

**L. A. BILL No. XXIV OF 2021.**

*A BILL*

*further to amend the Maharashtra Co-operative Societies Act, 1960.*

5 WHEREAS both Houses of the State Legislature were not in session ;

AND WHEREAS the Governor of Maharashtra was satisfied that  
Mah. XXIV of 1961. circumstances existed which rendered it necessary for him to take immediate  
action further to amend the Maharashtra Co-operative Societies Act, 1960,  
for the purposes hereinafter appearing ; and, therefore, promulgated the  
Mah.10 Ord. VII of 2021. Maharashtra Co-operative Societies (Amendment) Ordinance, 2021, on the  
1st October 2021 ;

AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Seventy-second Year of the Republic of India as follows :—

Short title and commencement.

**1.** (1) This Act may be called the Maharashtra Co-operative Societies (Second Amendment) Act, 2021. 5

(2) It shall be deemed to have come into force on the 1st October 2021.

Amendment of section 65 of Mah. XXIV of 1961.

**2.** In section 65 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “ the principal Act”), in sub-section (2), in second proviso, after the figures and sign “2020-2021” the words, figures and sign “and year 2021-2022 ” shall be inserted. 10

Mah. XXIV of 1961.

Amendment of section 75 of Mah. XXIV of 1961.

**3.** In section 75 of the principal Act,—

(i) in sub-section (1), in first proviso, after the figures and sign “2019-2020” the words, figures and sign “and year 2020-2021” shall be inserted; 15

(ii) in sub-section (2B), after the figures and sign “2020-2021” the words, figures and sign “and year 2021-2022” shall be inserted.

Amendment of section 81 of Mah. XXIV of 1961.

**4.** In section 81 of the principal Act, in sub-section (1), in clause (a), in fourth proviso, after the figures and sign “ 2019-2020 ”, in both the places where they occur, the words, figures and sign “and year 2020-2021” shall be inserted. 20

Repeal of Mah. Ord. VII of 2021 and saving.

**5.** (1) The Maharashtra Co-operative Societies (Amendment) Ordinance, 2021, is hereby repealed. 25

Mah. Ord. VII of 2021.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.

## STATEMENT OF OBJECTS AND REASONS

Due to outbreak of the pandemic Covid-19 and the declaration of lockdown in the country, social and economic activities have suffered a setback since 24th March 2020. Due to lockdown, functioning of the co-operative societies in the State has also been adversely affected. As per the report of National Institute of Disaster Management the third wave of Covid-19 is also expected to outbreak in the fourth coming days.

2. As per the provisions of the Maharashtra Co-operative Societies Act, 1960 (Mah. XXIV of 1961), and the rules framed thereunder, the co-operative societies are required to appropriate its profit, to conduct their annual general meeting and audit within the stipulated period. However, due to outbreak of the pandemic Covid-19, it was difficult to conduct the same within the stipulated period. It was, therefore, considered expedient to amend the said Act, suitably.

3. The proposed amendments were as follows, namely :—

(i) In section 65, in sub-section (2), in the second proviso, it was provided that the profit of the society shall be appropriated with the approval of the committee for the financial year 2020-2021 and same shall be laid before annual general meeting of society held thereafter for ratification.

Therefore, it was proposed to extend the provision also for the financial year 2021-2022.

(ii) In section 75,—

(a) in sub-section (1), in the first proviso, it was provided that, for the financial year 2019-2020, the society may get its books of accounts audited within nine month from the close of financial year and call the annual general body meeting within twelve month from the close of financial year.

Therefore, it was proposed to extend the provision also for the financial year 2020-2021.

(b) in sub-section (2B), it was provided that, the committee shall in the financial year 2020-2021, have the power to decide, on the disposal of surplus and annual budget for the next year and to appoint an auditor or auditing firm from a panel approved by the State Government in this behalf, having such minimum qualifications and experience as laid down in section 81. The decisions of the Committee in respect of the above matters shall be laid in the annual general body meeting of a society held thereafter for ratification.

Therefore, it was proposed to extend the provision also for the financial year 2021-2022.

(iii) In section 81, in sub-section (1), in clause (a), in the fourth proviso, it was provided that, for the financial year 2019-2020, the society shall cause its audit to be completed within a period of nine months from the close of financial year 2019-2020.

Therefore, it was also proposed to extend the provision for the financial year 2020-2021.

4. As both Houses of the State Legislature were not in session and the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960, for the purposes aforesaid, the Maharashtra Co-operative Societies (Amendment) Ordinance, 2021 (Mah. Ord. VII of 2021), was promulgated by the Governor of Maharashtra on the 1st October 2021.

5. The Bill is intended to replace the said Ordinance by an Act of the State Legislature.

Mumbai,  
Dated the 11th November, 2021.

BALASAHEB PATIL,  
Minister for Co-operation.

*ANNEXURE TO THE L.A. BILL No. XXIV OF 2021 -  
THE MAHARASHTRA CO-OPERATIVE SOCIETIES  
(SECOND AMENDMENT) BILL, 2021*

*[Extracts from the Maharashtra Co-operative Societies Act, 1960]*

**(Mah. XXIV of 1961)**

**1. to 64.** \* \* \* \*

**65. (1)** \* \* \* \*

(2) A society may appropriate its net profits to the reserve fund or any other fund, to payment of dividends to members on their shares, to the payment of bonus on the basis of support received from members and persons who are not members to its business, to payment of honoraria, and towards any other purpose which may be specified in the rules or by-laws.

Ascertainment  
and  
appropriation  
of profits

Provided that, no part of the profits shall be appropriated except with approval of the annual general meeting and in conformity with the Act, rules and by-laws.

Provided further that, the profits of the society shall be appropriated with the approval of the Committee in the financial year 2020-2021 and the same shall be laid in the annual general body meeting of a society held thereafter for ratification.

**66. to 74.** \* \* \* \*

**75. (1)** Every society shall, within a period of four months after the close of the financial year, get its books of accounts audited and within six months after the close of financial year to transact its business as may be provided in this Act, call the annual general body meeting of its members.

Annual  
general body  
meeting

Provided that, for the financial year 2019-2020, the society may get its books of accounts audited within nine months from the close of its financial year and call the annual general body meeting within twelve months from the close of its financial year.

Provided further that, where such meeting is not called by the society, the Registrar or any officer authorised by him may call such meeting in the manner prescribed and that meeting shall be deemed to be a general body meeting duly called by the society, and the Registrar may order that the expenditure incurred in calling such a meeting shall be paid out of the funds of the society or by such person or persons who, in the opinion of the Registrar, were responsible for the refusal or failure to convene the general meeting.

**(2) and (2A)** \* \* \* \*

**(2B)** The Committee shall, in the financial year 2020-2021, have the power to decide on the disposal of surplus and annual budget for the next year and to appoint an auditor or auditing firm from a panel approved by the State Government in this behalf having such minimum qualifications and, experience as laid down in section 81. The decisions of the Committee in respect of the above matters shall be laid in the annual general body meeting of a society held there after for ratification.

**(3) to (6)** \* \* \* \*

**76. to 80.** \* \* \* \*

**Audit**      **81.** (1) (a) The society shall cause to be audited its accounts atleast once in each financial year and also cause it to be completed within a period of four months from the close of financial year to which such accounts relate by auditor or auditing firm from a panel prepared by the Registrar and approved by the State Government or an authority authorised by it in this behalf, possessing required qualifications and experience as may be prescribed, to be eligible for auditing accounts of societies, appointed by the general body of a society, as provided in sub-section (2A) of section 75 or by the committee as provided in sub-section (2B) thereof and shall lay such audit report before the annual general body meeting. In case of apex society, the audit report shall also be laid before both Houses of the State Legislature, in such manner, as may be prescribed.

Provided that, if the Registrar is satisfied that the society has failed to intimate and file the return as provided by sub-section (2A) of section 75 and sub-section (1B) of section 79, by order, for the reasons to be recorded in writing, he may cause its accounts to be audited, by an auditor from the panel of the auditors approved by the State Government or an authority authorise in this behalf:

Provided further that, no auditor shall accept audit of more than twenty societies for audit in a financial year excluding societies having paid up share capital of less than rupees one lakh.

Provided also that, the Registrar shall maintain a panel of auditors and auditing firms as approved by the State Government or an authority authorised by it in this behalf.

Provided also that, for the financial year 2019-2020, the society shall cause its audit to be completed within a period of nine months from the close of the financial year 2019-2020.

(b) to (g)	*	*	*	*
(2) to (7)	*	*	*	*
<b>82 to 168</b>	*	*	*	*

**MAHARASHTRA LEGISLATURE  
SECRETARIAT**

**[L. A. BILL No. XXIV OF 2021.]**

**[A Bill futher to amend the Maharashtra  
Co-operative Societies Act, 1960.]**

**[SHRI BALASAHEB PATIL,  
Minister for Co-operation.]**

**RAJENDRA BHAGWAT,  
Principal Secretary,  
Maharashtra Legislative Assembly.**