

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

*A BILL*

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

**(As passed by the Legislative Assembly on the 5th July, 2021)**

Mah. 5        WHEREAS it is expedient further to amend the Maharashtra Co-  
XXIV of        operative Societies Act, 1960, for the purposes hereinafter appearing ; it is  
1961.        hereby enacted in the Seventy-second Year of the Republic of the India as  
follows :—

1. This Act may be called the Maharashtra Co-operative Societies Short title.  
10 (Amendment) Act, 2021.

Amendment  
of section 26  
of Mah. XXIV  
of 1961.

**2.** In section 26 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as “the principal Act”), in sub-section (2), for the sixth proviso, the following proviso shall be substituted, namely :—

Mah.  
XXIV of  
1961.

“ Provided also that, in the respect of elections of societies to be conducted on or before the 31st March 2022, all the members of the society shall be eligible for voting, unless otherwise ineligible for voting.” 5

Amendment  
of section 27  
of Mah. XXIV  
of 1961.

**3.** In section 27 of the principal Act, in sub-section (1A), for the existing proviso, the following proviso shall be substituted, namely :—

“ Provided that, the provision of this sub-section shall not be applicable in respect of elections of societies to be conducted on or before the 31st March 2022.”. 10

Power to  
remove  
difficulty.

**4.** (1) If any difficulty arises in giving effect to the provisions of the principal Act, as amended by this Act, the State Government may, as occasion arises, by an order published in the *Official Gazette*, do anything not inconsistent with the provisions of the principal Act, as amended by this Act, which appears to it to be necessary or expedient for the purpose of removing the difficulty : 15

Provided that, no such order shall be made after the expiry of the period of two year from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be after it is made, before each house of the State Legislature. 20

## STATEMENT OF OBJECTS AND REASONS

Due to the outbreak of pandemic Covid-19, social and economic activities have suffered a setback since 24th March 2020, in the light of the declaration of lockdown in the State. Due to this, functioning of the co-operative societies in the State have also been adversely affected.

As per the provisions of the Maharashtra Co-operative Societies Act, 1960, and the rules framed thereunder, the societies are required to undertake their elections and annual general meeting within the stipulated period. However, due to the outbreak of Covid-19 pandemic, elections and annual general meetings of the society could not be conducted within the stipulated period. It is, therefore, considered expedient to amend the said Act, suitably.

Similarly, section of 27 of the said Act is amended to provide relief to the members of co-operative societies till March, 2021, due to the epidemic of Covid-19. However, before the amendment, as per the provisions of sections 26 and 27, the members affected by Covid-19 could not restore their rights. In this regard, writ petition is filed in the Bombay High Court and the Bombay High Court has directed the State Government to consider the need to carry out suitable amendments in section 26 of the said Act.

2. Considering the prevalence of Covid-19 pandemic and the consequent increase in the number of affected patients thereby in the State, the State Government is also required to impose strict restrictions on movements of persons in the State, as a measure to control it and the Government has also postponed the elections of all the co-operative societies in the State upto 31st August 2021, by order, dated the 6th April 2021. As such, as per the provisions of section 26 of the said Act, certain members are deprived of the right to vote, by not remaining an active member.

The said section 27 provides for voting powers of members. Sub-section (1A) thereof provides that, the member who is not an active member shall not be entitled to vote. In order to be an active member, the member of the society should participate in the affairs of the society and should avail minimum services of the society as specified in the bye-laws of the society.

A member who have attended one annual general meeting in the last preceding five years annual general meetings and who has availed the minimum services of the society is said to be an active member of such society.

It is noticed that, in view of the pandemic Covid-19, the several societies are not able to conduct the annual general meeting within six months of close of financial year and consequently, member may not be continued to be an active member.

In view of above, it is considered expedient to amend sub-section (2) of section 26 and sub-section (1A) of section 27, suitably, so as to enable a member to remain as an active member and the eligible to cast his vote in the election of the society for the year 2021-22.

3. The Bill is intended to achieve the above objectives.

Mumbai,  
dated the 29th June 2021.

BALASAHEB PATIL,  
Minister for Co-operation.



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

*(Extracts from the Maharashtra Co-operative Societies Act, 1960)*

**(Mah. XXIV of 1961)**

|                  |   |   |   |   |                                    |
|------------------|---|---|---|---|------------------------------------|
| <b>1. to 25.</b> | *   | * | * | * |                                    |
| <b>26. (1)</b>   | *   | * | * | * | Right and<br>duties of<br>members. |
| (2)              | It shall be the duty of every member of a society,— |   |   |   |                                    |

(a) to attend at least, one general body meeting within a consecutive period of five years :

Provided that, nothing in this clause shall apply to the member whose absence has been condoned by the general body of the society ;

(b) to utilise minimum level of services at least once in a period of five consecutive years as specified in the by-laws of society :

Provided that, a member who does not attend at least one meeting of the general body as above and does not utilise minimum level of services at least once in a period of five consecutive years, as specified in the by-laws of such society shall be classified as non-active member :

Provided further that, when a society classified a member as a non-active member, the society shall, in the prescribed manner communicate such classification, to the concerned member within thirty days from the date of close of the financial year :

Provided also that, a non-active member who does not attend at least one meeting of the general body and does not utilise minimum level of services as specified in the by-laws, in next five years from the date of classification as a non-active member, shall be liable for expulsion under section 35 :

Provided also that, a member classified as non-active member shall on fulfillment of the eligibility criteria as provided in this sub-section be entitled to be re-classified as an active member :

Provided also that, if a question of a member being active or non-active member arises, an appeal shall lie to the Registrar within a period of sixty days from the date of communication of classification :

Provided also that, in any election conducted immediately after the date of commencement of the Maharashtra Co-operative Societies (Amendment) Act, 2013, all the existing members of the society shall be eligible for voting, unless otherwise ineligible to vote.

|                |   |   |   |   |                              |
|----------------|---|---|---|---|------------------------------|
| <b>27. (1)</b> | * | * | * | * | Voting powers<br>of members. |
|----------------|---|---|---|---|------------------------------|

(1A) Notwithstanding anything contained in sub-section (1), an active member who subsequently fails to participate in the affairs of the society and to use the services upto the minimum level as specified, from time to time, in the by-laws, shall cease to be an active member and shall not be entitled to vote.

Provided that, the provisions of this sub-section shall not be applicable,—

(a) in respect of elections of societies to be conducted on or before the 31st March 2021 ; and

(b) where voters list for conducting the elections has been finalized prior to be the commencement of the Maharashtra Co-operative Societies (Fourth Amendment) Act, 2020

(2) to (9) \* \* \* \*

**28 to 168.** \* \* \* \*

**MAHARASHTRA LEGISLATURE  
SECRETARIAT**

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

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

[SHRI BALASAHEB PATIL,  
Co-operation Minister.]

**[As passed by the Legislative Assembly  
on the 5th July, 2021.]**

RAJENDRA BHAGWAT,  
Secretary,  
Maharashtra Legislative Assembly.