

**Madhya Pradesh Swayatta Sahakarita (Sanshodhan)
Adhiniyam, 2010**

16 of 2010

[20 April 2010]

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An Act further to amend the Madhya Pradesh Swayatta Sahakarita Adhiniyam, 1999. Be it enacted by the Madhya Pradesh Legislature in the Sixtyfirst Year of the Republic of India as follows:-

1. Short Title :-

This Act may be called the Madhya Pradesh Swayatta Sahakarita (Sanshodhan) Adhiniyam, 2010.

2. Substitution Of Certain Words Throughout The Act :-

Throughout the Madhya Pradesh Swayatta Sahakarita Adhiniyam, 1999 (No. 2 of 2000) (hereinafter referred to as Principal Act), for the words "secondary co-operative" wherever they occur, the words "principal co-operative" shall be substituted.

3. Amendment Of Section 4 :-

In Section 4 of the Principal Act, in sub-section (5), for clause (d), the following clause shall be substituted, namely:-

"(d) a list of names of all the applicants with their photos and such proof of their permanent residential address as specified by the Registrar;"

4. Amendment Of Section 10 :-

In Section 10 of the Principal Act,-

(i) for sub-section (1), the following sub-section shall be substituted, namely:-

"(1) Every co-operative shall have the same registered address which has been mentioned in its bye-laws and the co-operative shall carry on day to day business at its registered address mentioned in the bye-laws and shall maintain records pertaining to the co-operative at its registered address.";

(ii) for sub-section (3), the following sub-section shall be substituted, namely:-

"(3) The board may, by resolution, change the address of its head office and it shall give notice of such change by registered post to its members, creditors, the Registrar and to any principal co-operative to which it is affiliated, within fifteen days of the passing of such resolution.";

(iii) after sub-section (4), the following sub-section shall be inserted, namely:-

"(4-A) If the co-operative does not-

(i) communicate the changed address to the Registrar; or

(ii) carry on the business at its registered address; or

(iii) maintain the records at its registered address, the Registrar may impose penalty not exceeding ten thousand rupees on the Officer responsible after giving a reasonable opportunity of being heard."

5. Amendment Of Section 31 :-

In Section 31 of the Principal Act, in sub-section (1), for clause (e), the following clause shall be substituted, namely:-

"(e) consideration of audited financial statements of accounts, the auditors report relating to the previous financial year and compliance report along with the action taken on it;"

6. Amendment Of Section 35 :-

In Section 35 of the Principal Act, for clause (i), the following clauses shall be substituted, namely:-

- "(i) to prepare the annual financial statement of accounts;
- (j) to file returns and information in accordance with the provisions of sub-section (1) and (2) of Section 52;
- (k) to convene annual general meeting or special general meeting under section 32;
- (l) to prepare the business policy for co-operative and to conduct the work in accordance with the business policy;
- (m) to consider the audit report of accounts of the previous financial year and to take action on its recommendations and to submit the compliance report along with the details of action taken before the annual general meeting."

7. Amendment Of Section 41 :-

In Section 41 of the Principal Act, for sub-section (1), the following sub-section shall be substituted, namely:-

- "(1) Every co-operative shall, in its minute book, record, in Hindi or in any other language prescribed in the bye-laws, the minutes of all proceedings of every general meeting, delegate general body meeting and board meeting and the names of the member, delegates or directors present thereat and shall confirm it at the same or ensuing meeting and it shall be the responsibility of the Chief Executive* of cooperative to send the copy thereof within fifteen days of every such meeting to all delegates or members or directors, as the case may be."

8. Substitution Of Section 45 :-

For Section 45 of the Principal Act, the following Section shall be substituted, namely:-

"45. Mobilisation of Funds.--

- (1) A co-operative may raise funds in shape of equity capital from its members to such extent and under such conditions as may be specified in the bye-laws.
- (2) A co-operative may raise funds from its members in shape of deposits and loans to such extent which shall not be more than 25 times of the share capital and reserve fund.
- (3) A co-operative may borrow funds only from any Scheduled bank or financial institution as defined in the Reserve Bank of India Act,

1934 (No. 2 of 1934) or co-operative bank or regional rural bank as defined in the Banking Regulation Act, 1949 (No. 10 of 1949) and to such extent and under such conditions as may be specified in the bye-laws.

(4) A co-operative shall not accept any deposits from non-member or institutions and shall not perform any work relating to banking business unless such co-operative has obtained licence under the Banking Regulation Act, 1949 (No. 10 of 1949).".

9. Amendment Of Section 51 :-

In Section 51 of the Principal Act, in sub-section (14), in clause (g), for full stop, the semi-colon shall be substituted and thereafter the following new clause shall be inserted, namely:-

"(h) state whether the loss incurred in the business of the co-operative is the result of gross negligence or serious irregularities.".

10. Amendment Of Section 52 :-

In Section 52 of the Principal Act, for sub-section (3), the following sub-section shall be substituted, namely:-

"(3) If the returns and information as specified in sub-section (1) and (2) are not filed with or furnished to the Registrar within the period specified in sub-section (1), the Registrar may, by an order, impose penalty of not exceeding ten thousand rupees, on the board which was responsible, after giving the board a reasonable opportunity of being heard and all the Directors of the board shall be jointly liable for such penalty.".

11. Amendment Of Section 55 :-

In Section 55 of the Principal Act-

(i) for the words "one thousand" wherever they occur, the words "ten thousand" shall be substituted;

(ii) after sub-section (4), the following sub-section shall be inserted, namely:-

"(4-A) Every person who-

(a) destroys, mutilates or alters any book or securities, or is privy to the making of any false or fraudulent entry in any register, book of account or document belonging to the co-operative; or

(b) invests fund of co-operative other than as provided in this Act and the bye-laws, shall be guilty of an offence and shall on conviction be punishable with imprisonment which may extend to

three months or with fine which may extend .to ten thousand rupees or with both."

12. Insertion Of Section 55-A :-

After Section 55 of the Principal Act, the following Section shall be inserted in Chapter VII, namely:-.

"55-A Cognizance of offences.--

(1) No court inferior to that of a Magistrate First Class shall try any offence under this Act.

(2) No court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence by the Registrar or by a person specially authorised by him in this behalf."