty for delay @ Rs. 250/- per day for delay in supply of information sought. \</p> <p><b>(Art. 243 ZO)</b></p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>27. Share or interest not liable to attachment :-</b> Subject to the provisions of section 42, the share or interest or contribution of a member in the capital of a registered society shall not be liable to attachment or sale under any decree or order or a court. In respect of any debt or liability incurred by such member, nor shall a receiver under the Provincial Insolvency Act, 1920, (5 of 1920), be entitled to have any claim on such share or interest or contribution.</p> <p><b>28. Liability of members :-</b> The members of a society shall , upon the winding up of the society, be jointly and severally liable to contribute towards any deficiency in the assets of the society:-</p> <p>(a)in the case of a society with unlimited liability, without limit; and</p> <p>(b)in the case of society with limited liability, subject to such limitation of amount as may be provided in the bye-laws.</p> <p><b>29. Liability of past member and estate of deceased member:-</b> (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 cooperative society for the debts of the society as they existed:-</p> <p>(a)in case of a past member, on the date on which he ceased to be a member</p> <p>(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.</p> <p>(2) Where a co-operative society is ordered to be</p>	<p><b>penalty on the person responsible for non-furnishing of information to the amount of two hundred rupees for each day of delay above the specified period.</b></p> <p><b>27. Share or interest not liable to attachment:-</b> No change</p> <p><b>28. Liability of members :-</b> No change</p> <p><b>27. Liability of past member and estate of deceased member:-</b> No change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>wound up under section 78, the liability of a past member or of the estate of deceased member who ceased to be a member or died within two years, immediately preceding the date on which the order of winding up takes effect, shall continue until the entire liquidation proceeding are completed, but such liability shall extend only to the debts of the society as they existed on the date of his ceasing to be a member or death, as the case may be.</p> <p><b>30. Members to furnish information as their financial position and alienation of their immovable property :-</b> (1) A full, true and accurate statement of his assets and liabilities shall be furnished :-</p> <ul style="list-style-type: none"> <li>(a) by an applicant for membership of a society with unlimited liability, with his application;</li> <li>(b) by a member of a society with unlimited liability when required to do so by the Registrar or any person authorised by him by a general or special order or by the financing bank; and</li> <li>(c) by a member of any other society, with an application for a loan or for acceptance as a surety.</li> </ul> <p>(2) A member of a society shall, before the completion of each such transaction, furnish to the society of which he is a member, full, true and accurate information regarding any sale, mortgage, or transfer in any form whatsoever of his immovable property or any portion or share thereof and regarding any debt proposed to be incurred on the security of such property.</p>	<p><b>30. Members to furnish information as their financial position and alienation of their immovable property :-</b> No change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p style="text-align: center;"><b>CHAPTER IV</b></p> <p style="text-align: center;">MANAGEMENT OF CO-OPERATIVE SOCIETIES</p> <p><b>31. Final authority in co-operative society:-</b> The final authority in a co-operative society shall vest in the general body of members in a general meeting:</p> <p>Provided that where the bye-laws of a co-operative society provide for the constitution of a smaller body consisting of delegates of the society elected or selected in accordance with such bye-laws the smaller body shall exercise such powers of the general body as may be prescribed or as may be specified in the bye-laws of the society but shall not have the power to conduct election of the managing committee and to amend the bye-laws:</p> <p>Provided further that nothing in this section shall affect any power conferred on a committee or any officer of a co-operative society by the rules or the bye-laws.</p> <p><b>32. Annual General Meeting :—</b> (1) A general meeting of every society shall be held once at least in every cooperative year for the purpose of—</p> <p>(a) approval of the programme of activities of the society prepared by the committee for the ensuing year.</p> <p>(b) election, if any, in the prescribed manner of the members of he committee other than the nominated members;</p> <p>(c) consideration of the audit report and the annual report;</p>	<p style="text-align: center;"><b>CHAPTER IV</b></p> <p style="text-align: center;">MANAGEMENT OF CO-OPERATIVE SOCIETIES</p> <p><b>31. Final authority in co-operative society:-</b></p> <p style="text-align: center;">No change</p> <p><b>32. Annual General Meeting:—</b> (1) A meeting of the annual general body of every society shall be <b>convened within a period of six months of close of the financial year</b> for the purpose of ,—</p> <p>(a) approval of the programme of activities <b>and the budget</b> of the society prepared by the committee for the ensuing year;</p> <p>(b) election, if any, of the members of the committee other than the nominated members;</p> <p>(c) consideration of the audit report and the annual report <b>and follow up action thereon;</b></p>	<p>The section provides for time stipulation to hold AGM from the close of the financial year. It also specifies the purpose of such AGM. In cases where society fails to conduct its AGM within specified period or such meeting is not called in accordance with the</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(d) disposal of the net profits; and</p> <p>(e) consideration of any other matter which may be brought forward in accordance with the bye-laws.</p> <p>(2) such meeting shall be held not more than 15 months after the date of the last preceding meeting held under sub-section (1):</p> <p>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:</p> <p>Provided further that if, in the opinion of the Registrar, no such extension is necessary or if such meeting is not called by the society within the extended period (if any) granted by him, the Registrar or any person authorized by him may call such meeting in the manner prescribed and that meeting shall be deemed to be 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.</p>	<p>(d) <b>consideration of the matters in which a member of a managing committee or his relation has a pecuniary or personal interest in any contract or employment in the society;</b></p> <p>(e) disposal of the net profits <b>including creation and utilisation of specific reserves and other funds;</b> and</p> <p>(f) consideration of any other matter which may be brought forward in accordance with this Act and the bye-laws.</p> <p><b>(2) The general meeting held for forming and applying for registration of a proposed society shall be deemed to be a regular general meeting under this section.</b></p> <p><b>(3) Where the board of a co-operative society fails to convene the annual general meeting within the period specified in sub-section (1), the Registrar or the person authorised by him in this behalf shall be competent to convene such annual general meeting within a period of ninety days from the date of expiry of the period mentioned in that sub-section and the expenditure incurred on such meeting shall be borne by the co-operative society.</b></p> <p><b>(4) The person or persons who, in the opinion of the Registrar, were responsible for not convening the annual general meeting within the stipulated period shall be disqualified for one term for being elected as committee members and to continue as committee members of a society in addition to being liable for any other punishment under this Act:</b></p> <p>Provided that the Registrar, before passing order under this sub-section, shall afford a reasonable opportunity of being heard to each of such person, who</p>	<p>provisions of the act then Registrar can call such meeting by himself or by an authorized person within a period of 90 days and expenditure of the meeting shall be borne by the society.</p> <p><b>(Art. 243 ZN)</b></p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>33. Special General Meeting:-</b> (1) A special general meeting may be called at any time by the President or by a majority of the members of a committee, and shall be called within one month-</p> <p>(a) on a requisition in writing of one-fifth of the members of a society or of members, the number of which is specified in the bye-laws for the purpose, whichever is lower, or</p> <p>(b) at the instance of the Registrar, or</p> <p>(c) in the case of a society, which is a member of a federal society, at the instance of the committee of such federal society.</p> <p>(2) 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 call such meeting, and that meeting shall be deemed to be a meeting duly called by the committee.</p> <p>(3) The Registrar shall have power to order that the expenditure incurred in calling a meeting under sub-section (2) 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.</p>	<p>in his opinion were responsible for not convening the annual general meeting within the specified period.</p> <p>(5) A notice of the general meeting stating the place, date and hour of the meeting together with the agenda shall be given to every member at least fifteen clear days before the date of the meeting in the manner specified in the bye-laws.</p> <p><b>33. Special general meeting:-</b> (1) A special general meeting may be called at any time by the President or by a majority of the members of a committee, and shall be called within one month-</p> <p>on a requisition in writing of one-fifth of the members of a society; or</p> <p>at the instance of the Registrar; or</p> <p>(c) in the case of a society, which is a member of a secondary society, at the instance of the committee of such secondary society.</p> <p>(2) 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 call such meeting, and that meeting shall be deemed to be a meeting duly called by the committee.</p> <p>(3) The Registrar shall have power to order that the expenditure incurred in calling a meeting under sub-section (2) 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.</p> <p><b>(4) At a special general meeting no business other than that specified in the agenda issued with the notice under sub-section (5) of section 33 shall be</b></p>	<p>The amendment provides for special general meeting called at any time by the President or majority of committee members to be called within one month. The said meeting can be called by requisition in writing by one-fifth of the members, or by Registrar or by board of secondary society to which it is affiliated. The specified agenda issued shall only be discussed in such meeting.</p>



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>34. Managing Committee :—</b> The Management of every society shall vest in a managing committee constituted in accordance with the rules and the bye-laws, which shall exercise such powers and perform such duties as may be conferred or imposed respectively, by this Act, the rules and the bye-laws.</p> <p><b>34-A. NIL</b></p>	<p><b>discussed.</b></p> <p><b>34. Managing Committee or Board of Directors:—</b> (1) The management of every society shall vest in a managing committee or board, by whatever name it may be called, constituted in accordance with the Act, the rules and the bye-laws, which shall exercise such powers and perform such duties as may be conferred or imposed respectively, by this Act, rules and the bye-laws.</p> <p>(2) The managing committee of a co-operative society shall be constituted by:--</p> <p>(a) election from amongst the members of the society at the annual/special general meeting;</p> <p>(b) nominees of other co-operative societies or institutions, if any, provided in the bye-laws; and</p> <p>(c) Government nominees, if any, nominated under section 35:</p> <p>Provided that only elected or nominated members of the board shall be eligible to be elected as Chairman or Vice Chairman or President or Vice President of the board/ committee:</p> <p>Provided further that no member of a board shall be eligible to elected as the Chairperson or President or Vice-chairperson or Vice-president of a co-operative society if such member is a Minister in a State Government.</p> <p><b>34-A. Disqualification for being a member of board :-</b></p> <p>(1) No member of any co-operative society or nominee of a member society, shall be eligible for being chosen as, or for being, a member of the board of such co-operative society or of any other co-operative society to which such co-operative society is affiliated, if such</p>	<p>The amendment provides for constitution of board through election, nomination etc. The government nominees shall also be eligible to be elected as President or Vice President etc. of the board but bars a person who is Minister in State Govt. to become President or Vice President of a co-operative society. This provision is in tune with similar provisions of MSCS, Act, 2002 and spirit of Const. Amendment.</p> <p>The new section has been added to provide for disqualification for being a member of board to ensure that only eligible members are</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
	<p>member-</p> <p>(a) has been adjudged by a competent court to be insolvent or of unsound mind;</p> <p>(b) is concerned or participates in the profits of any contract with the society;</p> <p>(c) has been convicted for an offence involving moral turpitude;</p> <p>(d) holds any office or place of profit under the society:</p> <p style="padding-left: 40px;">Provided that the Managing Director or such full time employee of the society as may be notified by the Registrar from time to time or a person elected by the employees of such society to represent them on the board of such society shall be eligible for being chosen as, or for being, a member of such board.</p> <p>(e) has been a member of the society for less than twelve months immediately preceding the date of such election or appointment;</p> <p>(f) has interests in any business of the kind carried on by the society of which he is member;</p> <p>(g) has taken loan or goods on credit from the society of which he is a member, or is otherwise indebted to such society and after the receipt of a notice of default issued to him by such society, has defaulted –</p> <p style="padding-left: 40px;">(i) in repayment of such loan or debt or in payment of the price of the goods taken on credit, as the case may be, within the date fixed for such repayment or payment or where such date is extended, which in case shall exceed six months, within the date so extended, or</p> <p style="padding-left: 40px;">(ii) when such loan or debt or the price of goods taken on credit is to be paid in instalments, in payment of nay instalment, and the amount in default or any part thereof has remained unpaid on the expiry of six months</p>	<p>assigned functions of the board. The provisions is in tune with Const. Amendment and the provisions of the MSCS Act,2002. The provision also provides that a member shall not be eligible to contest election if he is a member for less than twelve months preceding the date of such election.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
	<p>from the date of such default:</p> <p>Provided that a member of the board who has ceased to hold office as such under this clause shall not be eligible, for a period of one year, from the date on which he ceased to hold office, for re-election as a member of the board of the co-operative society of which he was a member or for the election to the board of any other co-operative society;</p> <p>(h) is a person against whom any amount due under a decree, decision or order is pending recovery under this Act;</p> <p>(i) is retained or employed as a legal practitioner on behalf of or against the co-operative society, or on behalf of or against any other co-operative society which is a member of the former society;</p> <p>(j) has been convicted for any offence under this Act;</p> <p>(k) is disqualified for being a member under section 19-A;</p> <p>(l) has been expelled as a member under section 19-B;</p> <p>(m) absents himself from three consecutive board meetings and such absence has not been condoned to by the board;</p> <p>(n) absents himself from two consecutive general body meeting and such absence has not been condoned to by the members of the general body.</p> <p>(2) The members of the board shall incur disqualification for a period of five years for being chosen as the directors and shall be ineligible to continue as directors of the board of any co-operative society, if during their term as directors they fail,—</p> <p>(a) to conduct elections of the board within the time specified and before the expiry of their term; or</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>34-B      NIL</p>	<p>(b) to call their annual general meeting within 6 months of the close of the financial year, or a requisitioned meeting of the general body within the time specified for that purpose; or</p> <p>(c) to prepare the financial statements and present the same in the annual general meeting;</p> <p>(d) to make contribution to the co-operative education fund referred to in section 54 ;</p> <p>(e) to file the statutory returns within the time specified under section 41-A ;</p> <p>and the Registrar is satisfied, upon such enquiries as he may deem fit, that there exists a prima facie case to proceed against one or more members of the managing committee:</p> <p style="padding-left: 40px;">Provided that the Registrar shall not pass order under this section unless an opportunity of being heard is given to the member or members concerned.</p> <p><b>34-B. Term of office of the members of the committee and its office bearers:-</b> (1) The term of office of the elected members of the committee and its office bearers shall be five years from the date of election and the term of office bearers shall be co-terminus with the term of the committee:</p> <p style="padding-left: 40px;">Provided that the term of first managing committee of a society constituted before the registration shall not exceed six months from the date of registration of such society:</p> <p style="padding-left: 40px;">Provided further that the managing committee may fill a casual vacancy 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 committee is less</p>	<p>The amendment provides for five year tenure of board as per Const. Amendment and the tenure of first board of a society shall not exist beyond six month of its registration. The causal vacancy is to be filled by board out of the same class of members in respect of which the vacancy has arisen if the term of office of board is less than half of its</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>34-C NIL</p>	<p>than half of its original term:</p> <p>Provided also that a person who has lost in the election to the managing committee shall not be co-opted in the committee on casual vacancy or otherwise.</p> <p>(2) Notwithstanding anything contained in sub-section(1), an elected member of the board, who has acted adversely to the interests of the society, may on the basis of the report of the Registrar or otherwise by a motion of no confidence be removed from the board upon a resolution of the general body passed at its meeting, by a majority of not less than two-third of the total members present and voting at the meeting:</p> <p>Provided that the member concerned shall not be removed unless he has been given a reasonable opportunity of making a representation in the matter.</p> <p><b>34-C. Number of members of the managing committee, co-option and reservation:-</b> (1) The managing committee of a co-operative society shall consist of such number of members or <i>directors</i> as may be specified in the byelaws:</p> <p>Provided that the maximum number of directors of the managing committee shall not exceed twenty-one:</p> <p>Provided further that the managing committee may co-opt two <i>directors, to be called as functional directors</i>, in addition to twenty-one directors specified in the first proviso, having experience in the field of banking, management, finance, law or having specialization in any field relating to objects and activities undertaken by such society:</p> <p>Provided also that such co-opted members shall not have the right to vote in any election of the co-</p>	<p>original term. The section bars a person to be co-opted who has lost election. The board is empowered to remove its elected member by no confidence motion resolved in general meeting by not less than two- third of the total member present and voting after affording such Director an opportunity of being heard.</p> <p><b>(Art. 243ZJ (2))</b></p> <p>The new section has been inserted to provide for maximum number of 21 members of the board in a co-operative society as per Const. Amendment. The provision provide for functional director on the board in addition to 21 directors who are expert/professional.</p> <p><b>(243ZJ(3))</b> These co-opted members shall have no right to vote in any election or to be eligible to be elected as</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>34-D Nil</p>	<p>operative society in their capacity as such member or to be eligible to be elected as office bearers of the committee:</p> <p>Provided also that the functional directors of a co-operative society shall also be the members of the <b>board</b> and such members shall be excluded for the purpose of counting the total number of directors specified in the first proviso sub-section(1).</p> <p><b>(2) The State Government may provide for the reservation of such seats for women members and for the Scheduled Castes or Scheduled Tribes in the managing committees/ board of societies, consisting of individuals as members and having members from such class or category of persons, as may be prescribed.</b></p> <p><b>34-D. Responsibility of the managing committee to hold elections:</b>— (1) It shall be the duty of the committee/ board of every society to arrange for holding the elections of its members before the expiry of its term 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.</p> <p>(2) The election of the members of the board shall be held in the general meeting of the members of the society.</p> <p>(3) The elected members of the board shall, if byelaws of such society permit, be eligible for re-election.</p> <p>(4) The elections to the committee or board shall be conducted in the manner as may be prescribed.</p> <p>(5) Where a committee fails to take necessary action to conduct elections in accordance with the provisions of</p>	<p>office bearers. The functional directors shall be excluded for the purpose of counting the total number of directors. The amended section provide for reservation of seats for women, SC or ST on the board of a co-operative society as per requirement of the constitutional amendments and resolve of the State Govt.</p> <p><b>(Art. 243ZJ (1))</b></p> <p>The new section has been added to provide for responsibility of the board to hold timely election before its tenure expires. The elected members shall be eligible for re-election if permitted by its bye-laws. Registrar empowered to appoint administrator in case board fails to conduct election within stipulated time. The period of administrator confined to six months.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>34-E. NIL</p>	<p>sub-section (1), the Registrar shall appoint Administrator under section 37 of the Act and the administrator so appointed shall conduct election of the board within six months of his appointment.</p> <p>(6) Any dispute relating to the election to a committee or an officer of such committee shall be referred to the Registrar under section 72 of the Act within 30 days from the date of declaration of the result of such election.</p> <p>(7) Where the election of a committee is set aside under section 73 by the Registrar or an arbitrator, or where all the members of managing committee are disqualified from holding office as a result of any action taken under this Act, as the case may be, the Registrar shall take action as provided under sub-section (2) to conduct fresh elections of the Board.</p> <p><b>34-E. Constitution of Co-operative Election Authority:-</b>  The State Government may, by notification, appoint an authority known as the Co-operative Election Authority for conduct of election for such societies as may be prescribed and the superintendence, direction and control of preparation of electoral rolls for, and the conduct of election of such co-operative societies shall be vested in returning officer as may be appointed by the Election Authority and the returning officer shall discharge such function under the control of the Election Authority in such manner as may be prescribed:</p> <p>Provided that where such Authority has not been appointed in respect of a co-operative society, the elections to the boards of such society shall be conducted by the existing board of such society.</p>	<p>The dispute against election is to be filed within 30 days before Registrar. <b>(Art. 243 ZK (1))</b></p> <p>The new section has been inserted to provide for constitution of co-operative election authority by the State Govt. for election, superintendence, direction and control etc. However, the board shall conduct election till co-operative election authority is constituted . <b>(Art. 243 ZK (2))</b></p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>35. Nominees of the Government and other nominees on the committee of Co-operative societies :—</b> (1) (a) Where the State Government—</p> <ul style="list-style-type: none"> <li>(i) has subscribed to the share capital of a Co-operative society: or</li> <li>(ii) has assisted indirectly in the formation of augmentation of the share capital of a Co-operative society as provided under section 48; or</li> <li>(iii) has guaranteed the repayment of principal and payment of interest on loans and advances to a society;</li> </ul> <p>the State Government or any authority specified by the State Government in this behalf shall have the right to nominate [“having such qualifications and experience and in the manner as may be prescribed”] not more than three members or one-third of the total number of the members of the committee of the society whichever is less.</p> <p>(b) Where the employer has contributed to the share capital of a Co-operative society of his employees to the extent of rupees five thousand or more, the employer shall have right to nominate two members or one third of the total members, whichever is less, on the committee of such society.</p> <p>(c) Where any financing institution notified in this behalf by the Government has provided finance to a Co-operative society, such financing institution shall have the right to nominate one member on</p>	<p><b>35. Nominees of the Government and other nominees on the committee of Co-operative societies :—</b></p> <p>(1) Where the State Government has-</p> <ul style="list-style-type: none"> <li>(i) subscribed to the share capital of a society; or</li> <li>(ii) assisted in the formation or augmentation of the share capital of a society; or</li> <li>(iii) granted the repayment of principal and payment of interest on loans and advances to a society; or</li> <li>(iv) given any financial assistance by way of grants or otherwise;</li> </ul> <p>it shall have the right to nominate on the board of a society <b>such number of persons</b> as its members, having such qualifications and experience as may be prescribed, on the following basis namely:-</p> <ul style="list-style-type: none"> <li>(a) where the total amount of share capital held by the Government is less than twenty-six per cent of the total paid up share capital, one member of the board;</li> <li>(b) where the total amount of share capital held by the Government is twenty-six per cent or more but less than fifty one per cent of the total paid up share capital, two members of the board;</li> <li>(c) where the total amount of share capital held by the Government is fifty-one per cent or more of the total paid up share capital, three members of the board;</li> </ul> <p style="text-align: center;">Provided that the number of such</p>	<p>The amendment provides for nomination of Govt. only in co-operative societies where it has subscribed to the share capital or assisted or granted the repayment of principal and payment of interest on loans and advances etc. The nomination has been restricted to 1/3<sup>rd</sup> of elected member of board or 3 subject to the amount of share capital subscribed by the Govt. The provision also provides for referring a decision of a co-operative society to the Govt. for final approval where Govt. nominee has dissented. The decision of the Govt. shall be final. The provision is to protect the Govt. interest where it has greater stakes.</p>



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>the committee.</p> <p>(2) A member nominated on the committee of a Co-operative society under sub-section (1) shall hold office during the pleasure of the State Government or the specified authority, or the employer or the financing institution, as the case may be.</p> <p>(3) Where in a Co-operative society in which shares have been subscribed or liability by way of guarantee for borrowing has been undertaken by the Government, exceeding fifty percentum of the working capital of the society, a difference of opinion in respect of any matter arises between any members of the committee nominated under sub-section (1) (a) and other members thereof, the matter shall be referred by the committee to the Government whose decision thereon shall be final and will operate as if the same were a decision taken by the committee.]</p> <p><i>This section almost finds place in every co-operative societies act. Its origin can be traced to the recommendations made in the Rural Credit Survey Report. It is provided under this section that where the State Government has subscribed to the share capital, assisted or guaranteed the repayment of loan etc. on behalf of the society it shall have the right to nominate three members or one-third of the total number of members of the committee of the society whichever is less on the management of the society.</i></p>	<p>nominated persons shall not exceed one-third of the total elected members of the board.</p> <p>(2) Where, in a co-operative society in which shares have been subscribed or liability by way of guarantee for borrowings has been undertaken by the Government, exceeding fifty percent of the working capital of the society, a difference of opinion in respect of any matter arises between Government nominees nominated under sub-section (1) and other members of the committee shall be referred by the committee to the Government whose decision thereon shall be final and will operate as if the same were a decision taken by the committee.</p> <p><b>Explanation :</b> — For the purpose of sub-section (2), “working capital” means the total owned capital (total of paid up share capital and accumulated reserve fund and other funds and undistributed profits minus accumulated losses of a society) plus the borrowed capital (total of loans, deposits and other borrowings of a society) minus the amount of the owned capital or borrowed capital invested in the fixed assets.</p>	
<p><b>35-A Power of Registrar to constitute new committee in certain case :</b> — (1) Where in any Co-operative society, a committee constituted in accordance with the provisions of this Act, rules and</p>	<p><b>35-A Power of Registrar to constitute new committee in certain case :</b> — (1) Where in any Co-operative society, a committee constituted in accordance with the provisions of this Act, rules and bye-laws does</p>	<p>The period for which the committee can be constituted by the registrar and Govt. has</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>bye-laws does not exist; the Registrar may, notwithstanding anything to the contrary contained in this Act or rules or bye-laws, constitute by notification a committee for such society consisting of such number of members and not exceeding eleven out of whom not less than one third shall be share holders of such society, as he may deem fit:</p> <p>Provided that if the number of the members of the committee so constituted is less than eleven, the Registrar may, from time to time, add a member or members to the committee.</p> <p>(2) A committee constituted under sub-section(1) shall be deemed to be committee for all the purposes of this Act, rules and bye-laws and shall continue to function for a period of <b>two years</b> or until such period as a committee for such society is constituted in accordance with the provisions of this Act, rules and bye-laws, whichever expires earlier:</p> <p>Provided that the Government may by notification extend the period of <b>two years</b> so as not to exceed in the aggregate <b>three years</b>.</p>	<p>not exist, the Registrar may, notwithstanding anything to the contrary contained in this Act or rules or bye-laws, constitute by notification a committee for such society consisting of such number of members and not exceeding eleven out of whom not less than one third shall be share holders of such society, as he may deem fit:</p> <p>Provided that if the number of the members of the committee so constituted is less than eleven, the Registrar may, from time to time, add a member or members to the committee.</p> <p>(2) A committee constituted under sub-section(1) shall be deemed to be committee for all the purposes of this Act, rules and bye-laws and shall continue to function for a period of <b>one year</b> or until such period as a committee for such society is constituted in accordance with the provisions of this Act, rules and bye-laws, whichever expires earlier:</p> <p>Provided that the Government may by notification extend the period of <b>one year</b> so as not to exceed in the aggregate <b>two years</b>.</p>	<p>been reduced by one year.</p>
<p><b>35-B. Appointment, powers and functions of Managing Directors :—</b> (1) Where the Government has subscribed to the share capital of a Co-operative society to the extent of rupees five lakhs or more, the Government may, notwithstanding anything contained in the bye-laws of the society, nominate another member in addition to those nominated under section 35 and appoint him as Managing Director:</p> <p>Provided that no person shall be appointed as Managing Director of a Co-operative society unless he is a member of the Indian Administrative Service</p>	<p><b>35-B. Managing Director:—</b> (1) There shall be a Managing Director, by whatever designation called, of every co-operative society to be selected and appointed or nominated by the board as a full time paid employee or otherwise of such co-operative society.</p> <p>(2) Where the Government has subscribed to the share capital of a Co-operative society to the extent of rupees <b>twenty five lakhs</b> or more, the Government may, notwithstanding anything contained in the bye-laws of the society, nominate another member in addition to those nominated under section 35 and appoint him as</p>	<p>A co-operative society shall be able to appoint or nominate its Managing Director at its own. The amended section also provides for the appointment of M.D by Govt. where share capital of it is Rs. 25 lakhs or more. It also provides for the</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>or Himachal Pradesh Administrative Service or Class-I officer of the Co-operative Department, or an officer having relevant specialized or technical qualification.</p> <p>(2) A person nominated and appointed as a Managing Director under sub-section (1) shall be ex-officio member of the committee and shall hold office during the pleasure of the State Government and shall have a right to participate in the deliberations of the committee and shall also have the right to vote.</p> <p>(3) The Managing Director appointed under sub-section (1) shall exercise such powers as are assigned to him under the bye-laws or delegated to him by the committee. He shall discharge all such functions, consistent with the bye-laws, as are assigned to him by the Government or the Registrar. He shall work under the superintendence and control of the committee.</p> <p>(4) The Managing Director of a Co-operative society shall be its principal executive officer. All employees of the society shall function and perform their duties under his superintendence and control.</p> <p>(5) The Managing Director appointed under sub-section (1) shall be deemed to be on deputation with the society and his salary and allowances, as determined by the State Government shall be paid from the funds of the society.</p>	<p>Managing Director:</p> <p>Provided that no person shall be nominated and appointed as Managing Director under this sub-section unless he is a member of the Indian Administrative Service or Himachal Pradesh Administrative Service or Class-I officer of the Co-operative Department, or an officer having relevant specialized or technical <b>or professional</b> qualification.</p> <p>(2) A person appointed as a Managing Director under sub-section (1) or sub-section (2), as the case may be, shall be a member of the board <b>and of the executive committee such other sub-committees as may be specified in the bye-laws or decided by the managing committee.</b></p> <p>(3) The Managing Director <b>appointed under sub-section (2)</b> shall hold office during the pleasure of the State Government, with a right to participate in the deliberations of the board and the right to vote.</p> <p>(4) The Managing Director shall exercise such powers and discharge such functions as may be specified in the bye-laws or delegated to him by the board or assigned by the State Government or the Registrar as are consistent with the byelaws, subject to the superintendence, directions and control of the board.</p> <p>(5) The Managing Director of a co-operative society shall be its principal executive officer and all employees of the society shall function and perform their duties under his superintendence and control.</p> <p>(6) The Managing Director appointed under sub-section (2) shall be deemed to be on deputation with the society and his salary and allowances, as determined by the State Government shall be paid from the funds of the society.</p> <p>(7) The appointment or removal of the Managing</p>	<p>qualification of MD</p> <p>The appointment of M.D of a co-operative bank other than a primary co-operative bank under this section shall be made in consultation with the National Bank for Agriculture and Rural Development.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>35-C. NIL</b></p>	<p>Director of a co-operative bank other than a primary co-operative bank under this section shall be made in consultation with the National Bank.</p> <p><b>35-C. Powers and functions of board:-</b> (1) The board may exercise all such powers as may be necessary or expedient for the purpose of carrying out its functions under this Act and the rules made thereunder.</p> <p>(2) Without prejudice to the generality of the foregoing powers, such powers shall include the power-</p> <p>(a) to admit members;</p> <p>(b) to interpret the organizational objectives and set up specific goals to be achieved towards these objectives;</p> <p>(c) to make periodic appraisal of operations;</p> <p>(d) to appoint and remove a Managing Director and other employees, subject to the provisions of the Act or the rules made thereunder, for the conduct of business of the society in accordance with the provisions of the byelaws and to define their duties;</p> <p>(e) to make provisions for regulating the appointment of employees of the society and the scales of pay, allowances and other conditions of service of, including disciplinary action against such employees;</p> <p>(f) to place the annual report, annual financial statements, annual plan and budget for the approval of the general body;</p> <p>(g) to consider audit and compliance report and place the same before the general body;</p> <p>(h) to acquire and dispose of immovable property;</p> <p>(i) to review membership in other co-operative societies;</p> <p>(j) to approve annual and supplementary budget;</p>	<p>To provide for the powers and functions of the Board.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>36. Powers to depute Government servant to manage affairs of a co-operative society :-</b> The State Government may, on the application of a society and on such conditions as may be prescribed, depute a Government servant to the service of the society for the purpose of managing its affairs and the Government servant so deputed shall exercise such powers and perform such duties as may be prescribed.</p> <p><b>36-A. NIL</b></p>	<p>(k) to raise funds;  (l) to invest funds;  (m) to sanction loans to the members;  (n) to enforce any debt or demand of the society or to institute, defend or compromise legal proceedings;  (o) to appoint sub-committee and to delegate to it one or more powers of the board;  (p) to fix maximum credit limit of each member; and  (q) to make such other measures or to do such other acts as may be prescribed or required under this Act or the byelaws or as may be delegated by the general body.</p> <p><b>36. Powers to depute Government servant to manage affairs of a co-operative society:-</b> The State Government may, <b>on mutually agreed terms</b> and on the application of a society, depute a Government servant to the service of the society for the purpose of managing its affairs and the Government servant so deputed shall exercise such powers and perform such duties as may be prescribed.</p> <p><b>36-A. Staff:-</b> (1) Subject to other laws regulating employer, employee relations, all employees of a co-operative society including the Managing Director shall be appointed, regulated and removed by and be accountable to authorities within the co-operative society in accordance with the service conditions approved by the board.  (2) Notwithstanding anything contained in the foregoing sub-section or the byelaws of a co-operative society, a co-operative society in receipt of any share or financial</p>	<p>The amended section provides for engaging Govt. employee to manage the affairs of the co-operative society on the mutually agreed terms.</p> <p>To provide autonomy to co-operative societies in the matters of appointment of staff. The societies which are in receipt of any financial assistance of the Government shall have to seek prior approval of the Registrar</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>37. Supersession of Committee :—</b> (1) If, in the opinion of the Registrar, a committee of any co-operative society or any member of thereof 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 interest of the society or its members, the Registrar may, after giving such committee or member, as the case may be, an opportunity to state its objections, if any, by order in writing—</p> <p>(a) remove the committee; and—</p> <p>(i) order fresh election to the committee; or</p> <p>(ii) appoint one or more administrators who need not be members of the society, to manage the affairs of the society for a period not exceeding one year specified, in the order which period may, at the discretion of the Registrar, be extended from time to time, so however, that the</p>	<p>assistance from the Government under section 35 or section 48, shall not employ a salaried officer or servant with total monthly emoluments exceeding five thousand rupees without the previous permission in writing of the Registrar.</p> <p>(3) The conditions of service, qualification and experience to be possessed and security to be furnished by the employees of co-operative societies which is in receipt of any share or financial assistance from the government under section 35 or section 48, shall be specified by the Registrar.</p> <p><b>37. Supersession of Committee :—</b> (1) If, in the opinion of the Registrar, the board or committee of any co-operative society is persistently making default or is negligent in the performance of the duties imposed on it or by this Act or the rules or the bye-laws, or has committed any act which is prejudicial to the interests of the society or its members, or has omitted or failed to comply with any directions given to it under this Act or the rules made thereunder, or has failed to conduct elections in accordance with the provisions of the Act, or that there is a stalemate in the constitution or functions of the board, the Registrar may, after giving the board an opportunity to state its objections, if any, and considering the objections, if received, by order in writing, remove the board and appoint one or more administrators, who need not be members of the society, to manage the affairs of the society for such period not exceeding six months:</p> <p>Provided that in case of a co-operative society carrying on the business of banking, the provisions of this sub-section shall have effect as if for the words “six</p>	<p>before appointing staff exceeding monthly emoluments Rs. 5000/-. The Registrar shall also specify service conditions, etc. of the employees of such co-operative societies.</p> <p>The amended section provides for conditions where under the board can be superseded by Registrar. The Registrar after affording opportunity of being heard to the board or members, as the case may be, has been empowered to take action. The administrator is to be appointed for six months only and in case of co-operative society carrying business of banking, it shall be for one year. The provision also provides that board of a co-operative society</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>aggregate period does not exceed five years; or</p> <p>(b) remove the member and get the vacancy filled up for the remaining period of the out going member, according to the provisions of this Act, the rules and the bye-laws.</p> <p>(1-A) Where the Registrar, while proceeding to take action under sub-section (1) is of the opinion that suspension of the committee or any member during the period of proceedings is necessary in the interest of the Co-operative society, he may suspend such committee or member, as the case may be, and where the committee is suspended, make such arrangements as he think proper for the management of the affairs of the society till the proceedings are completed:</p> <p>Provided that if the committee or member so suspended is not remove, it or he shall be re-instated and the period of suspension shall count towards its or his term;</p> <p>(2) The Registrar may fix such remuneration for the administrator, as he may think fit. Such remuneration shall be paid out of the funds of the society.</p> <p>(3) The administrator shall, subject to the control of the Registrar and to such instructions as he may from time to time give, have power to perform all or any functions of the committee or of any officer of the society and take all such actions as may be required in the interest of the society.</p> <p>(4) The administrator shall at the expiry of his term of office, arrange for the constitution of a new committee in accordance with the bye-laws of the society.</p> <p>(5) Before taking any action under sub-section(1) in</p>	<p>months”, the words “one year” had been substituted:</p> <p>Provided further 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:</p> <p>Provided also that the board of any co-operative society shall not be superseded or kept under suspension where there is no government share holding or loan or financial assistance or any guarantee by the government.</p> <p>(2) Where the Registrar, while proceeding to take action under sub-section (1) is of the opinion that suspension of the committee or board during the period of proceedings is necessary in the interest of the co-operative society, he may suspend such committee or board and where the committee or board is suspended, make such arrangements as he thinks proper for the management of the affairs of the society till the proceedings are completed:</p> <p>Provided that if the committee or board so suspended is not removed, it shall be re-instated and the period of suspension shall count towards its term.</p> <p>(3) The Registrar may fix such remuneration for the administrators, as he may think fit and the remuneration shall be paid out of the funds of the co-operative society.</p> <p>(4) The administrator or administrators 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 board or of any officer of the society and take all such actions as may be required in the interest of the society:</p>	<p>where no Govt. share exists, shall not be superseded. The Registrar empowered to make alternate arrangement as he deems fit during the period of proceedings pending disposal/ suspension. Registrar is empowered to fix remuneration of the administrator. Administrator not to enroll new members and appoint salaried staff except with the approval of the Registrar. Registrar to consult concerned financing bank also before superseding the board. Administrator to ensure election within stipulated period and hand over management to the elected board.</p> <p><b>(Art. 243 ZL)</b></p>

<b>H.P. Co-operative Societies Act ,1968</b>	<b>H.P. Co-operative Societies Act, 2012</b>	
<p>respect of a Co-operative society, the Registrar shall consult the financing institution to which it is indebted.</p> <p>(6) A member who is removed under sub-section (1) may be disqualified for being elected to any committee for such period not exceeding three years as the Registrar may fix and the said period shall commence after the expiry of the term of the committees from which he is removed.</p> <p><b>38. Securing possession of records :-</b></p> <p>(1) (a) When 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 the property of a society are likely to be misappropriated; or</p> <p>(b) If the committee of a co-operative society is re-constituted at a general meeting of the society, or committee of a society is removed under section 37 or if the society is ordered to be wound up under section 78 and the outgoing members of the committee refuse to handover the charge of the records and property of the society to the new committee or the administrator or the liquidator as the case may be, the Registrar or the person authorised by him may apply to the magistrate within whose jurisdiction the society is</p>	<p>Provided that the administrator or administrators, as the case may be, appointed under this Act to manage the affairs of a co-operative society shall not admit any new members to such society or appoint salaried staff without the approval of the Registrar.</p> <p>(5) In case of supersession of a board, the administrator appointed to manage the affairs of the co-operative society shall arrange for conduct of elections within the period specified in sub-section (1) and handover the management to the elected board.</p> <p>(6) Before taking any action under sub-section (1) in respect of a co-operative society, the Registrar shall consult the co-operative bank or the financing institution to which it is indebted.</p> <p><b>38. Securing possession of records :-</b></p> <p>(1) If –</p> <p>(a) the records, including registers and books of accounts of a co-operative society are likely to be suppressed, tampered with or destroyed or the funds or other property of such society are likely to be misappropriated; or</p> <p>(b) the board of a co-operative society is re-constituted at a general meeting of the society; or</p> <p>(c) a committee of a co-operative society is removed under section 37; or</p> <p>(d) a co-operative society is ordered to be wound up under section 78 and the outgoing members of the board refuse to handover the charge of the records and property of the society to those having or entitled to receive</p>	<p>The amended section provides for securing of possession of record in certain situations through police/court. The CEO or the person authorized by the Registrar can move an application to the concerned Magistrate for securing possession of record and property of the society. The Magistrate empowered to issue warrant and authorize police officer not below the rank of Sub- Inspector to enter</p>



<b>H.P. Co-operative Societies Act ,1968</b>	<b>H.P. Co-operative Societies Act, 2012</b>	
<p>functioning for seizing possession of the records and properly of the society.</p> <p>(2) On receipt of an application under sub-section (1) the magistrate may, authorise any police officer not below the rank of sub-inspector to enter and search any place where the records and the property are kept or are believed to be kept and to seize them and hand over the possession thereof to the Registrar, or the new committee or the administrator of the society or the liquidator as the case may be.</p> <p><b>39. Address of societies :-</b> Every co-operative society shall have an address registered in accordance with the rules to which all notices and communications may be sent and shall send notice in writing to the Registrar of any change in address within thirty days of such change.</p> <p style="text-align: center;"><b>CHAPTER V</b> <b>DUTIES AND OBLIGATION OF CO-OPERATIVE SOCIETIES</b></p> <p><b>40. Right of members to services by society and application for redress :-</b> (1) Every member shall be entitled to the services available to the members of the society under the provisions of its bye-laws and such services shall, subject to availability, be</p>	<p>such charge;</p> <p>the Managing Director, or the person authorised by the Registrar, as the case may be, may apply to the magistrate within whose jurisdiction the co-operative society functions for securing the possession of the records and properly of the society.</p> <p>(2) On receipt of an application under sub-section (1) the magistrate may, by a warrant, authorise any police officer not below the rank of sub-inspector to enter and search any place where such records and property are kept or are believed to be kept and to seize such records and property; and the records and property so seized shall be handed over to the new board or the administrator of the society or the liquidator, as the case may be.</p> <p>(3) Every such search and seizure shall be made in accordance with the provisions of the Code of Criminal Procedures, 1973 (Act No. 2 of 1974).</p> <p><b>39. Address of societies:-</b> No change.</p> <p style="text-align: center;"><b>CHAPTER V</b> <b>DUTIES AND OBLIGATION OF CO-OPERATIVE SOCIETIES</b></p> <p><b>40. Right of members to services by society and application for redress:-</b> No change</p>	<p>and search any place where such property or record is believed to be kept and to seize it in accordance with the provision of Cr. P C.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>rendered to him on his application to the committee.</p> <p>(2)If any member is refused any service or where the decision of the committee, on his application for services, is not communicated to him within a period of thirty days from the date of such application, he may make an application to the Registrar for redress, within thirty days from the date of receipt of the decision of refusal or within sixty days from the date of application to the society, as the case may be.</p> <p>(3)If the Registrar is satisfied that the refusal of any service is un-reasonable, improper or discriminating, he may, after giving the committee an opportunity of making its representation, by order, direct the committee to render the service.</p> <p><b>41. Liability to furnish information :-</b> Every officer and every member of a society shall furnish such information in regard to the transactions or working of the society as may be required of him by the Registrar or an auditor, arbitrator, liquidator or any person conducting an inspection or enquiry.</p> <p><b>41-A. NIL</b></p>	<p><b>41. Liability to furnish information:-</b> No change</p> <p><b>41-A. Filing of returns:-</b> Every year within six months of the closure of the <b>financial year</b>, every co-operative society shall file the following returns with the Registrar, namely-</p> <ul style="list-style-type: none"> <li>(a) annual report of the activities;</li> <li>(b) audited statements of accounts;</li> <li>(c) plan for surplus disposal as approved by the general body;</li> <li>(d) list of amendments to the byelaws of the co-operative society;</li> <li>(e) declaration regarding date of holding of its</li> </ul>	<p>The new section has been inserted to ensure filling of certain mandatory returns within six months of the closure of the financial year. This is to ensure transparency in the working of the society.</p> <p><b>(Art. 243 ZP)</b></p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p style="text-align: center;"><b>CHAPTER VI</b> PRIVILEGES OF CO-OPERATIVE SOCIETIES</p> <p><b>42. Charges and set off in respect or interest of members :-</b> A society shall have charge upon the share or interest in the capital, and on the deposits of a member or a past member or deceased member and upon any dividend, bonus or profits payable to a member past member or deceased member in respect of any debt or outstanding demand owing to the co-operative society and the society may set off any sum credited prior payable to such members in or towards payment of any such debt :</p> <p>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 56 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.</p> <p><i>The section imposes a charge upon the share or interest in the capital and on the deposits of a member in favour of society, which is not alienable without the permission of the society. The intention behind is to induce the prompt payment of loans given by societies and also to safeguard its financial interests.</i></p> <p><b>43. Register of members :-</b> Any register or list of</p>	<p>general body meeting and conduct of elections where due; and</p> <p>(f) any other information required by the Registrar in pursuance of any of the provision of this Act.</p> <p style="text-align: center;"><b>CHAPTER VI</b> PRIVILEGES OF CO-OPERATIVE SOCIETIES</p> <p><b>42. Charges and set off in respect of shares or interest of members:- No change</b></p> <p><b>43. Register of members:- No change</b></p>	



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>in whole or in part of immovable property ; or</p> <p>(2) any debenture issued by any such society and not creating, declaring assigning, limiting, or extinguishing any right, title or interest to or immovable property, except in so far as it entitles the holder there of to the security afforded by 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</p> <p>(3) any endorsement upon or transfer of any debenture issued by any such society.</p> <p><b>46. Deduction from salary to meet society's claim in certain cases :-</b> (1) Notwithstanding anything contained in any law for the time being in force, 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.</p> <p>(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 within fourteen days from the date of deduction.</p> <p>(3) If after the receipt of requisition made under the foregoing sub-section, the employer at any time fails</p>	<p><b>46. Deduction from salary to meet society's claim in certain cases :-</b> No change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>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 tile society from his 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.</p> <p><b>47. Charge on immovable properties of members borrowing loans from certain societies :-</b> Notwithstanding anything contained in this Act or in any other law for the time being in force:-</p> <p>(i) any person who makes an application to a society of which he is a member for a loan, if he owns any land or has interest in any land as a tenant shall 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 member 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;</p> <p>(ii) any person who has taken a loan from a society of which he is a member. before the date of coming into force of this Act, and who owns any land or has interest in any land as a tenant and who has not already made such a declaration before the</p>	<p><b>47. Charge on immovable properties of members borrowing loans from certain societies:-</b> No change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>aforesaid date shall, as soon as possible, thereafter, make a declaration in the form and to the effect referred to in clause (i), and no such person shall, unless and until he has made such declaration, be entitled to exercise any rights as a member of the society;</p> <p>(iii) A declaration made under clause (i) or (ii) may be varied ay any time by a member, with the consent of the society in favour of which such charge is created ;</p> <p>(iv) no member shall alienate the whole or any part of the land or interest specified in the declaration made under clause (i) or (ii) until the whole amount borrowed by the member together with interest thereon is repaid in full ;</p> <p>Provided that standing crops on any such land may be alienated with the previous permission of the society;</p> <p>Provided further that if a part of the amount borrowed by a member is paid, the society may, on an application from the member, release from charge created under the declaration made under clause (i) or (ii), such part of the movable or immovable property specified in the said declaration, as it may deem appropriate, with due regard to the security of the balance of the amount remaining outstanding from the member.</p> <p>[Provided further that no charge on land need be created if the amount of loan advanced is less than such amount as may be fixed by the State Government from time to time by notification and such loan may be allowed to any member on his furnishing two sureties from the fellow members.]</p>		

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(v) any alienation made in contravention of the provisions of clause (iv) shall be void ;</p> <p>(vi) subject to the prior claims of the Government in respect of land revenue, there shall be a first charge in favour of the society on the land or interest specified in the declaration made under clause (i) or (ii) for and to the extent of the dues owing by him on account of the loans and advances;</p> <p>(vii) the record of rights shall include the particulars of every charge on land or interest created under a declaration under clause (i) or (ii). The halka patwari shall note such charge in the village records within one week after the receipt of the declaration and shall thereafter return the declaration to the society concerned.</p> <p><b>48. Other forms of State aid to Co-operative society :—</b> Notwithstanding anything contained in any law for the time being in force, the Government may, —</p> <p>(a) subscribe to the share capital of a Co-operative society ;</p> <p>(b) give loans or make advances to a Co-operative society;</p> <p>(c) guarantee the payment of share capital of a Co-operative society and dividends thereon at such rates as may be specified by the Government ;</p> <p>(d) guarantee the repayment of principal and payment of interest on loans and advances to a Co-operative society; and</p>	<p><b>48. State assistance to co-operative societies:-</b> (1) Notwithstanding anything contained in any law for the time being in force, the State Government, on receipt of request from a co-operative and with a view to promoting co-operative movement, may—</p> <p>(a) subscribe to the share capital of a co-operative society which shall be redeemable;</p> <p>(b) give loans or make advances to a co-operative society;</p> <p>(c) guarantee the repayment of share capital of a co-operative society and dividends thereon at such rates as may be specified by the Government;</p> <p>(d) guarantee the repayment of principal and payment of interest on debentures issued by a</p>	<p>The amended section provides for state assistance to co-operative societies in certain situation as indicated in the clauses (a) to ( g). The assistance shall be on the request of a society and with an objective to promote co-operative movement. The section provides for aid to any other society on mutually agreed terms with government.</p>



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(e) give financial assistance in any other form including subsidies to any society.</p> <p><b>49. Limitation :-</b> (1) Notwithstanding any other provisions of the Limitation Act, 1963 (36 of 1963), the period of limitation for the institution of a suit to recover any sum including interest thereon due to a society by a member thereof shall be computed from the date on which such member dies or ceases to be a member of the society.</p> <p>(2) The provisions of the Limitation Act, 1963 (36 of 1963), shall not apply to proceedings taken "under section 69, 73, 88" of this Act.</p>	<p>co-operative society;</p> <p>(e) guarantee the repayment of principal and payment of interest on loans and advances to a co-operative society;</p> <p>(f) give financial assistance in any other form, including subsidies, to any co-operative society; and</p> <p>(g) provide aid to any other co-operative society on such terms and conditions as may be mutually agreed upon in writing between the State Government and the co-operative society.</p> <p><b>49. Limitation:-</b> (1) Notwithstanding any other provisions of the Limitation Act, 1963 (36 of 1963), the period of limitation for the institution of a suit to recover any sum including interest thereon due to a society by a member thereof shall be computed from the date on which such member dies or ceases to be a member of the society.</p> <p>(2) The provisions of the Limitation Act, 1963 (36 of 1963), shall not apply to proceedings taken "under section 69, 73, 88" of this Act:</p> <p>Provided that when the dispute is in respect of an election of an officer of a co-operative society, the period of limitation shall be thirty days from the date of the declaration of the result of the election.</p> <p>(3) Notwithstanding anything contained in sub-sections (1) and (2), the arbitrator may admit a dispute after the expiry of the period of limitation, if the applicant satisfies the arbitrator that he had sufficient cause for not referring the dispute within such period.</p>	<p>The amended section specify for the computation of period of limitation for institution of recovery suit against deceased or resigned member. The section bars application of provisions of the Limitation Act, 1963 (36 of 1963), "under section 69, 73, 88" of this Act: The limitation for filing election dispute is 30 days from the declaration of result. The section empowers the arbitrator to condone delay etc. if sufficient cause for not referring the dispute within such period exists.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>50. Exemption from certain taxes, fees and duties :-</b> (1) The Central Government may, by notification in the Official Gazette, remit the income-tax payable in respect of the profits of any class of co-operative societies or the dividends or other payments received by members of any class of such societies on account of profits.</p> <p>(2) The Government may, by notification, remit in respect of any society or class or societies:-</p> <p>(a) the stamp duty chargeable under any law for the time being in force in respect of any instrument executed by or on behalf of a co-operative society or by an officer or member thereof and relating to the business of such society or any class of such instruments or in respect of any award or order made under this Act, in cases, where, but for such remission, the co-operative society, officer or member, as the case may be, would be liable to pay such stamp duty ;</p> <p>(b) any fee payable under any law for the time being in force relating to the registration of documents, or court fees.</p> <p><b>Explanation :-</b> In this sub-section, "Government" means in relation to stamp duty in respect of bills of exchange, cheques, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts, the Central Government and save as aforesaid, the State Government.</p> <p>(3) The Government may, by notification, exempt, any society or class of societies from:-</p>	<p><b>50. Exemption from certain taxes, fees and duties:-</b> No change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(a) land revenue ;  (b) taxes on agricultural income;  (c) taxes on sale or purchase of goods ; and  (d) taxes on profession, trade callings and employments.</p> <p><i>In order to encourage co-operative enterprises the section enables, the Central Government or State Governments to grant exemption to co-operative societies from the payment of income tax, stamp duties, registration fee etc.</i></p> <p><b>51. Insolvency of members :-</b> Notwithstanding anything contained in the Provincial Insolvency Act, 1920 (5 of 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 Government or to local authority.</p> <p><b>52. First charge of co-operative societies on certain assets :-</b> (1) Notwithstanding anything contained in any law for time being in force, but subject to any prior claim of the Government, in respect of the land revenue or any money recoverable as land revenue, any debt or outstanding demand owing to a co-operative society by any member or past member or deceased member shall be first charge upon [movable property.] the crops and other agricultural produce, cattle, fodder for cattle, agricultural or industrial implements or machinery, raw materials for manufacture and any finished products manufactured from such raw materials, belonging to such member, past member or forming a part of the estate of the deceased member, as the case may be.</p> <p>(2) No person shall transfer any property which is</p>	<p><b>51. Insolvency of members:- No change</b></p> <p><b>52. First charge of co-operative societies on certain assets:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>subject to a charge under sub-section (1) except with previous permission in writing of the co-operative society which holds the charge.</p> <p>(3) Notwithstanding anything contained in any law for the time being in force, any transfer of property made in contravention of the provisions of sub-section (2) shall be void.</p> <p>(4) The charge created under sub-section (1) shall be available as against any claim of the Government arising from a loan granted under the Land Improvement Loans Act, 1883 (19 of 1883), or the Agriculturists' Loans Act. 1884 (12 of 1884), after the grant of loan by the society.</p> <p style="text-align: center;"><b>CHAPTER VII</b></p> <p style="text-align: center;"><b>PROPERTIES AND FUNDS OF CO-OPERATIVE SOCIETIES</b></p> <p><b>53. Investment of funds :—</b> (1) A registered society may invest or deposit its funds—</p> <ul style="list-style-type: none"> <li>(a) in the post office savings bank; or</li> <li>(b) in any of the securities specified in section 20 of the Indian Trusts Act, 1882 (2 of 1882) ; or</li> <li>(c) in the shares or the securities of any other registered society; or</li> <li>(d) with any bank or person carrying on the business of banking approved for this purpose by the Registrar; or</li> <li>(e) in any other mode permitted by the rules.</li> </ul>	<p style="text-align: center;"><b>CHAPTER VII</b></p> <p style="text-align: center;"><b>PROPERTIES AND FUNDS OF CO-OPERATIVE SOCIETIES</b></p> <p><b>53. Investment of funds :—</b>(1) A co-operative society may invest or deposit its funds-</p> <ul style="list-style-type: none"> <li>(a) in a State co-operative bank, co-operative land development bank or Central co-operative bank; or</li> <li>(b) in any of the securities specified in section 20 of the Indian Trusts Act, 1882 (2 of 1882); or</li> </ul> <p>in the shares or the securities of any other co-operative society; or</p> <p>in the shares, securities or assets of a subsidiary institution or any other institution; or</p> <p>with any other bank; or</p> <p>in such other mode as may be provided in the byelaws:</p>	<p>The amendment provides for investment of funds by a co-operative society in the institution/ shares/ assets etc. as specified under clauses (a) to (f). The co-operative banks shall have to abide by the guidelines of RBI and NABARD on the matter apart from above. Societies have been given wider scope for investment of their funds productively to</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(2) Any investment or deposit made before the commencement of this Act which would have been valid if this Act had been in force is hereby ratified and confirmed.</p> <p><b>54. Contribution of Co-operative education fund</b> :— A Co-operative society shall out of its net profits in any year credit such proportion of the profits not exceeding 5 percent, as may be prescribed, to the cooperative education fund constituted under the</p>	<p>Provided that any investment of funds or deposits in respect of a co-operative bank shall be subject to the guidelines, if any, issued, from time to time by the Reserve Bank of India or the National Bank for Agriculture and Rural Development.</p> <p><b>Explanation:</b> For the purpose of clause (e), “bank” means any banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949, and includes-</p> <ul style="list-style-type: none"> <li>(i) the State Bank of India constituted under the State Bank of India Act, 1955 (Act No. 23 of 1955);</li> <li>(ii) a subsidiary bank as defined in clause (k) of section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (Act No. 38 of 1959);</li> <li>(iii) a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (Act No. 5 of 1970) or a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (Act No. 40 of 1980).</li> </ul> <p>(2) No change.</p> <p><b>54. Co-operative education fund</b> :— (1) A co-operative society shall out of its net profits in any year credit such proportion of the profits not exceeding 3 percent, as may be prescribed, to the co-operative education fund constituted under the rules:</p>	<p>earn more income on such investment.</p> <p>The amendment provides for constitution of education fund by a society to ensure training and education of its</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>rules.</p> <p><b>55. Funds not be divided :-</b> 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:</p> <p>Provided that a member may be paid remuneration on such scale as may be laid down by the bye-laws, for any services rendered by him to the society.</p> <p><b>56. Appropriation of profits :-</b> (1) A society profits shall calculate the net profit 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 fee, working expenses including repairs, rent, taxes and depreciation, and after providing for or writing off had 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</p>	<p>Provided that a co-operative society, which has not earned a net profit during the year, shall contribute at least Rs.100/- to the fund.</p> <p>(2) The co-operative education fund maintained at the society level shall be used for organizing co-operative education programmes for its member, directors and employees, improving the skills of employees of co-operative societies on regular basis and propagation of co-operative principles.</p> <p><b>55. Funds not be divided :- No change</b></p> <p><b>56. Appropriation of profits:-</b> (1) The net profits of a co-operative society earning profits shall be calculated by deducting from the gross profit for the year, all interest accrued and accruing in relation to amounts which are overdue, establishment charges, interest payable on loans and deposits, audit fee, working expenses including repairs, rent, taxes and depreciation, bonus payable to employees under the law relating to payment of bonus for the time being in force, and equalization fund for such bonus, provision for payment of income tax and making approved donations under the Income Tax Act, 1961 (Act No. 43 of 1961), development rebate, provision for development fund,</p>	<p>members and employees as mandated by constitutional amendments. The provision provide for maximum 3% allocation out of the profits and in case of non profits society a minimum contribution of Rs.100/- towards the fund.</p> <p><b>Art. 243 ZO(3)</b></p> <p>The amendment provides for appropriation of profits i.e. the profits are to be calculated by deducting from gross profits for the year, all interest accrued and accruing in overdue amount, estt. cost , intt. payable on loans and deposits , audit fee , winding up expenses , rent ,taxes</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>brought forward from the previous year, shall be available for appropriation.</p> <p>(2) A society may appropriate its net profits to the reserve or any other fund, to payment of dividends to members on their shares, to the contribution the educational fund of the society which may be notified in this behalf by the Registrar, for the payment of bonus on the basis of support received from members and persons who are not members to its business, to payment of honoraria, provident fund to its employees, and towards any other purpose which may be specified in the rules or bye-laws;</p> <p>Provided that, no part of profits shall be appropriated except with the approval of the, society in its annual general meeting and in conformity with the Act, rules and bye-laws.</p>	<p>investment fluctuation fund, bad debt fund, price fluctuation fund, dividend equalization fund, share capital redemption fund, provision for retirement benefits to employees, and after providing for or writing off bad debts and losses not adjusted against any fund created out of profit:</p> <p>Provided that a co-operative society may add to the net profits for the year, interest accrued in the preceding years, but actually recovered during the year and the net profit thus arrived at, together with the amount of profits brought forward from the previous year, if not appropriated, shall be available for appropriation.</p> <p>(2) A society shall appropriate its net profits to the reserve fund and the co-operative education fund and may also appropriate to payment of dividends to members on their shares and to any other fund which may be specified in the bye-laws:</p> <p>Provided that no part of profits shall be appropriated except with the approval of the society in its annual general meeting and in conformity with the Act, rules and the bye-laws.</p> <p>(3) No dividend shall be paid by any society unless such dividend is recommended by the managing committee and approved by the general meeting:</p> <p>Provided that no dividend shall be paid otherwise than out of profits certified by the auditors to have been actually accrued in accordance with sub-section (1) of this section.</p>	<p>repair expenses, payment of bonus, provision for payment of income tax, development rebate, investment fluctuation fund, bad debt fund, price fluctuation fund, dividend equalization fund, share capital redemption fund, provision for retirement benefits to employees, and after providing for or writing off bad debts and losses not adjusted against any fund created out of profit: The section provide for prior approval of dividend by board of the society and approval of general body before being paid.</p>
<p><b>57. Reserve funds:-</b> (1) Every society shall maintain a reserve fund in respect of the profits, if any, derived</p>	<p><b>57. Reserve fund:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>from its transactions.</p> <p>(2) Of the net profits of a society in each year there shall be carried to the reserve fund not less than twenty-five per centum or such higher proportion as may be prescribed for such society or class of societies.</p> <p>(3) Save to the extent, and in such manner, as may be prescribed, no part of its reserve fund shall be used in the business of a society.</p> <p>(4) Subject to the rules, any portion of the reserve fund not used in the business of a society shall be invested or deposited,--</p> <p>(a) in the post office savings bank; or</p> <p>(b) in any of the securities, specified in section 20 of the Indian Trust Act 1882 (2 of 1882), other than those specified in clause (c) of that section ; or</p> <p>(c) in any other bank approved by the Registrar.</p> <p><b>58. Regulation of loan making policy :-</b> (1) No society shall make loan to any person other than a member or on the security of its own shares, or on security of any person who is not a member:</p> <p>Provided that with the special sanction of the Registrar, a society may make loans to another society.</p> <p>(2) Notwithstanding anything contained in the foregoing sub-section, a society may make a loan to depositor on the security of the deposit.</p> <p>(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, be general or special order, prohibit, restrict, or regulate</p>	<p><b>58. Regulation of loan making policy :- No change</b></p>	



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>the lending of money, by any society or class of societies on the security of any property;</p> <p>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, in consultation with the financing 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.</p> <p><b>59. Restrictions on borrowings:-</b> A co-operative society shall receive deposits and loans only to such extent and under such conditions as may be prescribed or as may be specified in the bye-laws.</p> <p><b>60. Restrictions on other transactions with non-members:-</b> Save as is provided in sections 58 and 59, the transactions of a society with person other than a member shall be subject to such prohibitions and restrictions, if any as may be prescribed.</p>	<p><b>59. Restrictions on borrowings:- No change</b></p> <p><b>60. Restrictions on other transactions with non-members:- No change</b></p>	
<p style="text-align: center;"><b>CHAPTER VIII</b></p> <p style="text-align: center;"><b>AUDIT, INQUIRY, INSPECTION AND SURCHARGE</b></p> <p><b>61. Audit :—</b> (1) The accounts of every society shall, at least once in each Co-operative year and by such date as may be prescribed be audited by the Registrar or any person authorized by him in this behalf by general or special order in writing.</p> <p>(2) In respect of the audit of accounts, the society shall pay such audit fee, if any, and within such time</p>	<p style="text-align: center;"><b>CHAPTER VIII</b></p> <p style="text-align: center;"><b>AUDIT, INQUIRY, INSPECTION AND SURCHARGE</b></p> <p><b>61. Audit:—</b> (1) Every co-operative society shall get its accounts audited by an auditor or auditors referred to in sub-section (2) at least once in each financial year and within six months of the close of financial year to which such accounts relate.</p> <p>(2) Every co-operative society shall, at each annual general meeting, appoint an auditor or auditors to hold</p>	<p>The amended section provides for detailed provision of audit. The responsibility of audit of a society is on the board. The section provides for audit by a CAs in case of cooperative bank and</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>limit as may be prescribed.</p> <p>(3) if at the time of audit, the accounts of a society are not complete, the Registrar, or the person authorized by him under sub-section (1) to audit, may cause the accounts to be written up at the expense of the society.</p> <p>(4) The audit fee, if any, due from any society or the expenses incurred in writing up the accounts of a society shall be recoverable in the manner as provided in section 90.</p>	<p>office from the conclusion of that meeting until the conclusion of the next annual general meeting:</p> <p>Provided that such auditor or auditors may be appointed from a panel of auditors approved by the Registrar:</p> <p>Provided further where a vacancy is caused by the resignation or death of an auditor, the vacancy shall be filled by the board out of the panel of auditors approved by the Registrar:</p> <p>Provided further that a co-operative bank may get the accounts audited by a Chartered Accountant approved by the National Bank:</p> <p>Provided further that an apex or a secondary co-operative society or an urban co-operative bank may get the accounts audited by a Chartered Accountant:</p> <p>Provided further that a primary co-operative society shall have an option to get the accounts audited by the Chartered Accountant or the Registrar or by any other person authorised by the Registrar.</p> <p>Provided also that no auditor shall be engaged to conduct the audit of a co-operative society for more than two consecutive years.</p> <p>(3) The remuneration of the auditors so appointed under sub-section (2) shall be fixed by the co-operative society in general meeting or in such manner as a co-operative society in general meeting may determine.</p> <p><b>Explanation:-</b> For the purposes of this sub-section, any sums paid by the co-operative society in respect of the auditors' expenses shall be deemed to be included in the expression 'remuneration'.</p> <p>(4) The Registrar, in cases where the board of a co-operative society fails to get the accounts audited under</p>	<p>primary UCBs. The other Apex and secondary societies may get their accounts audited by CAs. The primary co-operative societies have been given option either to get their accounts audited from CAs or from a person authorised by RCS. The general body of the society empowered to appoint auditor for one year out of panel approved by the RCS. An auditor for two consecutive terms can be appointed. The remuneration to be fixed by the society. The RCS empowered to get accounts audited if board fails to do it and society shall pay the audit fee in such time as specified by RCS. The provision provide for recovery of audit fee payable to Govt. by RCS as per provision of this Act. The section also provide for laying of audit report of apex</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>62. Nature of audit:-</b> (1) The audit under section 61 shall include,--</p> <ul style="list-style-type: none"> <li>(a) a verification of the cash balance, securities and stocks;</li> <li>(h) a verification of the balance at the credit of the depositors and creditors and of the amounts due from the debtors of the society;</li> <li>(c) an examination of the overdue debts, if any;</li> <li>(d) a valuation of the assets and liabilities of the society;</li> <li>(e) an examination of the transactions including the monetary transaction of the society;</li> <li>(f) an examination of the statement of accounts to be prepared by the managing committee in such form as may be prescribed;</li> </ul>	<p>sub-section (2), shall cause the accounts to be audited by any person authorised by him in this behalf by a special or general order in writing.</p> <p>(5) The Registrar may, for reasons to be recorded in writing, cause to conduct a special audit of any society, by any person authorised by him in this behalf.</p> <p>(6) In respect of the audit under sub-section (4) or (5), the society shall pay such audit fee, if any, and within such time limit as may be specified by the Registrar from time to time for different societies.</p> <p>(7) The audit fee payable to the Government shall, if not deposited by the society in the Government treasury within time limit fixed by the Registrar, be recoverable in the manner specified in section 90.</p> <p>(8) The audit report of accounts of an apex co-operative society shall be laid before the State Legislature in the manner, as may be prescribed.</p> <p><b>62. Nature of audit:- No change</b></p>	<p>cooperatives before the State Assembly as per Const. Amendments. <b>(Art. 243 ZM)</b></p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(g) a certificate of the profits realised; and  (h) any other matter that may be prescribed.</p> <p>(2) The statement of accounts thus audited, together with the modification, if any, made therein by the Registrar or any person authorised by him shall be final and binding on the co-operative society.</p> <p><b>63. Auditor's report:-</b> The auditor shall, within 10 days from the date of the completion of the audit, submit to the co-operative society and to the Registrar, together with the statement of accounts audited, and audit report including a statement of ,-</p> <p>(a) every transaction which appears to him to be contrary to law or to the rules or byelaws;  (b) every sum which ought to have been but has not been brought into account;  (c) the amount of any deficiency or loss which appears to have resulted from any negligence or misconduct or which requires further investigation;  (d) any money or property belonging to the society which appears to have been misappropriated or fraudulently retained by any person;  (e) any of the assets which appear to him to be bad or doubtful; and  (f) any other matter prescribed.</p> <p><i>It has been made obligatory for an auditor to submit report within 10 days from the completion of the audit of the society. Though no statutory penalty has been laid down but it appears that the defaulting auditors shall not be entitled to avail the exceptions provided in section 91 of the Act.</i></p>	<p><b>63. Auditor's report:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>64. Rectification of defects:-</b> A co-operative society shall be afforded by the Registrar an opportunity of explaining any defects or irregularities pointed out by the auditor, and thereafter the society shall, within such time, and in such manner, as the Registrar may direct, remedy such defects and irregularities and report to the Registrar the action taken by it thereon.</p> <p><b>65. Inspection of co-operative societies:-</b> The Registrar may, from time to time, inspect a registered society himself or cause it to be inspected by some person authorised by him in this behalf by general or special order, and shall communicate the result of his inspection to the society within a period of one month from the date of completion of such inspection.</p> <p><i>As in case of audit there is no time limit fixed for the inspection of a co-operative society; which has to be carried out by the Registrar or some person authorised by him in this behalf. But it is, however, essential to communicate the report or result of inspection of the society within a period of one month from the date of such inspection</i></p> <p><b>66. Inspection of books of an indebted co-operative society:-</b> (1) Subject to the provisions of sub-section (2), on the application of a creditor of a society, an inspection shall be made of the books of the society by the Registrar or by a person authorised by him in this behalf by general or special order in writing.</p> <p>(2) No such inspection shall be made unless,--</p> <p>(a) the Registrar, after giving the society an opportunity of being heard, is satisfied that the alleged debt is a sum then due and that the</p>	<p><b>61. Rectification of defects:- No change</b></p> <p><b>65. Inspection of co-operative societies:- No change</b></p> <p><b>66. Inspection of books of an indebted co-operative society:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>creditor has demanded payment thereof and has not received satisfaction within a reasonable time; and</p> <p>(b) the creditor deposits with the Registrar such sum as security for the costs of the inspection as the Registrar may direct.</p> <p>(3) The Registrar shall communicate the result of an inspection under this section to the creditor, to a society and to the financing bank, if any, of which the society is a member.</p> <p><b>67. Inquiry by the Registrar:-</b> (1) The Registrar may, of his own motion, by himself or by a person authorised by him, by order in writing hold an enquiry into the constitution, working and financial condition of a society.</p> <p>(2) An enquiry of the nature referred to in sub-section (1) shall be held on the application of,--</p> <p>(a) a society to which the society concerned is affiliated; or</p> <p>(b) a majority of the members of the managing committee of the society; or</p> <p>(c) not less than one-third of the total number of members of the society.</p> <p>(3) The Registrar or the person authorised by him under sub-section (1) shall, for the purpose of an enquiry under this section, have powers, namely:--</p> <p>(a) he may, notwithstanding any rule or bye-law specifying the period of notice for general meeting of the society, require the officers of the society to call a general meeting at such time and place at the headquarters of the society or any branch thereof and to determine</p>	<p><b>67. Inquiry by the Registrar:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>such matters as may be directed by him, and where the officers of the society refuse or fail to call such meeting, he shall have power to call it himself; and</p> <p>(b) any meeting called under clause (a) shall have all the powers of general meeting called under the bye-laws of the society and its proceedings shall be regulated by such byelaws except that no quorum shall be necessary for such meeting.</p> <p>(4) Where an inquiry is made under this section, the Registrar shall communicate the result of the inquiry to the society, the co-operative society, if any, to which that society is affiliated and to the persons or authority, if any, at whose instance the enquiry is made.</p> <p><i>The section provide for a statutory inquiry of a co-operative society by the Registrar or a person authorised by special order by the Registrar The enquiry may be held by the Registrar on his own motion or on the application of members. The enquiry officer during enquiry shall have the right to issue direction for calling a general meeting failing which he may call himself in which quorum shall not be necessary.</i></p> <p><b>68. Cost of inquiry :-</b> Where an inquiry is held under section 67 or an inspection is made under section 66 on the application of a creditor, the Registrar may apportion costs or such part of the costs as he may deem fit between the co-operative society to which the society concerned is affiliated, the society, the members or creditors demanding an inquiry or inspection, and the officers or former officers of the</p>	<p><b>68. Cost of inquiry:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>society;</p> <p>Provided that--</p> <p>(a) no order of apportionment of the costs shall be made under this section unless the society or the person that might be made liable to pay the costs thereunder has had a reasonable opportunity of being heard;</p> <p>(b) the Registrar shall state in writing the grounds on which the costs are apportioned.</p> <p><b>69. Surcharge:-</b> (1) If in the course of an audit, inquiry, inspection or the winding up of a co-operative society, it is found that, any person who is or was entrusted with the organisation or management of such society, or who is or has at any time been an officer or an employee of the society, has made any payment contrary to the provisions of this Act, the rules or the bye-laws or has caused any deficiency in the assets of the society by breach of trust , or wilful negligence or has misappropriated or fraudulently retained any money or other property belonging to the society, the Registrar may, of his own motion or on the application of the committee, liquidator, or any creditor, inquire himself or direct any person authorised by him, by an order in writing in this behalf, to inquire into the conduct of such person:</p> <p>[Provided that no such inquiry shall be held after the expiry of six years from the date on which any act of commission or omission referred to in this sub-section comes to knowledge.]</p> <p>(2) Where an inquiry is made under sub-section (1), the Registrar may, after giving the person concerned an opportunity of being heard, make an order</p>	<p><b>69. Surcharge. No change</b></p>	



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>requiring him to repay or restore the money or property or any part thereof with interest at such rate, or to pay contribution and cost or compensation to such extent, as the Registrar may consider just and equitable.</p> <p>(3) This section shall apply notwithstanding that the act is one for which the offender may be criminally responsible.</p> <p><i>The section gives, wide powers to the Registrar in regard to surcharge which is not restricted only to acts for which a person is criminally liable but also invests the Registrar with powers so as to cover those acts also which involve mis-application. of the funds of co-operative society for the purpose contrary to the Act and rules and bye-laws as well as which involve gross negligence resulting in loss to the society.</i></p> <p><b>70. Access to documents :-</b> The Registrar and, subject to any restriction prescribed, an auditor, arbitrator or any person conducting supervision or inspection or audit or inquiry shall at all reasonable times have free access to the books, accounts, documents, securities, cash and other properties, belonging to or in the custody of a society.</p> <p><b>71. Powers of civil court :-</b> (1) In exercising the functions conferred on him by or under this Act, the Registrar, the arbitrator or any other person deciding a dispute under section 73 and the liquidator of a co-operative society or person entitled to audit, inspect or hold any inquiry shall have all the powers or civil court while trying a suit, under the Code of Civil Procedure, (5 of 1908), 1908 in respect of the following matters :-</p>	<p><b>70. Access to documents:- No change</b></p> <p><b>71. Powers of civil court:-(1)           No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(a) summoning and enforcing the attendance of any person and examining him on oath;</p> <p>(b) requiring the discovery and production of any document</p> <p>(c) proof of facts by affidavit ; and</p> <p>(d) issuing commission for examination of witness.</p> <p>(2) In the case of affidavit, any officer appointed by the Registrar, the arbitrator, or any other person deciding a dispute and the liquidator as the case may be, may administer oath to the deponent.</p>		
<p style="text-align: center;"><b>CHAPTER IX</b> SETTLEMENT OF DISPUTES</p>	<p style="text-align: center;"><b>CHAPTER IX</b> SETTLEMENT OF DISPUTES</p>	
<p><b>72. Dispute which may be referred to arbitration</b> :— (1) Notwithstanding anything contained in any law for the time being in force, if any, dispute touching the constitution, management, or the business of a Co-operative society arises—</p> <p>(a) among members, past members, and persons claiming through members, past members, and deceased members ; or</p> <p>(b) between a member, past member or person claiming through a member, past member, or deceased member and the society, its committee or any officer, agent or employee of the society or liquidator, past or present; or</p> <p>(c) between the society, or its committee and any past committee, any officer, agent or employee, or any past officer, past agent or past employee or the nominee, heirs or legal</p>	<p><b>72. Dispute which may be referred for arbitration:</b>— (1) Notwithstanding anything contained in any other law for the time being in force, if any dispute [other than a dispute regarding service conditions of paid employee of a co-operative society] touching the constitution, management or the business of a co-operative society arises,—</p> <p>(a) among members, past members and persons claiming through members, past members, and deceased members; or</p> <p>(b) between a member, past member or person claiming through a member, past member, or deceased member and the society, its committee or any officer, agent or employee of the society or liquidator, past or present; or</p> <p>(c) between the society, or its committee and any past committee, any officer, agent or employee, or any</p>	<p>The amendment provides for the matters which may be referred for arbitration. The section excludes service matters of the employees of co-operative societies from the meaning of dispute which may be referred for arbitration. The provision provides for a dispute touching the constitution, management or business of a co-operative society to be</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>representatives of any deceased officer, deceased agent, or deceased employee of the society;</p> <p>(d) between the society and any other Co-operative society, between a society and liquidator of another society or between the liquidator of one society and the liquidator of another society; or</p> <p>(e) a surety of a member, past member or a deceased member or a person other than a member who has been granted a loan by the society under section 58 whether such surety is or is not a member of the society;</p> <p>such dispute shall be referred to the Registrar for decision and no court shall have jurisdiction to entertain by suit or other proceeding in respect of such dispute.</p> <p>(2) For the purpose of sub-section (1), the following shall be deemed to be disputes touching the constitution, management, or the business of a Co-operative society, namely;—</p> <p>(a) a claim by the society for any debt or demand due to it from a member or any employee, or the nominee, heir or legal representatives of a deceased member or an employee, whether such debt or demand be admitted or not;</p> <p>(b) a claim by a against the principal debtor where the society has recovered from a surety any amount in respect of any debt or demand due to it from the Principal debtor as a result of default of the principal debtor, whether such debt or demand is admitted or not;</p> <p>(c) any dispute arising in connection with the</p>	<p>past officer, past agent or past employee or the nominee, heirs or legal representatives of any deceased officer, deceased agent, or deceased employee of the society; or</p> <p>(d) between the society and any other co-operative society, between a society and liquidator of another society or between the liquidator of one society and the liquidator of another society; or</p> <p>(e) between a surety of a member, past member or a deceased member or a person other than a member who has been granted a loan or an advance by the society whether such surety is or is not a member of the society;</p> <p>such dispute shall be referred to the Registrar for decision and no court shall have jurisdiction to entertain any suit or other proceeding in respect of such dispute.</p> <p>(2) For the purpose of sub-section (1), the following shall be deemed to be disputes touching the constitution, management, or the business of a co-operative society, namely:-</p> <p>(a) a claim by the society for any debt or demand due to it from a member or any employee, or the nominee, heir or legal representatives of a deceased member or an employee, whether such debt or demand be admitted or not;</p> <p>(b) a claim by a surety against the principal debtor where the society has recovered from a surety any amount in respect of any debt or demand due to it from the principal debtor as a result of default of the principal debtor, whether such debt or demand is admitted or not;</p> <p>(c) any dispute arising in connection with the election of any officer of the managing committee of the</p>	<p>resolved through arbitration. The clauses (a) to (e) specify the dispute of a society touching its const. management or the business etc. The section specifically bars jurisdiction of courts in such matters. Election matters are also included as dispute under the amended provision. The decision of the RCS shall be final in cases whether the matter constitute a dispute or not. RCS to make a reference in the register of dispute.</p>

<b>H.P. Co-operative Societies Act ,1968</b>	<b>H.P. Co-operative Societies Act, 2012</b>	
<p>election of any officer or the society.</p> <p>(3) if any question arises whether a dispute referred to the Registrar under the section is or is not a dispute touching the constitution, management or the business of a Co-operative society, decision, thereon, of the Registrar shall be final and shall not be called in question in any court.</p> <p><b>73. Reference of disputes to arbitration :-</b> (1) The Registrar may, on receipt of the reference of a dispute under section 72, -</p> <p>(a) decide the dispute himself ; or</p> <p>(b) transfer it for disposal to any person who has been invested by the State Government with powers in that behalf ; or</p> <p>(c) refer it for disposal to an arbitrator.</p> <p>(2) The Registrar may withdraw any reference transferred under clause (b) of sub-section (1) or referred under clause (c) of that sub-section and</p>	<p>society:</p> <p>Provided that no dispute shall be referred to the Registrar during the process of elections of the board of the society.</p> <p>(3) If any question arises whether a dispute referred to the Registrar under this section is or is not a dispute touching the constitution, management or the business of a co-operative society, decision, thereon, of the Registrar shall be final and shall not be called in question in any court.</p> <p>(4) When a party to the dispute referred to in sub-section (1) desires to have disputes determined in accordance with this section, the party shall apply to the Registrar in writing, stating the substance of the dispute and the names and addresses of the other party in such form as the Registrar may lay down from time to time.</p> <p>(5) When the Registrar is satisfied that the reference made under this section is a dispute, he may make a note of the reference in the 'Register of Disputes' maintained for the purpose.</p> <p><b>73. Reference of disputes to arbitration:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>decide it himself or refer the same to another arbitrator for decision.</p> <p>(3) The Registrar or any other person to whom dispute is referred for decision under this section may, pending the decision of the dispute, make such interlocutory orders as he may deem necessary in the interest of justice.</p> <p>(4) The Registrar or the arbitrator to whom the dispute is referred, after giving the parties a reasonable opportunity of being heard, shall give the decision or award as the case may be.</p> <p>(5) Where the decision or award has been made in the absence of a party, the said party, if aggrieved, may apply within one month of the date of such decision or award for an order to set aside such decision or award and if it satisfies the Registrar or the arbitrator that there was sufficient cause of its non-appearance when the matter was called on for hearing, the Registrar or arbitrator shall make an order setting aside his decision or award as the case may be.</p> <p><i>All reference of disputes shall be made to the Registrar who may arbitrate himself or appoint another officer of the department to do so or may appoint any other arbitrator. No provision is made in the section for the constitution of a panel of arbitrators; as reference of disputes to more than one arbitrator, is likely to impede a speedy settlement of disputes.</i></p> <p><b>74. Attachment before award :-</b> Where a dispute has been referred to the Registrar under section 72 or transferred or referred to arbitration under clauses (b)</p>	<p><b>74. Attachment before award:-</b> No change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>and (c) of sub-section (1) of section 73, the Registrar or the person invested with the powers to decide such dispute or the arbitrator, as the case may be. If satisfied on inquiry or otherwise that a party to such arbitration with intent to delay or obstruct the execution of any award that may be made:-</p> <p>(a) is about to dispose of the whole or any part of his property or</p> <p>(b) is about to remove the whole or any part of his property from the jurisdiction of the Registrar may, unless adequate security is furnished, direct a conditional attachment, and such attachment shall have the same effect as if made by a competent civil court.</p> <p><i>The section empowers the authority with whom a dispute is pending final decision, to order attachment of property of a party who is trying to alienate property in order to evade its attachment in consequence of decision or award being given against the party. Such attachment order has the same effect as if made by the competent Civil Court.</i></p> <p><b>75. Finality of award :-</b> The award of the arbitrator or a decision by the Registrar, or the person invested with the power to decide disputes, under section 73 shall not be liable to be called in question in any civil or revenue court.</p> <p><b>76. Notice necessary in suits :-</b> No suit shall be instituted against a society or any of its officers in respect of any act touching the constitution, management or the business of the society, until the expiration of two months after notice in writing has been delivered to the Registrar or left at his office, stating the cause of action, the name, description and</p>	<p><b>75. Finality of award:- No change</b></p> <p><b>76. Notice necessary in suits:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>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.</p> <p><i>Notwithstanding anything contained in section 72 a suit cannot be instituted against a society or any of its officers (concerning the constitution, management or business of the society) unless two months period has expired after notice in writing has been delivered to the Registrar stating the cause of action. The object is to save the societies from unnecessary involvement in litigation and further to apprise the Registrar of the prospective disputes in which the society would be a party.</i></p> <p><b>77. Power of Registrar to sanction compromise between a society and its creditors :-</b> (1) Notwithstanding anything contained in this Act. where a compromise or arrangement is proposed between a society and its creditors or creditors or any class of them, the Registrar, upon an application made in the prescribed manner by the society or by any creditor, or in the case of a society in respect of which an order has been passed for the winding up thereof, by the liquidator, may order has been passed for the winding up thereof, by the liquidator, may order a meeting of the creditors or the class of creditors, as the case may be, to be called, held and conducted in such manner as may be prescribed.</p> <p>(2) If a majority in number of its creditors, or the class of the creditors, as the case may be representing claims to three-fourth of the debts due by the society to the creditors, or the class of the creditors, present either in person or by proxy at the meeting agree to</p>	<p><b>77. Settlement of disputes through compromise:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Registrar, upon publication in the prescribed manner, be binding on all the creditors or the class of creditors, as case may be and also on the society or, in the case of society in respect of which an order has been passed for the winding up thereof, on the liquidator and on all persons who have been or may be required by the liquidator under section 80 to contribute to the assets of the society.</p> <p style="text-align: center;"><b>CHAPTER X</b> <b>WINDING UP AND DISSOLUTION OF CO-OPERATIVE SOCIETIES</b></p> <p><b>78. Order for the winding up of a society :-</b> (1) The Registrar may, and if the rules in any case so prescribe, shall, by an order in writing, direct that a co-operative society shall be wound up, if -</p> <p>(a) after an inspection has been made under section 65 or section 66 or any inquiry has been held under section 67 : or</p> <p>(b) on an application made upon a resolution carried by three-fourth of the members of the society present at special general meeting called for the purpose ; or</p> <p>(c) on his own motion in the case of a society which -</p> <p>(i) has not commenced working; or</p> <p>(ii) has ceased working ; or</p> <p>(iii)has share capital and members' deposits not exceeding rupees on thousand ; or</p>	<p style="text-align: center;"><b>CHAPTER X</b> <b>WINDING UP AND DISSOLUTION OF CO-OPERATIVE SOCIETIES</b></p> <p><b>78. Order for the liquidation of a society:-</b> (1) A co-operative society may be liquidated by —</p> <p>(a) <b>voluntary liquidation</b> on an application made upon a resolution carried by at least three-fourth of the members of the society present at special general meeting called for the purpose; or</p> <p>(b) compulsory liquidation if,—</p> <p>(i) membership becomes less than that provided for in section 7; or</p> <p>(ii) the annual general meeting is not held successively three times for want of quorum; or</p> <p>(iii) the society has not commenced its working for more than a year from the date of registration; or</p> <p>(iv) the society has ceased working for two successive years; or</p>	<p>The amended section provides for the voluntary liquidation by the society and compulsory liquidation by the Registrar by appointment of liquidator. The liquidator is to take over under his control or custody all the properties, effects and actionable claims etc. and take steps to prevent loss or deterioration of, damage to, such property, effects and</p>



<b>H.P. Co-operative Societies Act ,1968</b>	<b>H.P. Co-operative Societies Act, 2012</b>	
<p>(iv)has ceased to comply with any condition as to registration in this Act or in the rules or bye-laws ;</p> <p>he is of the opinion that the society ought to be wound up.</p> <p>(2) A copy of such order shall be communicated in the prescribed manner to the society and to the financing bank, if any, of which the society is member.</p> <p>(3) The order shall take effect -</p> <p>(a) where no appeal is preferred under section 93 on the expiry of the time allowed for preferring an appeal ; or</p> <p>(b) where an appeal is preferred, upon the rejection of the appeal by the appellate authority.</p>	<p>(v) on the receipt of an audit report under section 63 or an inquiry report under section 67 recommending liquidation ; or</p> <p>(vi)the society has share capital and members' deposits amounting to less than the amount specified by the Registrar from time to time; or</p> <p>(vii)the society has ceased to comply with any condition as to registration in this Act or in the bye-laws;</p> <p>and the Registrar is of the opinion that the society ought to be liquidated:</p> <p>Provided that if the society is indebted to a financing bank, the Registrar shall not put the society under liquidation unless he gives an opportunity of being heard to the financing bank.</p> <p>(2) In the case of voluntary liquidation, an application for liquidating the society shall be submitted to the Registrar and published in at least two local newspapers by the society giving details of its assets and liabilities and causes for putting it under liquidation.</p> <p>(3) On receipt of the application under sub-section (2), the Registrar shall, after inviting objections from all persons likely to be adversely affected and, after satisfying himself, that either there are no objections within thirty days of the receipt of such application, or in case objections have been received within the said period of 30 days, the said objections have been duly considered, put the society under liquidation.</p> <p>(4) In the case of compulsory liquidation, the Registrar shall, after giving the society and all persons likely to be adversely affected a show cause notice and an opportunity of being heard, by an order in writing,</p>	<p>claims. The order of liquidation is appealable and liquidator continue to have control of the society pending decision. In case of setting aside of order of liquidation, the property and all claims etc shall again vests in the society. No interests is to be charged from a society under liquidation during the period it remains as such.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>79. Appointment of a liquidator :-</b> (1) Where the</p>	<p>containing the reasons for placing the society under liquidation, direct that the society be liquidated, if the co-operative society fails to give satisfactory explanation within thirty days from the date of receipt of such notice and no objections are filed by any person.</p> <p>(5) In case, the co-operative society is not satisfied with the order of liquidation, it may prefer an appeal within sixty days of the said order.</p> <p>(6) The order under sub-section (3) and (4) shall take effect_____</p> <p>(a) where no appeal is preferred under section 93 on the expiry of the time allowed for preferring an appeal; or</p> <p>(b) where an appeal is preferred, upon the rejection of the appeal by the appellate authority.</p> <p>(7) When the Registrar passes an order under this section directing the liquidation of a co-operative society, he shall —</p> <p>(a) publish the order, if the liability of the society exceeds rupees ten lacs, both in the Official Gazette, and the local newspaper;</p> <p>(b) communicate the order to the society by registered post; and</p> <p>(c) send a copy of the order to the society, and to the financing bank, if any, of which the society is a member.</p> <p>(8) No interest on loan and/or cash credit limit shall be charged by any financing bank or any society from a society under liquidation for the period the society remained under liquidation, even if the Registrar revives the society by canceling the order of liquidation.</p> <p><b>79. Appointment of liquidator:-</b> No change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>Registrar has made an order under section 78 for the winding up of a society, he may, in accordance with rules, appoint a liquidator may remove him and appoint another in his place' and may also fix his remuneration.</p> <p>(2) The registrar may, if the circumstances require, appoint by nomination from the share holders of the society, a liquidation committee, comprising not more than seven and not less than three share holders, to advise and assist the liquidator, and may at any time remove any member of the committee or the whole committee and appoint another in his or its place,, as the case may be.</p> <p>(3) A liquidator shall, on appointment take into his custody or under his control all the property, effects and actionable claims to which the society is or appears to be entitled and shall takes such steps as he may deem necessary or expedient, to prevent loss or deterioration of, damage to such property, effects and claims.</p> <p>(4) where an appeal is preferred under section 93, the liquidator shall, pending the decision of the appeal, continue to have custody or control of the property, effects and actionable claims mentioned in subsection (3) and have authority to take the steps referred to in that subsection.</p> <p>(5) Where an order of winding up of a society is set aside in appeal, the property, effects and actionable claims of the society shall re-vest in the society.</p> <p><i>If the Registrar so desires he may constitute a liquidation committee comprising of not more than seven and not less than three members of the society to advise the liquidator during liquidation</i></p>		

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><i>proceedings.</i></p> <p><b>80. Powers of liquidator:-</b> (1) Subject to any rules made in this behalf, the whole of the assets of a society in respect of which an order for winding up has been made, shall vest in the liquidator appointed under section 79 from the date on which the order takes effect and the liquidator shall have power to realise such assets by sale or otherwise.</p> <p>(2) Such liquidator shall also have power subject to control of the Registrar, --</p> <ul style="list-style-type: none"> <li>(a) to institute and defend suits and other legal proceedings on behalf of the society by the name of his office;</li> <li>(b) to determine, from time to time, the contribution (including debts due) to be made or remaining to be made by the members or the past members or by the estate, or nominees heirs or legal representatives of deceased members or by any officers or former officers, to the assets of the society;</li> <li>(c) to investigate all claims against the society and, subject to the provisions of the Act, to decide questions of priority arising between claimants ;</li> <li>(d) to pay claims against the society including interest upto the date of winding up according to their respective priorities, if any, in full or rateably, as the assets of the society may permit ; the surplus, in any, remaining after payment of the claims being applied in payment of interest from the date of such order of winding up at a rate fixed by him, but not exceeding the contract rate in any case;</li> </ul>	<p><b>80. Powers of liquidator:- No change</b></p>	

<b>H.P. Co-operative Societies Act ,1968</b>	<b>H.P. Co-operative Societies Act, 2012</b>	
<ul style="list-style-type: none"> <li>(e) to calculate the cost of liquidation and to determine by what person and in what proportions they are to be borne ;</li> <li>(f) to determine whether any person is a member, past member or nominee of deceased member;</li> <li>(g) to give such directions in regard to the collection and distribution of the assets of the assets of the society as may appear to him to be necessary for winding up of the affairs of the society;</li> <li>(h) to carry on business of the society so far as may be necessary far the beneficial winding up of the same;</li> <li>(i) to make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging to have any claim present or future whereby the society may be rendered liable to make any compromise or arrangement with any person between whom and the society there exists any dispute and between whom and the society there exists any dispute and to refer any such dispute to arbitration ;</li> <li>(k) after consulting the members of the society, to dispose of the surplus, if any, remaining after paying the claims against the society ; and</li> <li>(l) 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 continent, subsisting or supposed to subsist between the society and a contributory or alleged contributory or other debtor or</li> </ul>		

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>person apprehending liability to the society and 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..</p> <p>“[(3) Any private transfer or delivery of, or an encumbrance or charge on property, made or created after the order of the liquidator under this section shall be null and void as against the society under liquidation.]”</p> <p><b>81. Priority of contribution assessed by liquidator :-</b> Notwithstanding anything contained in the Provincial Insolvency Act, 1920, (5 of 1920) the contribution assessed by liquidator shall rank next to debts due to the Government or to any local authority in order of priority in insolvency proceedings.</p> <p><b>82. Liquidator to deposit the books and submit final report:-</b> When the affairs of a society have been wound up, the liquidator shall make a report to the Registrar and deposit the records of the society in such place as the Registrar may direct.</p>	<p><b>81. Priority of contribution assessed by liquidator:-</b> <b>No change</b></p> <p><b>82. Final report of the liquidator:-</b>(1) At the conclusion of the liquidation proceedings, the liquidator shall call a general meeting of the society ordered to be liquidated under section 78 (1)(b) and place before such meeting,—</p> <ul style="list-style-type: none"> <li>(g) a summary of his proceedings; and</li> <li>(ii) a report on the cause of the failure of the society.</li> </ul> <p>(2) The general meeting after due consideration of the report placed by the liquidator may, by a resolution, request the Registrar to cancel the registration or the order for liquidation of the society, as it thinks fit.</p> <p>(3) After the general meeting is held, the liquidator shall submit a final report to the Registrar together with a copy of resolution referred to in sub-section(2).</p> <p>(4) If the general meeting referred to in sub-section (2) is</p>	<p>The amended section provides for final report of liquidator after the liquidator concluded the proceedings. This section requires liquidator to call AGM of the society U/L and place before such meeting summary of his proceedings, report of the cause of failure of the society. The general meeting shall take a decision by resolution to</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>83. Power of Registrar to cancel order of winding up or of registration of co-operative society:-</b> (1) The Registrar may cancel an order for the winding up of the society in any case where in his opinion, the society should continue to exist.</p> <p>(2) In any other case, the Registrar shall, after considering the report of the liquidator, if any, order the registration of the society to be cancelled.</p> <p><b>83-A NIL</b></p> <p><b>84. Bar or suit in winding up and dissolution matters:-</b> Save in so far as it is 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 except by leave of the Registrar and subject to such terms as he may impose.</p>	<p>not held for want of quorum, the liquidator shall directly submit his final report to the Registrar.</p> <p><b>83. Power of Registrar to cancel order of liquidation or of registration of a co-operative society:-</b> (1) The Registrar may, on receipt of the final report of the liquidator, along with a resolution of the general meeting seeking cancellation of the order for liquidation of the society, cancel the order for the liquidation of the society in any case where in his opinion, the society should continue to exist.</p> <p>(2) In any other case, the Registrar shall, after considering the report of the liquidator, if any, after affording the affected parties an opportunity of being heard, order the registration of the society to be cancelled.</p> <p><b>83-A. Term of liquidation proceedings:-</b> The liquidation proceedings of a society shall be completed within a period of five years from the date on which the order of liquidation takes effect unless the period is extended by the Registrar whether before or after the expiry of the said period of five years.</p> <p><b>84. Bar on suit in liquidation and dissolution matters:- No change</b></p>	<p>request RCS to cancel registration or revoke the order etc.</p> <p>The amended section provide for power of the RCS to cancel the order of liquidation or of registration of the society on receipt of the final report of liquidator and resolution of the general body.</p> <p>The new section has been added to provide for specific period of five years to complete liquidation proceedings unless extended by RCS.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>85. Disposal of surplus assets:-</b> After all the liabilities including the paid up share capital of a cancelled society have been met, the surplus assets shall not be divided amongst its members but they shall be devoted to any objects or objects described in the bye-laws of the society and when no object is so described to any object of public utility, determined by the general meeting of the society and in case of failure of the general meeting to determine the aforesaid object within the prescribed period, they may be assigned by the Registrar either in whole or in part to any or all of the following :-</p> <ul style="list-style-type: none"> <li>(a) an object of public utility of local interest including co-operative education fund;</li> <li>(b) a charitable purpose as defined in section 2 of the Charitable Endowments Act, 1890 (5 of 1890);</li> <li>(c) financing bank until such time as a new society with similar object is registered in the same or neighbouring area when with the consent of the Registrar such surplus may be credited to the reserve fund of such new society.</li> </ul> <p style="text-align: center;"><b>CHAPTER XI</b> EXECUTION OF AWARDS, DECREES, ORDERS AND DECISIONS</p> <p><b>86. Enforcement of charge :-</b> Notwithstanding anything contained in Chapter IX or any other law for</p>	<p><b>85. Disposal of surplus assets :-</b> The surplus assets, as shown in the final report of the liquidator of a society which has been liquidated, may either be divided amongst its members with the previous sanction of the Registrar or be devoted to any object or objects provided in the bye-laws of the society, if they specify that such a surplus shall be utilised for the particular purpose or may be utilized for both the purposes or, where the surplus is not so divided amongst the members and the society has no such bye-laws, the surplus shall vest in the Registrar who shall distribute the surplus, in the manner he thinks fit, amongst any or all the following:-</p> <ul style="list-style-type: none"> <li>(a) an object of public utility of local interest including co-operative education fund;</li> <li>(b) a charitable purpose as defined in section 2 of the Charitable Endowments Act, 1890 (5 of 1890).</li> </ul> <p style="text-align: center;"><b>CHAPTER XI</b> EXECUTION OF AWARDS, DECREES, ORDERS AND DECISIONS</p> <p><b>86. Enforcement of charge:-</b> No change</p>	<p>The amendment provide for disposal of surplus assets by the liquidator. It provide for such assets either to be divided amongst members with prior sanction of RCS or be utilized to any object provided in the bye laws. In absence of above, RCS is empowered to distribute surplus assets as specified in clauses (a) &amp; (b).</p>



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>the time being in force but without prejudice to any other mode of recovery provided in this Act, the Registrar or any person subordinate to him empowered by the Registrar in this behalf, may, on the application of a society, make an order directing the payment of any debt or outstanding demand due to the society, by any member or past or deceased member by sate of the property or any interest therein which is subject to a charge under section 52:</p> <p>Provided that no order shall be made under this section, unless the member, past member or the nominee, heir or legal representative of the deceased member has been served with a notice in the manner prescribed.</p> <p><i>The section exclusively gives privilege to the co-operative societies to effect recoveries of any debt or demand due to them from and member, by applying to the Registrar, who either himself or through a person empowered by him shall issue an order directing the payment of such debt.</i></p> <p><b>86-A. Power of a financing bank to proceed against defaulting members of a co-operative society :-</b> (1) If a co-operative society is unable to pay its debts to a financing bank according to the terms of an agreement to this effect by reason of its members committing default in the payment of moneys, due by them, the financing bank may direct the committee of such society to proceed against such members by taking action under section 72, 73, 74, 75, 76, 86, 87, 89, 90 and 90-A of the Act.</p> <p>(2) If the committee of the co-operative society fails to proceed against its defaulting members within a period of ninety days from the date of receipt of such</p>	<p><b>86-A. Power of a financing bank to proceed against defaulting members of a co-operative society:-</b> No change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>direction from the financing bank, the financing bank itself may proceed against such defaulting members in which event, the provisions of section 72, 73, 74, 75, 76, 86, 87, 89, 90 and 90-A of the Act, the rules and bye-laws made thereunder, shall apply as if all references to the society or its committee in the said provisions of this act, rules and the bye-laws were reference to the financing bank.</p> <p>(3) After recovery of dues from the defaulter members of such society, the respective loan accounts of such members in the society and those of the society in the bank shall be credited proportionately by the society and the financing bank respectively.</p> <p><b>86-B. Power of financing bank to proceed against the members of a co-operative society :-</b> Where a financing bank has obtained a decree or award against a co-operative society in respect of money due to it from the society the financing bank may proceed to recover such money, firstly from the available assets of the society and thereafter from the members of the society to the extent of their debts due to the society :</p> <p>Provided that the financing bank while proceeding against the indebted members of such society under this section shall first proceed against the defaulting members of the society and their sureties to recover such amount as may remain unsatisfied from the available assets of the society."</p> <p><b>87-Execution of order:-</b> (1) Every order made by the Registrar under section 69 or under section 86, every decision or award made under section 73 and every order made under section 93, or 94, shall, if not</p>	<p><b>86-B. Power of financing bank to proceed against the members of a co-operative society:-</b> No change</p> <p><b>87. Execution of order:-</b> (1) Every order made by the Registrar under section 69 or under section 86, every decision or award made under section 73, every order made by the liquidator under section 80 and every order</p>	<p>The amendment provides for execution of orders made under the Act by the</p>

<b>H.P. Co-operative Societies Act ,1968</b>	<b>H.P. Co-operative Societies Act, 2012</b>	
<p>carried out, be executed according to the law and under the rules for the time being in force for the recovery of arrears to land revenue:</p> <p>Provided that an application for the recovery of any sum shall be made-</p> <p>(i) to the collector and shall be accompanied by a certificate signed by the Registrar or by any person authorised by him in this behalf,</p> <p>(ii) within twelve years from the date fixed in the order, decision or award and if no such date is fixed, from the date of order, decision or award.]</p> <p>(2) Any private transfer or delivery of, or encumbrance or charge on, property, made or created after the issue of the certificate of the Registrar or any person authorised by him, as the case may be, under sub-section (1), shall be null and void as against the society on whose application the said certificate was issued.</p>	<p>made under section 93, 94 or 94-A shall, -</p> <p>(a) be deemed to be a decree of a civil court and shall be executed in the same manner as decree of such court; or</p> <p>(b) be executed by the Registrar or any person subordinate to him, empowered by the Registrar in this behalf, by the attachment and sale or by sale without attachment of any property of the person or of the co-operative society against whom the order, decision or award has been obtained or passed; or</p> <p>(c) be executed according to the law for the time being in force for the recovery of arrears of land revenue:</p> <p>Provided that an application for the recovery of any sum in the last aforesaid manner shall be made--</p> <p>(i) to the Collector and shall be accompanied by a certificate signed by the Registrar or by any person authorised by him in this behalf; and</p> <p>(ii) within twelve years from the date fixed in the order, decision or award and if no such date is fixed, from the date of order, decision or award.</p> <p>(2) Any private transfer or delivery of, or encumbrance or charge on, property made or created after the issue of the certificate of the Registrar or any person authorised by him, as the case may be, under sub-section (1) shall be null and void as against the society on whose application the said certificate was issued.</p>	<p>authorities as ALR. Every order or decision is to be deemed as a decree of the civil court. The Registrar or the Collector is empowered to execute the order/award/ decision made under the Act as ALR. The manner, procedure and time limit etc. to proceed before collector is specified under clauses (i) &amp; (ii).</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>88. Execution of orders of liquidators:-</b> The orders of the liquidator under section 80 shall be executed according to the Act and under the rules for time being in force for the recovery of arrears of land revenue.</p> <p><b>89. Registrar or person empowered by him to be civil court for certain purposes:-</b> The Registrar or any person empowered by him in this behalf shall be deemed, when exercising any power under this Act for the recovery of any amount by the attachment and sale or by the sale without attachment of any property, or when passing any orders on any application made to him for such recovery or for taking a step in aid of such recovery ; to be civil court for the purpose of Article 136 of the 1<sup>st</sup> Schedule to the Limitation Act, 1963. (36 of 1963).</p> <p><b>90. Recovery of sums due to Government :—</b> (1) All sums due from a cooperative society or from an officer or member or past member of a society as such, to Government, including any costs awarded to Government under any provision of this Act may, on a certificate issued by the Registrar in this behalf, be recovered in the same manner as arrear of land revenue.</p> <p>(2) Sums due from a society to Government and recoverable under sub-section (1) may be recovered, firstly, from the property of the society; secondly, in the case of a society the liability of the members of which is limited, from the members, past members or the estates of deceased members, subject to the limit of their liability; and thirdly, in the case of other societies, from the members, past members or the estates of the deceased members:</p>	<p><b>88. Deleted</b></p> <p><b>89. Registrar or person empowered by him to be civil court for certain purposes:- No change</b></p> <p><b>90. Recovery of sums due to Government :— No change</b></p>	<p>The section is deleted as the execution of orders of liquidator has been provided in amended section 87.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>Provided that the liability of past members and the estates of deceased members shall in all cases be subject to the provisions of section 29.</p> <p><b>90-A. Recovery of crop loans :—</b> (1) Notwithstanding anything contained in section 72 or section 73 or section 87, Co-operative society undertaking the financing of crops or seasonal agricultural finance, may apply to the Registrar for the recovery of arrears of any sum advanced by the society to any of its members on account of the financing of crops of seasonal agricultural finance and shall attach with such application a statement or accounts in respect of such arrears.</p> <p>(2) On receiving an application under sub-section (1), the Registrar may, after making such enquiries as he deems fit and after affording the member concerned an opportunity of being heard, grant a certificate for recovery of the amount stated therein to be due as such arrears.</p> <p>(3) Where the Registrar is satisfied that a Co-operative society has failed to take action under sub-section (1) against any of its members, the Registrar on his own motion, may after making such enquiries as he deems fit and affording an opportunity of being heard to the member concerned proceed to grant a certificate referred to in sub-section (2).</p> <p>(4) A certificate granted by the Registrar under this section shall be final and conclusive proof of the arrears due therein and the same shall be recoverable according to the law for the time being in force for the recovery of the arrears of land revenue.</p> <p><b>Explanation:—</b> For the purpose of this section:—</p>	<p><b>90-A. Recovery of crop loans:— No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(a) “Financing of crops” means advancing of loans for raising of crop during the ploughing season or later for ploughing, sowing, harrowing, weeding, harvesting,, purchase of seeds or manure or for such other agricultural purposes as may be prescribed, such loans being repayable during season when the crops for which the loans were advanced are harvested;</p> <p>(b) “Seasonal agricultural finance” means advancing of loans for such agricultural purposes as may be prescribed, such loans being repayable on or before such date as may be prescribed in this behalf by the State Government and different dates may be prescribed for different loans.</p> <p><b>91. Indemnity :-</b> No suit, prosecution or other legal proceedings whatever 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 purporting to have been done under this Act.</p> <p style="text-align: center;"><b>CHAPTER XII</b> <b>JURISDICTION, APPEAL AND REVIEW</b></p> <p><b>92. Bar of jurisdiction of courts:-</b> (1) Save 'as provided in this Act, no civil or revenue court shall have any jurisdiction in respect of,--</p> <p>(a) the removal of a committee;</p> <p>(b) any dispute required under section 72 to be referred to the Registrar; and</p>	<p><b>91. Indemnity:-</b> No change</p> <p style="text-align: center;"><b>CHAPTER XII</b> <b>JURISDICTION, APPEAL, REVIEW AND REVISION</b></p> <p><b>92. Bar of jurisdiction of courts:-</b> No change</p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(c) any matter concerning the winding up and the dissolution of a society,</p> <p>(2) While a co-operative society is being wound up, no suit or other legal proceedings relating to the business of such society shall be proceeded with or instituted against the liquidator as such, or against the society or any member thereof, except by leave of the Registrar and subject to such terms as he may impose.</p> <p>(3) Save as provided in this Act, no order, decision or award made under this Act shall be questioned in any court on any ground whatsoever.</p> <p><b>93. Appeal :—</b> An appeal shall lie under this section against—</p> <p>(a) an order of the Registrar made under sub-section (4) of section 8 refusing to register a society;</p> <p>(b) an order of the Registrar made under sub-section (4) of section 11 refusing to register an amendment of the bye-laws of a society;</p> <p>(c) a decision of a society refusing to admit any person as a member of the society who is otherwise duly qualified for membership under the bye-laws of the society;</p> <p>(d) a decision of a society expelling any of its members;</p> <p>(e) an order of the Registrar removing the committee of a Co-operative society under section 37;</p> <p>(f) an order of the Registrar under section 68 apportioning the cost of the enquiry held</p>	<p><b>93. Appeal:-</b> (1) An appeal shall lie under this section against—</p> <p>(d) an order of the Registrar made under sub-section (4) of section 8 refusing to register a society;</p> <p>(b) an order of the Registrar made under sub-section (4) of section 11 refusing to register an amendment of the bye-laws of a society;</p> <p>(c) a decision of a society refusing to admit any person as a member of the society who is otherwise duly qualified for membership under the bye-laws of the society;</p> <p>(d) a decision of a society expelling any of its members;</p> <p>(e) an order of the Registrar removing the committee of a Co-operative society under section 37;</p> <p>(f) an order of the Registrar under section 68 apportioning the cost of the enquiry held under</p>	<p>Clauses (l) and (m) have been deleted as the main sections 11-A and 14-A have been deleted. The amendment provides for a remedy by way of an appeal against any action/ order made under the Act by a society or any authority as specified under clauses (a) to (k). The section provides for time limit to prefer an appeal under it i.e. within 60 days from the date of decision or order. The section has specified the authority before such appeal lies against the</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>under section 67 or an inspection made under section 66;</p> <p>(g) any order of surcharge under section 69;</p> <p>(h) any decision or award made under section 73;</p> <p>(i) an order made by the Registrar under section 78 directing the winding up or Co-operative society;</p> <p>(j) any order made by the liquidator of a society in exercise of the powers conferred on him by section 80;</p> <p>(k) any order made under section 74;</p> <p>(l) an order of the Registrar made under sub-section (2) of section 11-A; or</p> <p>(m)an order of the Registrar made under sub-section (1) of section 14-A.</p> <p>(2) An appeal against any decision or order under sub-section (1) shall be made within sixty days from the date of decision or order,—</p> <p>(a) If the decision or order was made by the Assistant Registrar or the Deputy Registrar, to the Registrar or such Additional Registrar or Joint Registrar as may be authorized by him in this behalf; or</p> <p>(b) if the decision or order was made by the Joint Registrar, the Additional Registrar or the Registrar, to the government ; or</p> <p>(c) if the decision or order was made by any other person, to the Registrar or such Additional Registrar, Joint Registrar, Deputy Registrar or Assistant Registrar as may be authorized by him in this behalf,</p> <p>(3)No appeal shall lie under this section from any</p>	<p>section 67 or an inspection made under section 66;</p> <p>(g) any order of surcharge under section 69;</p> <p>(h) any decision or award made under section 73;</p> <p>(i) an order made by the Registrar under section 78 directing the winding up or Co-operative society;</p> <p>(j) any order made by the liquidator of a society in exercise of the powers conferred on him by section 80;</p> <p>(k) any order made under section 74.</p> <p>(2) An appeal against any decision or order under sub-section (1) shall be made within sixty days from the date of decision or order,--</p> <p><b>(a) if the decision or order was made by the Assistant Registrar or the Deputy Registrar, to the Registrar or such Additional Registrar or Joint Registrar as may be authorised by the Registrar in this behalf; or</b></p> <p><b>(b) if the decision or order was made by the Joint Registrar or Additional Registrar or Registrar, to the State Government; or</b></p> <p><b>(c) if the decision or order was made by any other person, to the Registrar or such Additional Registrar or Joint Registrar or Deputy Registrar or Assistant Registrar as may be authorised by the Registrar in this behalf:</b></p> <p>Provided that the appellate authority may entertain the appeal after the expiry of the said period of sixty days if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.</p>	<p>orders of authorities below. The 2<sup>nd</sup> appeal is prohibited. The appeal to be presented before the authority in a manner prescribed. Further the appellate authority may entertain the appeal after limitation if sufficient cause exists.</p>



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>decision or order made by any authority in appeal.</p> <p><b>94. Review and Revision :—</b> (1) The State Government except in a case in which an appeal is preferred under section 93 may call for an examine the record of any inquiry or inspection held or made under this Act or any proceedings of the Registrar or of any person subordinate to him or acting on his authority, and may pass thereon such orders as it thinks fit.</p> <p>(2) The Registrar may at any time,—</p> <p>(a) review any order passed by himself; or</p> <p>(b) call for and examine the record of any inquiry or inspection held or made under this Act or the proceedings of any person subordinate to him or acting on his authority and if it appears to him that any decision, order or award or any proceedings so called or should for any reason be modified, annulled or reversed, may pass such order thereon as he thinks fit;</p> <p>Provided that, before any order is made under sub-section (1) and (2), the State Government or the</p>	<p>(3) No further appeal shall lie under this section from any decision or order made by the Registrar or any person subordinate to him in appeal.</p> <p>(4) An appeal under this section shall be presented, heard and decided in the manner as may be prescribed.</p> <p><b>94. Review:—</b> (1) Any person considering himself aggrieved by an order of any authority under this Act, and who, from the discovery of any new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when such order was made, or on account of some mistake or error apparent on the face of the record, desires to obtain a review of the order made against him, may within 90 days from the date of communication of such order, apply for a review of such order to the authority who made the order.</p> <p>(2) Any authority under this Act may <i>suo-motu</i>, within ninety days from the date of any order passed by him, rectify any clerical or arithmetical mistake apparent on the face of the record.</p> <p>(3) Before any order is made under sub-section (1) or (2), any person likely to be affected adversely by such order shall be given an opportunity of being heard.</p>	<p>The amendment provide for remedy by way of review of an order of any authority under this Act. within 90 days from the date of communication of such orders before the authority who made the order. The purpose of the section is to rectify any wrong or mistake apparent on the order. The section empower the authority to suo-motu within ninety days from the date of any order passed by him; rectify any clerical or arithmetical mistake apparent on the face of</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>Registrar as the case may be shall afford to any person likely to be affected adversely by such orders an opportunity or being heard.</p> <p>“Provided further that every application under sub-section (1) and (2), to the State Government or the Registrar, as the case may be shall be made within ninety days from the date of the communication of the order sought to be reviewed or revised.”</p> <p><b>94-A. Nil</b></p> <p><b>95. Interlocutory orders :-</b> Where an appeal is made under section 93 or where the Government or the Registrar calls for the record of a case under section 94, the appellate authority or the Government or the Registrar, as the case may be, may, in order to prevent the ends of justice being defeated, make such interlocutory orders, including an order of stay, pending the decision of the appeal or revision as the authority of the Government or the Registrar, may</p>	<p><b>94-A. Revision:-</b> The State Government may <i>suo-motu</i> or on an application of an aggrieved party, call for and examine the record of any proceedings under this Act and the rules framed thereunder in which no appeal lies to the Government under section 93 for the purpose of satisfying itself as to the legality or propriety of any decision or order passed and if in any case it shall appear to the Government that any such decision or order should be modified, annulled or revised, the Government may, after giving the persons affected thereby an opportunity of being heard, pass such order thereon as it may deem fit.</p> <p><b>95. Interlocutory orders:- No change</b></p>	<p>the record. The section provide for affording opportunity to the persons likely to be affected adversely by such review.</p> <p>The new section provides for revision of any order or proceedings under the Act before the State Govt. within 90 days of communication any order or proceedings etc. The State Govt. is empowered to pass appropriate order after affording reasonable opportunity of being heard to persons adversely affected.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>deem fit.</p> <p style="text-align: center;"><b>CHAPTER XIII</b></p> <p style="text-align: center;"><b>OFFENCES AND PENALTIES</b></p> <p><b>96. Offences :—</b>(1) Any person other than a Co-operative society carrying on a business under any name or title of which the word “Co-operative” or its equivalent in any Indian language is part without the sanction of the Government, shall be punishable with fine which may extend to two hundred rupees and in the cases of a continuing breach with a further fine which may extend to five rupees for every day during which the breach is continuing after conviction for the first such breach.</p> <p>(2) Any member or past member or the nominee, heir or legal representative of a deceased member or a Co-operative society who contravenes the provisions of section 47 and 52 by disposing of any property in respect of which the society is entitled to have a first charge under that section or does any other act to the prejudice of such claim, shall be punishable with fine which may extend to five hundred rupees.</p> <p>(3) A Co-operative society or an officer or member thereof, willfully making a false return or furnishing false information, or any person willfully or without any reasonable excuse disobeying any summons, requisition or lawful written order issued under the provisions of this Act or willfully not furnishing any information required from him by a person authorized in this behalf under the provision of this Act, shall be</p>	<p style="text-align: center;"><b>CHAPTER XIII</b></p> <p style="text-align: center;"><b>OFFENCES AND PENALTIES</b></p> <p><b>96. Prohibition of the use of the word ‘co-operative’:—</b>(1) Any person other than a co-operative society carrying on business under any name of or title of which the word ‘Co-operative’ or its equivalent in any Indian or foreign language is part, without the sanction of the Government shall be punishable with imprisonment for a term which may extend to six months or fine which may extend to ten thousand rupees or both and in case of a continuing breach with a further fine which may extend to one thousand rupees for every day during which breach is continued after conviction for the first such breach.</p>	<p>Offences committed under the Act have been specified and penal provisions for the same are made with a view to ensure lawful compliance of the statutory provisions/orders of the authorities under the Act and to act as a deterrent against unscrupulous, unlawful and corrupt practices. These provisions have been made in tune with the Constitutional amendment. The cognizance of an offence under the Act shall be taken by a competent court not below the rank of magistrate first class only after written complaint by the Registrar or person authorized by him.</p> <p><b>Art. 243 ZQ</b></p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>punishable with fine which may extend to two hundred rupees.</p> <p>(4) Any employer who, without sufficient cause, fails to pay to a society the amount deducted by him under section 46 with in a period of fourteen days from the date on which such deduction is made shall without prejudice to any action that may be taken against him under any law for the time being in force, be punishable with fine which may extend to five hundred rupees.</p> <p>(5) Any officer or custodian who lawfully fails to handover custody of books, records, cash, security and other property belonging to a society, of which he is an officer or custodian, to person entitled under section 38, 70 and 79 shall be punishable with fine which may extend to two hundred rupees and in the case of a continuing breach with a further fine which may extend to five rupees for every day during which the breach is continued after conviction for the first such breach.</p> <p>(6) Any person who fraudulently acquires or abets in the acquisition of any such property which is subject to a chare under section 47 and 52 shall be punishable with fine which may extend to two hundred rupees.</p> <p><b>96-A. NIL.</b></p>	<p><b>96-A. Punishment for furnishing false information or disobeying summons or other lawful order, requisition or direction:-</b> Any officer or director, employee or a paid servant or any member of the society who wilfully makes a false return or furnishes false information, or any person who wilfully or without any reasonable excuse, disobeys any summons, requisition or</p>	





H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
96-G. NIL.	<p>may extend to ten thousand rupees.</p> <p><b>96-G Punishment for not convening annual general meeting, special general meeting or conducting elections in time:-</b> Any officer, director or employee of a co-operative society, responsible to take action under sections 32, 33 or 34-D, who, without sufficient cause, fails to convene annual general meeting or special general meeting of the society within the time specified or fails to conduct elections in time, shall be punishable with fine which may extend to ten thousand rupees.</p>	
96-H. NIL.	<p><b>96-H. Punishment for not conducting annual audit of a society:-</b> Any person being a member of the board or an officer who, without sufficient cause, fails to get annual audit of the society conducted under section 61, or wilfully refuses to get the accounts audited in a financial year, shall be punishable with fine which may extend to ten thousand rupees.</p>	
96-I. NIL.	<p><b>96-I. Punishment for corrupt practices:-</b> (1) Whoever, before, during or after the election of delegates under the proviso to sub-section(1) of section 31 or election of members of the board,-</p> <ul style="list-style-type: none"> <li>(a) fraudulently defaces or fraudulently destroys any nomination paper; or</li> <li>(b) fraudulently defaces, destroys or removes any list, notice or other document affixed by or under the</li> </ul>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
	<p>authority of a returning officer; or</p> <p>(c) fraudulently defaces or fraudulently destroys any ballot paper or the official mark on any ballot paper or any declaration of identity;</p> <p>(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</p> <p>(e) fraudulently puts into any ballot box anything other than the ballot paper which he is authorised by law to put in; or</p> <p>(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</p> <p>(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; or</p> <p>(h) offers any gift or promises to offer any gratification to any person with the object, directly or indirectly, of including-</p> <p>(i) a person to stand or not to stand as, or to withdraw or not to withdraw from, being a candidate at an election; or</p> <p>(ii) a member to vote or refrain from voting at an election, or as a reward to a person for having so stood or not stood or for having withdrawn or not having withdrawn his candidature; or</p> <p>(iii) a member for having voted or refrained from voting;</p> <p>shall be guilty of corrupt practices and punishable with imprisonment for a term which may extend to six months</p>	



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
	<p>or with fine or with both.</p> <p>(2) Whoever being an officer or director or an employee or a paid servant or any member of a co-operative society-</p> <ul style="list-style-type: none"> <li>(a) receives or sanctions a fictitious loan; or</li> <li>(b) forges a document of loan; or</li> <li>(c) commits any irregularity in receipt or sanction of loan or in purchase or causes deficits in stocks; or</li> <li>(d) accepts or obtains or agrees to accept or attempts to obtain from any person for himself or for any other person any gratification whatever, other than legal remuneration as a motive or reward for doing or forbearing to do any official act or showing or forbearing to show in the exercise of his official functions favour or disfavour to any person or for rendering or attempting to render any service or disservice to any person; or</li> </ul> <p>shall be deemed to be guilty of corrupt practice and punishable with imprisonment for a term which may extend to six months or with fine or with both.</p> <p><b>Explanation.—</b> For the purposes of this sub-section,—</p> <ul style="list-style-type: none"> <li>(a) irregularity in receipt or sanction of loan includes,— <ul style="list-style-type: none"> <li>(i) receipt of loan by, or sanction of loan to, any person who does not own or cultivate the extent of land shown in the application for loan, where owing or cultivating land is a condition for the sanction of loan;</li> <li>(ii) changing the purpose of loan otherwise than for which it was sanctioned; and</li> <li>(iii) receiving or sanctioning fictitious loan;</li> </ul> </li> </ul>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p><b>97. Cognizance of offences:-</b> (1) No court inferior to that of a magistrate first class shall try any offence under this Act.</p> <p>(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1898,(5 of 1898) every offence under this Act shall for the purpose of the said code be deemed to be non-cognizable.</p> <p>(3) No prosecution under this Act shall be instituted without the previous sanction of the Registrar and without a complaint in writing made by him or by any person authorised by him in this behalf.</p> <p style="text-align: center;"><b>CHAPTER XIII A</b> <b>INSURED CO-OPERATIVE BANKS</b></p> <p><b>[97-A. Winding up order of Insured Banks:-</b> Notwithstanding anything contained in this Act, in the case of any insured Co-operative Bank,--</p> <p>(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 reorganisation), of the bank may be made only with the previous sanction in writing of the Reserve Bank of India</p>	<p>(b) irregularity in purchases includes purchases made, with the intention to gain wrongfully, of,—</p> <p>(i) sub-standard or adulterated goods; and</p> <p>(ii) goods by paying higher prices.</p> <p><b>97. Cognizance of offences:- No change</b></p> <p style="text-align: center;"><b>CHAPTER XIII A</b> <b>INSURED CO-OPERATIVE BANKS</b></p> <p><b>97-A Special provisions for insured banks:-</b> No change except the heading</p>	<p>Heading change</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(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 and Credit Guarantee Corporation Act, 1961.</p> <p>(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 manner detrimental to the interests of the depositors or for securing the proper management of the bank, an order shall be made for the supersession (removal) of the Committee of management or other managing body (by whatever name called) of the bank 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 proceeding the date of the first meeting of the new committee of such bank;</p> <p>(iv) no appeal, revision or review shall lie or be permissible against an order such as is referred to in clauses (i),(ii) or (iii) made with the previous sanction in writing or on the requisition of the Reserve Bank of India and such order or sanction shall not be liable to be called in question in any manner</p> <p>(v) the liquidator or the Insured Co-operative Bank or transferee bank, as the case may be,</p>		

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>shall be under an obligation to repay the Deposit Insurance Corporation established under the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961) in the circumstances, to the extent and in the manner referred to in section 21 of that Act.</p> <p><b>Explanation :-</b> For the purpose of this Section,--</p> <p>(I) "a Co-operative Bank" means a bank as has been defined in the Deposit Insurance and Credit Guarantee Corporation Act, 1961(47 of 196 1).</p> <p>(II) "Insured Co-operative Bank" means a society which is an insured bank under the provisions of the Deposit Insurance and Credit Guarantee Corporation Act, 1961(47 of 1961).</p> <p>(III) "transferee bank" in relation to an Insured Co-operative Bank means a co-operative bank,--</p> <p>(a) with which such insured co-operative bank is amalgamated, or</p> <p>(b) to which the assets and liabilities of such insured co-operative bank are transferred, or</p> <p>(c) into which such insured co-operative bank is divided or converted under the provisions of section 14"]</p>		

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p style="text-align: center;"><b>CHAPTER XIV</b> <b>MISCELLANEOUS</b></p> <p><b>98. Constitution of State Co-operative Council, its functions etc.:</b>— (1) (a) There shall be a council to be called the Himachal Pradesh State Co-operative Council consisting of the following members, namely:—</p> <ul style="list-style-type: none"> <li>(i) ministers by whatever designation that be called, dealing with the Co-operative societies in the State;</li> <li>(ii) chairman of apex societies;</li> <li>(iii) five members to be nominated by the State Government out of which one shall be a woman. One a person belonging to a scheduled caste and one a person belonging to a scheduled tribe;</li> <li>(iv) three members to be elected by the members of the Himachal Pradesh Legislative Assembly from amongst themselves;</li> <li>(v) the Secretary to the Government in the department dealing with Co-operative societies;</li> <li>(vi) the Registrar of Co-operative Societies, Himachal Pradesh;</li> <li>(vii) the Director of Agriculture, Himachal Pradesh; and</li> <li>(viii) the Director of Industries, Himachal Pradesh.</li> </ul> <p>(b) The Minister in charge of the department dealing with the Co-operative societies shall be Chairman of the Council.</p> <p>(c) The Minister of State, if he is not the Chairman of</p>	<p style="text-align: center;"><b>CHAPTER XIV</b> <b>MISCELLANEOUS</b></p> <p><b>98. Constitution of State Co-operative Council, its functions etc.:</b>—</p> <p><b>No change</b></p>	

<b>H.P. Co-operative Societies Act ,1968</b>	<b>H.P. Co-operative Societies Act, 2012</b>	
<p>the Council under clause(b) or in case there is no such Minister of State dealing with the Co-operative societies, the Deputy Minister of the department of Co-operative societies, shall be the Vice-Chairman of the Council.</p> <p>Provided that if there is no such Minister of State or the Deputy Minister dealing with the Co-operative societies to be the Vice Chairman or if such Minister of State or the Deputy Minister, as the case may be, happens to be the Chairman under clause (b) the Vice-Chairman shall be elected by the Council from amongst its members.</p> <p>(2) Such officer as State Government may appoint in this behalf shall act as the Secretary to the Council</p> <p>(3) The functions of the Council so constituted shall be as follows:—</p> <ul style="list-style-type: none"> <li>(a) to advise the State Government on all general questions relating to Co-operative Movement;</li> <li>(b) to review the Co-operative movement and to suggest ways to coordinating the activities of the Co-operative societies in the State;</li> <li>(c) to suggest ways and means to remove the difficulties experienced by Co-operative societies in the State in their administration;</li> <li>(d) to make suo moto recommendations to the State Government in regard to matter relating to the administration of Co-operative societies; and</li> <li>(e) to report to the State Government on such matters as may be referred to it by the State Government for its opinion.</li> </ul> <p>(4) The State Government may be general or special</p>		

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>order provide for:—</p> <p>(a) the calling of the meetings of the Council and the procedure at meetings;</p> <p>(b) duties of the Secretary to the Council;</p> <p>(c) sub-committees of the Council;</p> <p>(d) the term of office of nominated members of the Council and traveling allowance and daily allowance admissible to the members of the Council.</p> <p><b>99. Prohibition against the use of the word 'co-operative':--</b> No person other than a cooperative society shall trade or carry on business under any name or title of which the word "Co-operative" or its equivalent in any Indian language is part:</p> <p>Provided that nothing in this section shall apply to the use by any person or his successor in interest of any name or title under which he carried on business at the date on which the Co-operative Societies Act, 1912(2 of 1912) came into operation.</p> <p><b>100. Power to exempt, Co-operative societies from provisions of this Act :—</b> The State Government may by an order in writing,—</p> <p>(a) exempt any society or class of societies from the application of any of the provisions of this Act or any of the rules made thereunder; and</p> <p>(b) direct that any such provisions shall apply to such society or class of societies to such extent as may be specified in the order.</p> <p><b>101. Service of notice under the Act:-</b> Every notice or order issued or made under this Act may be served on any person delivering the same to him or</p>	<p><b>99. Prohibition against the use of the word 'co-operative':-- Deleted</b></p> <p><b>100. Power to exempt, Co-operative societies from provisions of this Act :—</b> Where the Government is satisfied that it is necessary so to do for furthering any object of the society or class of societies specified in its or their byelaws, it may, by a general or special order, published in the Official Gazette, exempt such society or class of societies from any provision of this Act or the rules made thereunder.</p> <p><b>101. Service of notice under the Act:- No change</b></p>	<p>Deleted as already covered under offences.</p> <p>State govt. will give exemption only for furtherance of objects of society.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>by properly addressing it to the fast known place of residence or business of such person prepaying and posting by registered post a letter containing the notice or order and unless the contrary is proved, such service shall be deemed to have been effected at the time at which the letter would be delivered in the ordinary course.</p> <p><b>102. Acts of Co-operative societies not invalidated by certain defects:-</b> (1) No act of a society or managing committee or any officer or liquidator done in good faith in pursuance of the business of the society shall be deemed to be invalid by reason only of some defect subsequently discovered in the organisation of the society or in the constitution of the managing committee or in the appointment or election of the officer or liquidator or on the ground that such officer or liquidator was disqualified for his appointment.</p> <p>(2) No act done in good faith by any person appointed under this Act shall be Invalid merely by reason of the fact that his appointment has been cancelled by or in consequence of <b>any</b> order subsequently passed under this Act.</p> <p>(3) The Registrar shall decide whether any act was done in good faith in pursuance of the business of a society.</p> <p><b>103. Companies Act not to apply :-</b> The Provisions of the Companies Act, 1956 (1 of 1956) shall not apply to co-operative societies.</p> <p><b>104. Branches etc. of societies outside the State :-</b> Every society registered outside Himachal Pradesh which has or establishes a branch or place of business</p>	<p><b>102. Acts of co-operative societies not invalidated by certain defects:-</b> No change</p> <p><b>103. Companies Act not to apply:-</b> No change</p> <p><b>104. Branches and places of business of societies outside the State:-</b> No change</p>	



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>in Himachal Pradesh shall within six months from the commencement of this Act or from the establishment of such branch or place of business, file with the Registrar a certified copy of the bye-laws and amendments and shall submit to the Registrar such returns and information as are submitted by similar societies in Himachal Pradesh in addition to those submitted to the Registrar of the State where it is registered.</p> <p><b>105. Liabilities of a Government servant in connection with the affairs of a Co-operative Society:--</b> Notwithstanding anything contained in any other provision of this Act or the rules, if a Government servant advises a committee of any co-operative society and his presence is recorded in the minutes of the committee then such Government servant shall also be held liable along with other members of the committee, for any action which may be initiated either departmentally or in a court of law on the basis of a decision having been arrived on his such advice.</p> <p><b>106. Repeal:--</b> The Himachal Pradesh Co-operative Societies Act, 1956(13 of 1956), as in force in the areas comprised in Himachal Pradesh immediately before 1<sup>st</sup> November, 1956, and the Punjab Co-operative Societies Act, 1961(25 of 1961), as in force in the areas added to Himachal Pradesh under section 5 of the Punjab Re-organisation Act, 1966(31 of 1966), are hereby repealed.</p> <p><b>107. Saving of existing society:-</b> (1) Every society now existing which has been registered under the Co-operative societies Act, 1904 (10 of 1904), or under the Co-operative Societies Act, 1912(2 of 1912), or</p>	<p><b>105. Liabilities of a Government servant in connection with the affairs of a co-operative society:-</b> No change</p> <p><b>106. Repeal:-- No change</b></p> <p><b>107. Saving of existing society:- No change</b></p>	

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>under the Himachal Pradesh Co-operative Societies Act, 1956 (13 of 1956), or under the Punjab Co-operative Societies Act, 1954 (14 of 1955), or under the Punjab Co-operative Societies Act, 1961 (25 of 1961), shall be deemed to be registered under this Act and its bye-laws shall so far as the same are not inconsistent with the express provision of this Act, continue in force until altered or rescinded.</p> <p>(2) All appointments, rules or orders made, all notification and notices issued, all transactions entered into and all suits and proceedings instituted under any of the Acts repealed tinder section 106 shall, so far as they are consistent with the provisions of this Act be deemed to have been respectively made, issued entered into and instituted under this Act.</p> <p><b>108. Appointment of a Co-operative Appellate Tribunal:-</b> The State Government may appoint a co-operative Appellate Tribunal as prescribed under the rules and delegate to such Tribunal all or any of the appellate or revisional power which it exercises [under section 93,94 and 95].</p>	<p><b>108. Constitution of Co-operative Appellate Tribunal, its powers, etc.:-</b> (1) The State Government may appoint or constitute a Co-operative Appellate Tribunal to be called the Himachal Pradesh Co-operative Appellate Tribunal and delegate to such tribunal all or any of the appellate or reviewing or revisional powers which it exercises under sections 93, 94, 94-A and 95:</p> <p>Provided that the State Government shall continue to exercise the powers under sections 93, 94, 94-A and 95 of the Act till the constitution of the Tribunal.</p> <p>(2) The Tribunal shall consist of the President and/or not more than three other members to be appointed by the Government.</p> <p>(3) The qualifications, term of office, pay and allowances of the President and other members, the headquarters and the constitution of the benches of the Tribunal shall be</p>	<p>The amendment provides for the constitution of co-operative appellate tribunal its powers etc. The Tribunal shall consist of the President and/or not more than three other members to be appointed by the Government with qualification as may be prescribed.</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
108-A. Nil	<p>those as may be prescribed.</p> <p><b>108-A. Powers of civil court to Tribunal:-</b> (1) In exercising the functions conferred on it by or under the Act, the Tribunal shall have the same powers as are vested in a civil court in respect of :-</p> <ul style="list-style-type: none"> <li>(a) proof of facts by affidavit;</li> <li>(b) summoning and enforcing the attendance of any person and examining him on oath;</li> <li>(c) compelling discovery of the production of documents; and</li> <li>(d) issuing commissions for the examination of witness.</li> </ul> <p>(2) In the case of any such affidavit, any officer appointed by the Tribunal in this behalf may administer the oath to the deponent.</p>	To provide for the powers of the tribunal
108-B. Nil	<p><b>108-B. Certain proceedings under the Act to be judicial proceedings:-</b> Proceedings of inspection under section 65 or section 66 and inquiry under sections 67 and 69, proceedings under sections 73, 74, 93, 94, 94-A and 95 and execution proceedings under section 87 shall be deemed to be judicial proceedings within the meaning of section 228 of the Indian Penal Code, 1860 (45 of 1860).</p>	Provisions of rules incorporated in the Act
108-C Nil	<p><b>108-C. Recovery or receipt of society's dues by an officer or a member of the society:-</b> (1) Unless otherwise provided in the bye- laws, an officer or a member of a society shall deposit with the society, any cash recovered or received or received on behalf of the society within a period not exceeding 20 days from the date of such recovery or receipt by him.</p>	-do-

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>108-D Nil</p>	<p>(2) Any contravention of sub-section (1) shall constitute an offence of criminal misappropriation under the Act and the Indian Penal Code, 1860 (45 of 1860).</p> <p><b>108-D. Code of Civil Procedure to operate in certain matters:-</b> Where this Act, or the rules have not laid down any procedure for any matter arising during the course of proceedings under sections 74, 87, 93, 94, 94-A and 95, the procedure laid down under the Code of Civil Procedure, 1908 (5 of 1908) for such matter shall be applied in the same manner as if the person conducting the proceeding is a civil court.</p>	<p>-do-</p>
<p>108-E NIL</p>	<p><b>108- E. Restriction on legal practitioners:-</b> Except with the permission of the Registrar or the person deciding a dispute under clause (b) or (c) of sub-section (1) of section 73, or the appellate or reviewing or revising authority, as the case may be, no legal practitioner in his capacity as a legal practitioner, or a person holding a power of attorney (except where the legal practitioner or attorney is a near relative to the party or is himself a party to the dispute), shall be permitted to appear on behalf of any party at the hearing.</p> <p><b>Explanation .—</b> For the purpose of this section, “legal practitioner” means a legal practitioner as defined in section 3 of the Legal Practitioners Act,1879 (18 of 1879).</p>	<p>-do-</p>
<p>108-F Nil</p>	<p><b>108-F. Registrar and other officers to be public servants:-</b>The Registrar or a person exercising the powers of the Registrar, a person entrusted with the supervisory functions of the society, a person authorised to audit the accounts of the society under section 61, a</p>	<p>-do-</p>

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p data-bbox="184 722 363 755"><b>108-G Nil</b></p> <p data-bbox="426 1036 638 1062" style="text-align: center;"><b>CHAPTER XV</b></p> <p data-bbox="346 1078 720 1104" style="text-align: center;">POWER TO MAKE RULES</p> <p data-bbox="184 1122 884 1300"><b>109. Power to make rules :—</b> (1) The State Government may, for the whole or any part of the State and for any cooperative society or class of Co-operative societies after previous publication, make rules to carry out the purposes of this Act.</p> <p data-bbox="184 1317 884 1455">(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—</p>	<p data-bbox="905 235 1646 667">person to hold enquiry under section 65 or section 66, a person appointed an administrator under section 37, a person to whom the dispute has been referred or transferred for disposal under section 73, a liquidator appointed under section 79, recovery officer and sales officer appointed under Chapter XI of the rules, a process server appointed under rule 141, returning officer, chairman, manager and registration officer appointed under rule 37 and all the members of the Appellate Tribunal, if any, shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (45 of 1860).</p> <p data-bbox="905 727 1646 976"><b>108-G.Delegation of powers:-</b> The State Government may, by order notified in the Official Gazette, direct that any power exercisable by it under this Act (not being the power to make rules under section 124) may also be exercised, in such cases and subject to such conditions, if any, as may be specified in such order, by such officer as may be specified therein and is subordinate to it.</p> <p data-bbox="1167 1036 1379 1062" style="text-align: center;"><b>CHAPTER XV</b></p> <p data-bbox="1087 1078 1461 1104" style="text-align: center;">POWER TO MAKE RULES</p> <p data-bbox="905 1122 1486 1198"><b>109. Power to make rules:—</b> No change except <b>insertion of new rule (ap)</b></p>	

<b>H.P. Co-operative Societies Act ,1968</b>	<b>H.P. Co-operative Societies Act, 2012</b>	
<ul style="list-style-type: none"> <li>(a) the applicant to whom he order refusing the registration of a Co-operative society may be sent by the Registrar;</li> <li>(b) the procedure and conditions for change in the form and extent of the liability of a Co-operative society;</li> <li>(c) the matters in respect of which a Co-operative society shall make byelaws;</li> <li>(d) the procedure to be followed for amendment of bye-laws by a society;</li> <li>(e) the qualifications or disqualifications of individuals who may be admitted as members of societies;</li> <li>(f) the appointment by a society of any one of its members to represent and vote on its behalf at a meeting of another society of which it is a member;</li> <li>(g) the procedure for the nomination of a person to who the share or interest of a member on his death may be transferred or value thereof may be paid;</li> <li>(h) the mode in which the values of a deceased member's share shall be ascertained;</li> <li>(i) the procedure for calling general meetings, its quorum, writing of minutes and powers and duties of the chairman;</li> <li>(j) the powers of the general house;</li> <li>(k) writing off any bad debts and assets;</li> <li>(l) the lection of member of committee by the general body of a society;</li> <li>(m)the requisitioning of a general meeting of a</li> </ul>		

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>society;</p> <p>(n) the remuneration payable to a new committee or administrator appointed in place of a committee removed by the Registrar;</p> <p>(o) the qualifications or disqualifications for membership of committee of a society;</p> <p>(oo) The qualifications, experience and the manner of nomination of members on the committee of societies under section35;</p> <p>(p) the qualifications of employees of societies;</p> <p>(q) the prohibitions against affairs of a society being interested in contracts with the society;</p> <p>(r) the matters connected with membership of the State Government in co-operative societies;</p> <p>(s) the rate at which dividend may be paid by societies;</p> <p>(t) the payment to be made to the Co-operative education fund by a Co-operative society out of its net profits and the mode of investments;</p> <p>(u) the mode of investment of funds of a society;</p> <p>(v) the objects of the reserve fund of society and its investment;</p> <p>(w) the mode of disposal of reserve fund of a society on its winding up;</p> <p>(x) the extent and conditions subject to which a Co-operative society may recover deposits and loans;</p> <p>(y) the restrictions on transactions by a Co-operative society with non members;</p> <p>(z) the restrictions on grant of loans by a society against its shares;</p>		

H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(aa) the levy of audit fees on Co-operative societies;</p> <p>(ab) the procedure to be followed in proceedings before the Registrar, arbitrator or other person deciding disputes;</p> <p>(ac) the conditions subject to which assets of a society shall vest in liquidator and the procedure to be adopted in winding up of a Co-operative society;</p> <p>(ad) the procedure for recovery of amounts due or payable to a Co-operative society;</p> <p>(ae) the mode of making attachment before award;</p> <p>(af) the manner of registering the address of a Co-operative society;</p> <p>(ag) the account books and registers to be kept by a Co-operative society and powers of the Registrar to direct the accounts and books to be written up;</p> <p>(ah) the manner of certification of entries in the books of a society and of copies of documents kept by it in the course of its business;</p> <p>(ai) the statements and returns to be furnished by a society to the Registrar;</p> <p>(aj) the restrictions on persons appearing as legal practitioners;</p> <p>(ak) the inspection of documents and the levy of fees for granting certified copies thereof;</p> <p>(al) constitution of Co-operative education fund under section 54.</p> <p>(am) the matters expressly required or allowed by this Act to be prescribed;</p>		



H.P. Co-operative Societies Act ,1968	H.P. Co-operative Societies Act, 2012	
<p>(an) the matters connected with the Council constituted under section 93; and</p> <p>(ao) the matters connected with the Co-operative Appellate Tribunal appointed under section 108.</p> <p><b>(ap) NIL</b></p> <p>(3) In making any rule under this Act, the State Government may direct that any person committing a breach thereof shall on conviction by a court be punishable with fine which may extend to fifty rupees and, where the breach is a continuing one, with further fine which may extend to ten rupees for every day after the first during which the breach continues subsequent to such conviction.</p> <p>(4) Every rule under this section shall be laid, as soon as may be after it is made, before the Legislative Assembly while it is in session for a total period of not less than fourteen days which may be comprised in one session or in two or more successive sessions and if before the expiry of session in which it is so laid or the sessions aforesaid, the Assembly makes any modification in the rule or decides that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.</p>	<p><b>(ap) the manner of providing reservation of seats for women members and for scheduled castes or scheduled tribes in the managing committee under section 34-C.</b></p>	<p>To provide for the reservation of seats for women members, Sc/ST in the management of co-operative societies.</p>

## **FIRST SCHEDULE**

(See section 4)

**Co-operative Principles** - The co-operative principles are guidelines by which co-operative societies put their values into practice.

### **1st Principle : Voluntary and Open Membership**

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### **2nd Principle : Democratic Member Control**

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised in a democratic manner.

### **3rd Principle : member Economic Participation**

Members contribute to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed to as a condition of membership. members allocate surpluses for any of the following purposes:

Developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible, benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

### **4th Principle : Autonomy and Independence**

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including Governments or, raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

### **5th Principle : Education, Training and Information**

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public particularly young people and opinion leaders-about the nature and benefits

of cooperation.

**6th Principle : Cooperation among Cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

**7th Principle : Concern for Community**

Cooperatives work for the sustainable development of their communities through policies approved by their members.