
**Punjab Undesirable Cooperative Societies (Dissolution) Act,
1993**

1 of 1993

[27 February 1993]

CONTENTS

1. Short Title, Extent And Commencement
2. Definitions
3. Act To Override Other Laws, Etc
4. Registration Of Certain Cooperative Societies Prohibited
5. Cooperatives Boards
6. Meetings Of The Board
7. Powers Of A Cooperatives Board
8. Chairman, Etc., Deemed To Be Public Servants
9. Indemnity
10. Validity Of Acts And Proceedings
11. Application To The Cooperatives Judge
12. Existing Undesirable Cooperative Societies To Cease To Function
13. Winding Up Of An Undesirable Cooperative Society
14. Claims Against An Undesirable Cooperative Society
15. Dissolution Of An Undesirable Cooperative Society
16. Abatement Of All Suits, Proceedings, Etc
17. Exclusive Jurisdiction Of Cooperatives Judge
18. Confiscation Of Assets, Etc
19. Action Of Federal Government Not To Be Affected, Etc
20. Cognizance Of Offences, Etc
21. Penalties
22. Appeal
23. Power To Make Rules
24. Power To Make Regulations
25. Power To Remove Difficulties
26. Power To Amend The Schedule
27. Savings
28. Repeal

SCHEDULE 1 :- SCHEDULE I

**Punjab Undesirable Cooperative Societies (Dissolution) Act,
1993**

1 of 1993

[27 February 1993]

An Act to prohibit the carrying on of business as financial institutions by Cooperative Societies and to provide for matters ancillary thereto. Preamble.- Whereas it is expedient to prohibit the carrying on of business as financial institutions by Cooperative Societies and to provide for matters ancillary thereto; It is hereby enacted as follows:-

1. Short Title, Extent And Commencement :-

- (1) This Act may be called the Punjab Undesirable Cooperative Societies (Dissolution) Act, 1993.
- (2) It shall extend to the whole of the Punjab.
- (3) It shall come into force at once.

2. Definitions :-

- (1) In this Act, unless there is anything repugnant in the subject or context-
 - (a) "Commission" means the Commission appointed by the Federal Government under section 3 of the Pakistan Commissions of Inquiries Act, 1956, by Notification No.F-2(1)/91-Pub, dated 6th November, 1991;
 - (b) "Cooperatives Board" means a Board constituted under Section 5;
 - [2][(c) "Cooperatives Judge" means a Judge of the Lahore High Court, Lahore, nominated as Cooperatives Judge by the Chief Justice of the said Court;]
 - (d) "Government" means the Government of the Punjab;
 - (e) "Liquidator" means a Cooperatives Board;
 - (f) "Prescribed" means prescribed by Rules;
 - (g) "Registrar" means the Registrar of Cooperative Societies appointed under the Cooperative Societies Act, 1925;
 - (h) "Schedule" means the schedule to this Act; and
 - (i) "Undesirable Cooperative Society" means a Cooperative Society registered under the Cooperative Societies Act, 1925 by whatever name called-
 - (i) to which Section 4 applies; or
 - (ii) which is specified in the schedule.
- (2) Words and expressions used but not defined shall have the same meanings as have been assigned to them in the Cooperative Societies Act, 1925.

3. Act To Override Other Laws, Etc :-

The provisions of this Act shall have effect notwithstanding anything contained in any other law for the time being in force, or in any judgement or decision of any court or in any agreement, contract or instrument.

4. Registration Of Certain Cooperative Societies Prohibited :-

(1) No Cooperative Society formed with the object of accepting deposits from its members or the public for the purposes of lending, investment or allowing withdrawals in any manner shall, after the commencement of this Act be registered under the Cooperative Societies Act, 1925.

(2) Any registration made in contravention of sub-section (1) shall be void.

5. Cooperatives Boards :-

(1) The Government may establish as many Cooperatives Boards as it may deem necessary and assign names to them.

(2) A Cooperatives Board shall be a body corporate, having perpetual secession and a common seal, with powers, subject to the provisions of this Act, to enter into contracts and to acquire, hold and dispose of property, both movable and immovable, and shall, by the said name, sue and be sued.

(3) A Cooperatives Board shall consist of a Chairman and at least two members.

(4) The chairman and other members whose qualifications and terms and conditions of service shall be such as may be prescribed, shall be appointed by the Government.

6. Meetings Of The Board :-

The meetings of the Board shall be held in accordance with such procedure as may be prescribed:

Provided that until the rules are framed, such meetings shall be convened and regulated by the Chairman.

7. Powers Of A Cooperatives Board :-

A Cooperatives Board when appointed as a Liquidator under this Act shall have all the powers exercisable by a Liquidator under the

Cooperative Societies Act, 1925 and in addition to that shall have the power to-

(a) verify the claims already filed with the Commission; entertain and dispose of objections against the acceptance or rejection thereof and also entertain claims, in case, reasonable cause is shown for not filing the same earlier;

(b) unearth and proceed against any concealed or hidden property of an Undesirable Cooperative Society, whether in the name of any Director, Officer, agent or any of the members of their families or in the name of any other person, body, company or firm acquired or purchased by using or diverting the funds of such a society;

(c) determine the assets and liabilities of an Undesirable Cooperative Society and those of its Promoters, Directors, Officers and agents and of the past members of its committees of management;

(d) fix and pay to any person on whose information to a Cooperatives Board any hidden assets of an Undesirable Cooperative Society are retrieved, a compensation not exceeding fifteen percent of the value of such assets;

(e) cancel all agreements entered into by an Undesirable Cooperative Society or its previous managements or Directors, Officers or agents, which in the opinion of the Cooperatives Board are mala fide and against the interest of such a Society or the members thereof;

(f) decide and settle objections and claims of third parties relating to assets and properties of an Undesirable Cooperative Society; provided that the plea of limitation shall not be a defence against the recovery of any assets and properties of an Undesirable Cooperative Society;

(g) recall and recover loans advanced by an Undesirable Cooperative Society, for which purpose the provisions of all existing laws including the Cooperative Societies and Cooperative Banks (Repayment of Loans) Ordinance, 1966 with necessary adaptations shall apply to the Cooperatives Boards, but nothing contained in this clause shall be a bar for a Cooperatives Board to make reference in respect of any loan, in terms of Section 4 of the said Ordinance to the Assistant Registrar or Registrar as the case may be, who shall thereafter proceed against the borrowers under the provisions of the said Ordinance;

(h) determine the validity of adjustment of deposits, loans, deposit certificates, securities and other such instruments;

(i) call for any information, document, record or evidence from any

person, authority, agency or department;

(j) initiate inquiries through police and other agencies for unearthing hidden or concealed properties and assets of an undesirable Cooperative Society and its Directors, Officers, agents, benamidars and the members of their families;

[3][(k) initiate criminal prosecution of Directors, Officers and Agents of an undesirable Cooperative Society and other persons connected with the properties and affairs of such a society;]

(l) avail itself of financial assistance from Bait-ul-Maal and other agencies for payment to depositors who are deserving destitutes, widows, orphans or infirm persons;

(m) develop the properties of an undesirable Cooperative Society and for that purpose to formulate and execute development schemes with or without the collaboration of the official development agencies and dispose of assets and properties;

(n) assess the market value of properties and assets of an undesirable Cooperative Society for their disposal;

(o) take loans, financial assistance and do all acts, deeds and things necessary for the implementation of the requirements of this Act and directions, orders and decisions of the Cooperatives Judge;

(p) satisfy wholly or partly the verified claims with the approval of the Cooperatives Judge at any time pending winding up proceedings and final determination of assets and liabilities of an undesirable Cooperative Society;

(q) incur all reasonable expenses for the management of a society to be dealt with by it and for other purposes under this Act;

(r) subject to the rules appoint such officers, advisers and other employees as it considers necessary for the efficient performance of its functions, on such terms and conditions as it may deem fit;

(s) delegate to the Chairman, or any member or committee or officer or adviser, any of its powers under this Act or the rules;

(t) apply to the Cooperatives Judge for guidance, in relation to any particular matter arising in winding up proceedings;

[4][(ta) direct the eviction of tenants from any of the properties vested in the Board;]

[5][(tb) create a fund for social sector development in the Punjab with surplus assets if any;]

(u) maintain accounts in such manner as may be prescribed; and

(v) refer a case, for the recovery of a loan advanced by an undesirable Cooperative Society or for the execution of any decree, order or award passed in favour of such a Society, at any stage of its proceedings to the Cooperatives Judge who may dispose it of or

otherwise deal with it in accordance with such procedure as may be prescribed and until the procedure is prescribed as may be determined by the Cooperatives Judge.

8. Chairman, Etc., Deemed To Be Public Servants :-

The Chairman, every member, adviser, officer and employee of the Cooperatives Board, shall be deemed to be a public servant within the meaning of section 21 of the Pakistan Penal Code.

9. Indemnity :-

No suit, prosecution or other legal proceedings shall lie against the Registrar, Chairman, any member, officer, adviser or employee of the Cooperatives Board in respect of anything done in good faith and with due care and attention under this Act.

10. Validity Of Acts And Proceedings :-

No act done or proceedings taken under this Act shall be questioned on the ground of the existence of any vacancy or any defect in the constitution of a Cooperatives Board.

11. Application To The Cooperatives Judge :-

A person if aggrieved by an act or decision of the Cooperatives Board, may [6][including the Chairman or his delegate may within a period of sixty days from the date of the act or decision] apply to the Cooperatives Judge, who may confirm, reverse, or modify the act or decision complained against, and make such order as he may think just in the circumstances of the case.

12. Existing Undesirable Cooperative Societies To Cease To Function :-

An undesirable Cooperative Society specified in the schedule on the commencement of this Act and in case of subsequent inclusion of an undesirable Cooperative Society in the schedule, on the date of such inclusion, shall cease to function and all its properties, assets, securities, deposits and bank accounts shall vest in the Registrar and shall remain so vested till such time they stand vested in the Liquidator.

13. Winding Up Of An Undesirable Cooperative Society :-

(1) As soon as may be, after the commencement of this Act, the Registrar shall make a petition to the Cooperatives Judge for winding up of an undesirable Cooperative Society who shall thereupon make an order for its winding up and appointment of a Cooperatives Board as Liquidator.

(2) Nothing contained herein shall bar the jurisdiction of the Cooperatives Judge to pass an interim order appointing a Cooperatives Board as Liquidator, without prior notice to such a society.

14. Claims Against An Undesirable Cooperative Society :-

Any person having any claim against an undesirable Cooperative Society or any right over any property or assets of such society or against its Directors, officers or agents, whether on the basis of any agreement, sale, transfer or otherwise may, within thirty days of the appointment of a Liquidator or within a reasonable time allowed by the Cooperatives Judge, submit his claim before the Liquidator.

15. Dissolution Of An Undesirable Cooperative Society :-

When an undesirable Cooperative Society is wound up, it shall be deemed to have been dissolved and its registration cancelled.

16. Abatement Of All Suits, Proceedings, Etc :-

(1) All suits or proceedings pending before any court or authority against an undesirable Cooperative Society in respect of its assets and liabilities shall stand abated on the appointment of the Liquidator:

Provided that fresh proceedings against such a Society may be initiated before the Cooperatives Judge within sixty days of such abatement.

(2) All decrees, judgements and orders passed by any court, except the Supreme Court, against an undesirable Cooperative Society or against properties and assets thereof on or after the first day of July 1990, shall be unexecutable and of no legal effect, unless such judgement, decree or order is confirmed by the Cooperatives Judge after hearing the concerned parties.

(3) Any person who relies on such decrees, judgements or orders, may within sixty days of the appointment of the Liquidator, apply to the Cooperatives Judge for its confirmation.

17. Exclusive Jurisdiction Of Cooperatives Judge :-

Save as otherwise provided in this Act, no court shall have jurisdiction in respect of any matter which a Cooperatives Board and the Cooperatives Judge are empowered by or under this Act to determine and no injunction or process or order shall be granted by any court or authority in respect of any action taken or to be taken in exercise of any power conferred by or under this Act.

18. Confiscation Of Assets, Etc :-

(1) Where any Director, officer, or agent of an undesirable Cooperative Society or any other person, body, company or firm found to be in possession of any property or assets on behalf of such Director, officer, agent or such society for the pecuniary resources of which such Director, officer, agent, person, body, company or firm cannot satisfactorily and reasonably account for or holds property disproportionate to his or its known sources of income, it shall be presumed, unless the contrary is proved, that such Director, officer or agent, person, body, company or firm has acquired such property and assets by misappropriating the funds of such Society.

(2) The Cooperatives Judge may, after holding an inquiry, order confiscation of all such properties and assets against which a presumption is raised under sub-section (1) which shall then vest in the Cooperatives Board as assets of such a Society for distribution among its depositors.

19. Action Of Federal Government Not To Be Affected, Etc :-

(1) Nothing in this Act shall affect any action taken by the Federal Government against an undesirable Cooperative Society or any of its Directors, officers, agents or any other person in pursuance of any law for the time being in force, or any other measure adopted for providing relief to the depositors.

(2) Action under this Act against an undesirable Cooperative Society or against its Directors, officers, agents or any other person, shall be in addition to and not in derogation of any action taken under any law for the time being in force.

20. Cognizance Of Offences, Etc :-

(1) All offences under this Act shall be cognizable and non-bailable.

[7][(2) No court shall take cognizance of any offence under this Act

except on a complaint made by the Cooperatives Board].

21. Penalties :-

Any person who-

(a) contravenes or violates any of the provisions of this Act or the rules made thereunder or directions or orders of the Cooperatives Judge or the Cooperatives Board passed or given in pursuance of the provisions of this Act or the rules; or

(b) fails to inform the Cooperatives Judge or the Cooperatives Board within one month of the commencement of this Act, that he holds, possesses or keeps in his control any property or assets of any undesirable Cooperative Society shall be punishable with rigorous imprisonment which may extend to seven years, or with fine up to twenty thousand rupees or with both.

22. Appeal :-

An appeal against the final order of the Cooperatives Judge shall lie before the Supreme Court within thirty days from the date of the order.

23. Power To Make Rules :-

The Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

24. Power To Make Regulations :-

Subject to the rules, the Cooperatives Board may make regulations for carrying out the purpose of this Act.

25. Power To Remove Difficulties :-

If any difficulty arises in giving effect to any of the provisions of this Act, the Government may make such order as may appear to it to be necessary for the purpose of removing the difficulty.

26. Power To Amend The Schedule :-

The Government may, by notification, amend the schedule so as to add any entry thereto or modify or omit any entry therein.

27. Savings :-

All orders made, proceedings taken and acts done by any authority, or person which were made, taken or done or purported to have been made, taken or done under the Punjab Undesirable Cooperative Societies (Dissolution) Ordinance, 1992 (XX of 1992), the Punjab Undesirable Cooperative Societies (Dissolution) Ordinance, 1992 (XXXI of 1992), the Punjab Undesirable Cooperative Societies (Dissolution) Ordinance, 1992 (XXXVII of 1992) and the Punjab Undesirable Cooperative Societies (Dissolution) Ordinance, 1993 (II of 1993) shall be deemed to have been made, taken or done under this Act.

28. Repeal :-

The Punjab Undesirable Cooperative Societies (Dissolution) Ordinance, 1993 (II of 1993) is hereby repealed.

SCHEDULE 1

SCHEDULE I

[SEE SECTION 2(I)]

1. Adam Industrial Amusement Cooperative Society Ltd.
2. Agro Commercial Investment Cooperative Ltd.
3. Agricultural & Allied Services Cooperative Development Society Ltd.
4. Agricultural Cooperative Development & Investment Ltd.
5. Alliance Industrial & Commercial Cooperative Society Ltd.
6. Allied Commercial Cooperative Corporation Ltd.
7. Allied Industrial Cooperative Development Society Ltd.
8. Al-Sadat Cooperative Thrift & Credit Society Ltd.
9. Asia Cooperative Credit Corporation Ltd.
10. Asian Development Cooperative Society Ltd.
11. Barex Commercial Cooperative Society Ltd.
12. Capital Cooperatives Ltd.
13. Central Punjab Cooperative Credit Society Ltd.
14. Citi Industrial Cooperative Development Society Ltd.
15. The Commerce Urban Cooperative Credit Society Ltd.
16. Commercial Cooperative Development Corporation Ltd.
17. Commerce Development Cooperative Society Ltd.
18. The Coop-5 Cooperative Investment Ltd.
19. Crescent Cooperative Development Society Ltd.
20. Crescent Industrial Development Cooperative Corporation Ltd.
21. Eurasia Industrial Cooperative Ltd.
22. Fair-deals Cooperative Society Ltd.
23. Federal Cooperative Commercial Society Ltd.
24. Federal Industrial Cooperative Society Ltd.
25. Frugal Cooperative Development Society Ltd.
26. Global Cooperative Society Ltd.
27. The Gujjar Khan Cooperative Urban Finance Corporation Ltd.
28. The Gujrat Khawajgan Cooperative Finance Corporation Ltd.
29. Gulf Industrial Cooperative Society Ltd.
30. Habib Industrial Cooperative Corporation Ltd.

31. Habib Industrial Cooperative Credit Corporation Ltd.
32. Habib National Cooperative Society Ltd.
33. Image Cooperative Society Ltd.
34. Imperial Cooperative Society Ltd.
35. Indus Cooperative Society Ltd.
36. International Industrial Cooperative Society Ltd.
37. The Ittifaq Cooperative Commerce Corporation Ltd.
38. Khyber Industrial Agricultural Cooperative Society Ltd.
39. The Kissan Cooperative Commercial Corporation Ltd.
40. Management Improvement Cooperative Corporation of Pakistan Ltd.
41. Mercantile Cooperative Finance Corporation Ltd.
42. The First Islamic Cooperative Credit Ltd.
43. The Millat Cooperatives Ltd.
44. The Milli Cooperative Multipurpose Society Ltd.
45. Millat Industrial Cooperative Society Ltd.
46. The Mughal Cooperative Finance Corporation Ltd.
47. The Muslim Industrial Cooperative Corporation Ltd.
48. Mutual Cooperative Society Ltd.
49. National Agro and Credit Cooperative Society Ltd.
50. National Cooperative Credit Corporation Ltd.
51. National Cooperative Investment Ltd.
52. National Development Cooperative Society Ltd.
53. National Housing Agricultural & Industrial Cooperative Society Ltd.
54. National Industrial Cooperative Credit Corporation Ltd.
55. National Industrial Cooperative Finance Corporation Ltd.
56. National Investment Cooperatives Ltd.
57. Oman Cooperative Society Ltd.
58. Orient Industrial Cooperative Society Ltd.
59. The Pak Punjab Cooperative Credit Corporation Ltd.
60. Pak Crescent Cooperative Society Ltd.
61. Pakistan Development Cooperative Corporation Ltd.
62. Pak Industries Cooperative Society Ltd.
63. Pak Industrial Cooperative Development Society Ltd.
64. The Pak Industrial Cooperative Ltd.
65. Pakistan National Industrial Cooperative Credit Corporation Ltd.
66. Pasban Cooperative Credit Corporation Ltd.
67. Pasban Cooperative Finance Corporation Ltd.
68. Popular Cooperative Urban Thrift & Credit Society Ltd.
69. The Premier Alliance Cooperative Ltd.
70. Premier Industrial Development Cooperative Corporation Ltd.
71. Prime Industrial Cooperative Development Society Ltd.
72. Progressive Cooperative Society Ltd.
73. Progressive Industrial Development Cooperative Society Ltd.
74. Public Industrial and Commercial Cooperative Society Ltd.
75. Punjab Agriculture Cooperative Development Corporation Ltd.
76. Punjab Cooperative Agricultural Corporation Ltd.
77. Punjab Development Cooperative Corporation Ltd.
78. The Punjab Industrial Development and Construction Cooperative Corporation Ltd.
79. Punjab Industrial Cooperatives Ltd.
80. The Quaid Cooperative Investment Ltd.
81. Qudaratabad Multipurpose Cooperative Society Ltd.

82. Services Cooperative Credit Corporation Ltd.
83. Shifa Cooperative Investment Society Ltd.
84. Standard Cooperative Industrial Development Corporation Ltd.
85. Standard Cooperative Society Ltd.
86. Standard Industrial Cooperative Society Ltd.
87. State Cooperative Credit Corporation Ltd.
88. The State Industrial Cooperative Credit Corporation Ltd.
89. Sun-shine Cooperative Society Ltd.
90. Super Investment Cooperative Society Ltd.
91. Traders Cooperative Corporation Ltd.
92. Union Cooperative Investment Ltd.
93. Union Industrial Cooperative Corporation Ltd.
94. Union Industrial Cooperative Society Ltd.
95. United Agricultural Cooperative Corporation Ltd.
96. United Cooperative Credit Corporation Ltd.
97. United Cooperative Development Society Ltd.
98. United Development Cooperative Society Ltd.
99. The Urban Cooperative Thrift and Credit Society Ltd.
100. Wahid Multipurpose Cooperative Society Ltd.
101. Wattan Commercial Cooperative Society Ltd.
102. Zamindara Cooperative Credit Corporation Ltd.