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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

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MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 3*rd August,* 2023/*Sravana* 12, 1945 (*Saka*)

The following Act of Parliament received the assent of the President on the 3rd August, 2023 and is hereby published for general information:—

THE MULTI-STATE CO-OPERATIVE SOCIETIES (AMENDMENT) ACT, 2023

No. 11 OF 2023

[3*rd August*, 2023.]

An Act further to amend the Multi-State Co-operative Societies Act, 2002.

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Multi-State Co-operative Societies (Amendment) Act, 2023.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment of section 3.

39 of 2002.

2. In section 3 of the Multi-State Co-operative Societies Act, 2002 (hereinafter referred to as the principal Act),—

(*i*) after clause (*a*), the following clause shall be inserted, namely:—

'(*aa*) "Authority" means the Co-operative Election Authority established under sub-section (*1*) of section 45;';

(*ii*) in clause (*d*), for the words, brackets and figures "under sub-section (*1*) of section 4", the words, brackets, letters and figures "as per clause (*f*) of article 243ZH of the Constitution read with sub-section (*1*) of section 4" shall be substituted;

(*iii*) after clause (*f*), the following clause shall be inserted, namely:—

'(*fa*) "Co-operative Ombudsman" means the Ombudsman appointed by the Central Government under section 85A;';

(*iv*) clause (*i*), shall be omitted;

(*v*) after clause (*k*), the following clause shall be inserted, namely:—

'(*ka*) "financial year", in relation to any multi-State co-operative society or class of such societies, means the year ending on the 31st day of March of the year and where the accounts of such society or class of such societies are, with the previous sanction of the Central Registrar, balanced on any other day, the year ending on such day;';

(*vi*) in clause (*s*), after the words "Official Gazette", the words "and the expression 'notified' with its cognate meanings and grammatical variations shall be construed accordingly" shall be inserted.

Amendment of section 7.

3. In section 7 of the principal Act, for sub-sections (*2*) and (*3*), the following sub-sections shall be substituted, namely:—

"(*2*) Without prejudice to the provisions of sub-section (*1*), the Central Registrar may register a multi-State co-operative society if the aggregate value of the paid-up capital and provision of reserves along with liquidity, exposure and other prudential norms specified in bye-laws of the proposed multi-State co-operative society in the business of thrift and credit are in accordance with such guidelines as may be prescribed:

Provided that the multi-State co-operative societies registered before the commencement of the Multi-State Co-operative Societies (Amendment) Act, 2023 shall meet such norms within a period of five years from the date of commencement of the said Act:

Provided further that if the liquidity, exposure, prudential and other parameters of the multi-State credit society do not meet such norms within the period mentioned above, the Central Registrar shall have powers to issue such directions as it deems appropriate to such society to take relevant action:

Provided also that in the case of multi-State co-operative bank, the aggregate value of the paid-up capital and provision of reserves along with liquidity norms provided in the bye-laws shall be such as may be laid down by the Reserve Bank from time to time.

(*3*) The application for registration shall be disposed of by the Central Registrar within a period of three months from the date of receipt of such application by him:

Provided that the Central Registrar may, for rectification of mistakes, if any, in the application, extend the period of three months with such further period, for reasons to be recorded in writing, not exceeding two months on the request of the applicant.

(*4*) Where the Central Registrar refuses to register a multi-State co-operative society, he shall communicate the order of such refusal stating therein the reasons for such refusal, to the applicant within the period specified in sub-section (*3*):

Provided that no order of refusal shall be made, unless the applicant has been given an opportunity of being heard:

Provided further that if the application for registration is not disposed of within the period specified in sub-section (*3*) or the Central Registrar fails to communicate the order of refusal within the said period, the application shall be deemed to have been accepted for registration and the Central Registrar shall issue the registration certificate in accordance with the provisions of this Act and the rules made thereunder.".

Amendment of section 10.

4. In section 10 of the principal Act, in sub-section (*2*), in clause (*a*), for the word "address", the words and brackets "address, including e-mail address" shall be substituted.

Amendment of section 14.

5. In section 14 of the principal Act,—

(*i*) for the marginal heading "Change of address", the marginal heading "Address" shall be substituted;

(*ii*) for the word "address", the words "address, including e-mail address," shall be substituted.

Amendment of section 17.

6. In section 17 of the principal Act, after sub-section (*9*), the following sub-section shall be inserted, namely:—

"(*10*) Any co-operative society may, by a resolution passed by majority of not less than two-thirds of the members present and voting at a general meeting of such society, decide to merge into an existing multi-State co-operative society:

Provided that such resolution shall be subject to the provisions of the respective State Co-operative Societies Act for the time being in force under which such co-operative society is registered.".

Amendment of section 19.

7. In section 19 of the principal Act, in the *Explanation*, in clause (*a*),—

(*i*) in sub-clause (*ii*), the word "or" occurring at the end shall be omitted;

(*ii*) sub-clause (*iii*) shall be omitted.

Amendment of section 22.

8. In section 22 of the principal Act, in sub-section (*5*), for clause (*c*), the following clause shall be substituted, namely:—

"(*c*) the co-operative society shall be deemed to have been de-registered under the law relating to such co-operative society for the time being in force in that State, from the date of the certificate as issued by the Central Registrar and forwarded to such co-operative society, along with a copy of the registered amendment under sub-section (*3*).".

Amendment of section 26.

9. In section 26 of the principal Act,—

(*i*) in the proviso, the words "be entitled to subscribe the shares of such society or" shall be omitted;

(*ii*) after the proviso, the following provisos shall be inserted, namely:—

"Provided further that nominal or associate member can be issued non-voting shares which may not confer any interest in the management of the multi-State co-operative society including right to vote, to be elected as a director of the board or participate in the general body meetings:

Provided also that in case of multi-State co-operative bank, such shares shall be issued in accordance with the instructions issued by the Reserve Bank from time to time.".

Amendment of section 28.

10. In section 28 of the principal Act, for the words "to the society in respect of membership,", the words "of all dues to the multi-State co-operative society including the payment in respect of membership or has availed such minimum level of product or services as specified in the bye-laws," shall be substituted.

Amendment of section 29.

11. In section 29 of the principal Act, for clause (*b*), the following clause shall be substituted, namely:—

"(*b*) he fails to use the minimum level of the products or services as specified in the bye-laws for two consecutive years; or".

Amendment of section 30.

12. In section 30 of the principal Act, in sub-section (*2*), for the words "one year", the words "three years" shall be substituted.

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Substitution of new section for section 35.

13. For section 35 of the principal Act, the following section shall be substituted, namely:—

Redemption of shares.

"35. (*1*) The shares of the authorities referred to in clauses (*c*) and (*d*) of sub-section (*1*) of section 25, held in multi-State co-operative societies,—

(*a*) shall not be redeemed without the prior approval of such authorities; and

(*b*) may be redeemed in such manner as may be agreed upon between the multi-State co-operative society and such authorities.

(*2*) The shares held in a multi-State co-operative society by any of the authorities referred to in clauses (*e*) to (*g*) of sub-section (*1*) of section 25, shall be redeemed in accordance with the bye-laws of such multi-State co-operative society and in case, where the bye-laws do not contain any provision, in such manner as may be agreed upon between the multi-State co-operative society and such authorities.

(*3*) The redemption of shares referred to in sub-sections (*1*) and (*2*), shall be on the face value of shares.".

Amendment of section 39.

14. In section 39 of the principal Act, in sub-section (*1*), after clause (*o*), the following clause shall be inserted, namely:—

"(*p*) appointment of auditor.".

Amendment of section 41.

15. In section 41 of the principal Act, for sub-section (*3*), the following sub-sections shall be substituted, namely:—

'(*3*) The board shall consist of such number of directors not exceeding twenty-one, as may be specified by the bye-laws, out of which one member shall be Scheduled Caste or Scheduled Tribe and two shall be women in the board of multi-State co-operative society consisting of individuals and having members from such class or category of persons:

Provided that the board may co-opt as members of the board having experience in the field of banking, management, co-operative management and finance or specialisation in any other field relating to the objects and activities undertaken by such multi-State co-operative society:

Provided further that the number of such co-opted members shall not exceed two in addition to twenty-one directors specified in this sub-section.

(*4*) The co-opted directors referred to in sub-section (*3*) shall not have the right to vote in any election of the office bearers or be eligible to be elected as office bearers of the board.

(*5*) The functional directors in a multi-State co-operative society shall also be the members of the board and such directors shall be excluded for the purpose of counting the total number of directors specified in sub-section (*3*).

(*6*) No director of a multi-State co-operative society shall, as a director, be present in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of such society, if he or his relative is directly or indirectly concerned or interested in such contract or arrangement and no relative of any of the sitting directors of the multi-State co-operative society shall be recruited as employee including the Chief Executive of that society.

Explanation.—For the purposes of this sub-section, the term, "relative" with reference to an individual, includes—

(*a*) spouse;

(*b*) father (including step father);

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(*c*) mother (including step mother);

(*d*) son (including step son);

(*e*) son's wife;

(*f*) daughter (including step daughter);

(*g*) daughter's husband;

(*h*) father's father;

(*i*) father's mother;

(*j*) mother's father;

(*k*) mother's mother;

(*l*) son's son;

(*m*) son's son's wife;

(*n*) son's daughter;

(*o*) son's daughter's husband;

(*p*) daughter's son;

(*q*) daughter's son's wife;

(*r*) daughter's daughter;

(*s*) daughter's daughter's husband;

(*t*) brother (including step brother);

(*u*) brother's wife;

(*v*) sister (including step sister);

(*w*) sister's husband; and

(*x*) Hindu undivided family.

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(*7*) Any director of the board who violates the provision of sub-section (*6*), shall be disqualified for being a member of the board and deemed to have vacated his office from the date of such meeting of the board as is referred to in the said sub-section and such proceedings shall be deemed to be void.'.

Amendment of section 43.

16. In section 43 of the principal Act,—

(*i*) in sub-section (*1*),—

(*a*) in clause (*a*), after the words "to be insolvent", the words "or has been a director of an insolvent company" shall be inserted;

(*b*) in clause (*h*), after the words "under this Act", the words "or under any other Act specified in the Third Schedule" shall be inserted;

(*c*) after clause (*n*), the following clause shall be inserted, namely:—

"(*o*) has been disqualified under sub-section (*7*) of section 41.";

(*ii*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) A member who has been a director of the board of any multi-State co-operative society or co-operative bank, where such board has been superseded, shall not be eligible to be elected as director of the board of another multi-State co-operative society or co-operative bank for a period of five years, from the date of such supersession:

Provided that no member shall be declared ineligible under this sub-section unless an opportunity of being heard has been given to such member by the Central Registrar and declaration for ineligibility shall be made only after ascertaining that the member concerned has been responsible by acts of omission or commission leading to such supersession.";

(*iii*) in sub-section (*2*),—

(*a*) for clause (*a*), the following clause shall be substituted, namely:—

"(*a*) to provide information, documents, personnel, funds or expenses or any other assistance as required by the Co-operative Election Authority for conducting elections under this Act in such manner as may be prescribed; or";

(*b*) in clause (*c*), for the words "general meeting" occurring at the end, the words "general meeting; or" shall be substituted;

(*c*) after clause (*c*), the following clauses shall be inserted, namely:—

"(*d*) to make contribution to the co-operative education fund referred to in clause (*b*) of sub-section (*1*) of section 63 or the Co-operative Rehabilitation, Reconstruction and Development Fund established under section 63A; or

(*e*) to file annual return specified in section 120 within the time specified therein; or

(*f*) to get the audit of the society conducted within six months of the close of the financial year to which such account relate:

Provided that before taking any action under this sub-section, he shall be given an opportunity of being heard by the Central Registrar.".

Substitution of new section for section 45.

17. For section 45 of the principal Act, the following sections shall be substituted, namely:—

Establishment of Co-operative Election Authority.

'45. (*1*) The Central Government shall, by notification, establish an Authority to be known as the Co-operative Election Authority which shall consist of a Chairperson, a Vice-Chairperson and Members not exceeding three to be appointed by the Central Government on the recommendation of the Selection Committee consisting of such persons as may be prescribed.

(*2*) The head office of the Authority shall be at such place as may be notified by the Central Government.

(*3*) A person shall not be qualified for appointment as a,—

(*i*) Chairperson of the Authority unless he held the post of Additional Secretary to the Government of India or equivalent rank;

(*ii*) Vice-Chairperson of the Authority unless he held the post of Joint Secretary to the Government of India or equivalent rank; and

(*iii*) Member unless he fulfils such qualification and experience as may be prescribed.

(*4*) The Chairperson, Vice-Chairperson or Member of the Authority shall hold office for a period of three years from the date on which they enter upon their office or until they attain the age of sixty-five years, whichever is earlier and they shall be eligible for re-appointment:

Provided that in case of appointment of a Government servant as a Chairperson, Vice-Chairperson or a Member, he shall be treated as an *ex officio* Member and he shall continue so long as he holds the office by virtue of which he is a Chairperson, Vice-Chairperson or Member.

(*5*) The salaries and allowances payable to, and the other terms and conditions of service of the Chairperson, Vice-Chairperson and Members of the Authority, other than the *ex officio* Member, shall be such as may be prescribed.

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Power of Chairperson.

45A. The Chairperson of the Authority shall have powers of general superintendence and directions in the conduct of the affairs of the Authority and he shall, in addition to presiding over the meetings of the Authority, exercise and discharge such other powers and functions as may be prescribed.

Removal and suspension of Chairperson, Vice-Chairperson and Members.

45B. (*1*) The Central Government may, by order, remove from office the Chairperson, Vice-Chairperson or Member of the Authority, other than *ex officio* Member, if the Chairperson, Vice-Chairperson or Member of the Authority, as the case may be,—

(*a*) has been adjudged as an insolvent;

(*b*) has been convicted of an offence which, in the opinion of the Central Government involves moral turpitude;

(*c*) has been physically or mentally incapable of acting as a Chairperson, Vice-Chairperson or Member of the Authority;

(*d*) has acquired such financial or other interests, as is likely to affect prejudicially his function as a Chairperson, Vice-Chairperson or Member of the Authority;

(*e*) has so abused his position, as to render his continuance in office prejudicial to the public interest; or

(*f*) has engaged at any time during his term of office in any other employment.

(*2*) The Chairperson, Vice-Chairperson or Member of the Authority shall not be removed from his office except by an order of the Central Government on the ground of his proved misbehaviour or incapacity after the Central Government has, on an inquiry, held in accordance with the procedure prescribed in this behalf by it, come to the conclusion that the Chairperson, Vice-Chairperson or Member of the Authority ought on any such ground to be removed.

(*3*) The Central Government may suspend the Chairperson, Vice-Chairperson or Member of the Authority in respect of whom an inquiry under sub-section (*2*) is being initiated or pending until the Central Government has passed an order on receipt of the report of the inquiry.

Disclosure and declaration of interest.

45C. (*1*) Before appointing any person as Chairperson, Vice-Chairperson or Member, the Central Government shall satisfy itself that the person does not have any such financial or other interest as is likely to affect prejudicially his functions as such Chairperson, Vice-Chairperson or Member.

(*2*) The Chairperson, Vice-Chairperson or Members shall immediately after entering office and every year thereafter, make a declaration as to the extent of their interest, whether direct or indirect and whether financial or otherwise, in any co-operative society.

(*3*) The declaration so made under sub-section (*2*) shall be placed in the public domain by the Authority.

Resignation of Members.

45D. The Chairperson, Vice-Chairperson or Members, other than *ex officio* Members, may, by notice in writing of not less than thirty days under their hand addressed to the Central Government, resign their office and on such resignation being accepted by that Government, shall be deemed to have vacated their office:

Provided that the Chairperson, Vice-Chairperson or Member shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.

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Filling of casual vacancy.

45E. If a casual vacancy occurs in the office of the Chairperson, Vice-Chairperson or Member of the Authority, whether by reason of his death, resignation or otherwise, such vacancy shall be filled within a period of ninety days by making a fresh appointment in accordance with the provisions of section 45 and the person so appointed shall hold office for the remainder of the term of office for which the Chairperson, Vice-Chairperson or Member of the Authority, as the case may be, in whose place he is so appointed.

Restriction of re-employment.

45F. The Chairperson, Vice-Chairperson and Member of the Authority, on ceasing to hold office shall not, for a period of two years, accept any employment (including as consultant or otherwise) in any co-operative society:

Provided that nothing contained in this section shall apply to any employment under the Central Government or in any State Government or any Corporation established by or under any Central or State Act or a Government Company as defined under clause (*45*) of section 2 of the Companies Act, 2013. 18 of 2013.

Vacancies, etc., not to invalidate proceedings of Authority.

45G. No act or proceeding of the Authority shall be invalid merely by reason of—

(*a*) any vacancy in, or any defect in the constitution of the Authority;

(*b*) any defect in the appointment of a person as Chairperson or Member of the Authority; or

(*c*) any irregularity in the procedure of the Authority not affecting the merits of the case.

Meetings of Authority.

45H. (*1*) The Authority shall meet at such places and times and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at its meetings), as may be prescribed.

(*2*) The Chairperson of the Authority shall preside at the meeting of the Authority and if for any reason the Chairperson of the Authority is unable to attend a meeting of the Authority, the Vice-Chairperson of the Authority shall preside at the meeting.

(*3*) All questions which come up before any meeting of the Authority shall be decided by a majority of votes of the members present and voting and, in the event of an equality of votes, the Chairperson or the Vice-Chairperson of the Authority presiding shall have the right to exercise a second or casting vote.

(*4*) Save as otherwise provided in sub-section (*1*), every Member shall have one vote.

Functions of Authority.

45-I. The Authority shall discharge the following functions, namely:—

(*i*) conduct the elections of the multi-State co-operative society;

(*ii*) supervise, direct and control the matters relating to preparation of electoral rolls; and

(*iii*) such other functions as may be prescribed.

Elections of members of board.

45J. (*1*) No person shall be eligible to be elected as a member of the board or office bearer of a multi-State co-operative society, unless he is an active member of the general body of that society.

Explanation.—For the purposes of this sub-section, the term "active member" means any member—

(*i*) availing minimum level of products or services of the society; or

(*ii*) attending not less than three consecutive general meetings,

as specified in section 29.

(*2*) A member of the board or office bearer of a multi-State co-operative society shall cease to be such member or office bearer, if he ceases to be a member of general body of that society.

(*3*) The election of members of board shall be held by secret ballot in such manner as may be prescribed.

(*4*) The election of the members of the board shall be held in the general meeting of the members of the multi-State co-operative society and the elected members of the board shall, if the bye-laws of such society permit, be eligible for re-election.

(*5*) The term of office of elected members of the board 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 board:

Provided that the board may fill casual vacancies up to one-third of number of elected directors on the board 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 board is less than half of its original term:

Provided further that in case the number of such casual vacancies in the same term of the board exceeds one-third of number of elected directors, such vacancies shall be filled by elections.

(*6*) The expenses for holding elections by the Authority shall be borne by the multi-State co-operative society in such manner as may be prescribed.

(*7*) The Central Government may make rules to provide for the powers and the procedure to be followed by the Authority for conduct of election of members of the board.

(*8*) The Chairperson and the Chief Executive of the multi-State co-operative society shall inform the Authority, six months before the expiry of the term of the existing board, to conduct the elections within time.

(*9*) The multi-State co-operative society in respect of which the election is being held shall provide such infrastructure, personnel, information, documents or other assistance to the Authority as it may require.

Appointment of Returning Officer and other officers.

45K. (*1*) The Authority may appoint a Returning Officer to conduct the election of the multi-State co-operative societies and discharge such functions, as directed by the Authority, in such manner as may be prescribed.

(*2*) The Central Government shall provide such staff and officers to the Authority as may be necessary for the efficient discharge of functions by the Authority under the Act.

(*3*) The Authority may appoint,—

(*a*) such observers as it may consider necessary to supervise the elections and discharge such other functions as may be prescribed; and

(*b*) such number of Assistant Returning Officers as it may consider necessary to assist the Returning Officer.

Power to issue directions.

45L. The Authority may, by general or special order, issue such directions to the board, its members, Chief Executive and other staff of the multi-State co-operative society as may be necessary for the conduct of free and fair elections and the board, its members, Chief Executive and staff of the society shall comply with such directions.'.

Amendment of section 49.

18. In section 49 of the principal Act, in sub-section (*2*),—

(*i*) after clause (*a*), the following clause shall be inserted, namely:—

"(*aa*) to elect the Chairperson and Vice-Chairperson or President and Vice-President of the multi-State co-operative society from amongst the elected members of the board in accordance with the directions of the Authority:

Provided that the certificate of election shall be issued by the Chief Executive of the multi-State co-operative society after conclusion of resolution by the board;";

(*ii*) in clause (*e*), the following proviso shall be inserted, namely:—

"Provided that the recruitment of such employees shall be subject to such procedure as may be prescribed.".

Amendment of section 50.

19. In section 50 of the principal Act,—

(*a*) in sub-section (*1*), the following provisos shall be inserted, namely:—

"Provided that where such Chairperson or President fails to direct the Chief Executive to convene the meeting of the board within the quarter, such Chief Executive shall convene the meeting on the basis of requisition of the Vice-Chairperson or Vice-President or any other Member of the board:

Provided further that notwithstanding anything contained in the first proviso, the Chief Executive may also convene the meeting on the basis of requisition from at least fifty per cent. of Members of the board;";

(*b*) for sub-section (*3*), the following sub-sections shall be substituted, namely:—

"(*3*) The Chairperson or President, if for any reason, is unable to attend a meeting of the board, the Vice-Chairperson or Vice-President and in the absence of both, any other Member of the board chosen by the Members of the board present from amongst themselves at the meeting, shall preside over the meeting.

(*4*) The quorum for a meeting of the board of directors of a multi-State co-operative society shall be one-third of its total number of elected directors.".

Amendment of section 51.

20. In section 51 of the principal Act, after sub-section (*1*), the following sub-section shall be inserted, namely:—

''(*1A*) No multi-State co-operative society shall appoint or continue the employment of any person as the Chief Executive who—

(*a*) is below the age of twenty-one years or has attained the age of seventy years:

Provided that any person above the age of seventy years may be appointed by a special resolution passed by three-fourth of the board members, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

(*b*) is an undischarged insolvent or has any time been adjudged as an insolvent;

(*c*) has at any time been convicted by a court of an offence and sentenced for a period of more than six months; or

(*d*) does not meet the criteria for 'fit and proper', as determined by the Central Registrar in case of multi-State credit societies or in case of non-credit multi-State societies, does not meet the criteria as Central Government may prescribe in terms of education qualifications and relevant experience.''.

Amendment of section 52.

21. In section 52 of the principal Act, in clause (*j*), for the words "thirty days", the words "forty-five days" shall be substituted.

Amendment of section 53.

22. In section 53 of the principal Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The board may constitute an Executive Committee, and such other committees or sub-committees as may be specified in the bye-laws of the multi-State co-operative society:

Provided that the board shall constitute—

(*a*) an Audit and Ethics Committee;

(*b*) a Committee on prevention of sexual harassment at work place.".

Amendment of section 63.

23. In section 63 of the principal Act, in sub-section (*1*), for clause (*b*), the following clause shall be substituted, namely:—

"(*b*) credit annually one per cent. of net profit to co-operative education fund to be maintained by the Central Government in such manner as may be prescribed and the proceeds from such fund shall be used for co-operative education and training through the National Co-operative Union of India and any other agency in such manner as may be determined by the Central Government;".

Insertion of new sections 63A, 63B and 63C.

24. After section 63 of the principal Act, the following sections shall be inserted, namely:—

Establishment of Co-operative Rehabilitation, Reconstruction and Development Fund.

'63A. (*1*) The Central Government shall establish a Fund, to be called the Co-operative Rehabilitation, Reconstruction and Development Fund for revival of sick multi-State co-operative societies as referred to in section 63B and for development purposes in such manner as may be determined by it and there shall be credited to such Fund annually by multi-State co-operative societies which are in profit for the preceding three financial years one crore rupees or one per cent. of the net profits of such multi-State co-operative society, whichever is less.

(*2*) The Central Government shall, by notification, constitute a Committee, consisting of such members as it may deem fit, to administer the Fund, and maintain separate accounts and other relevant records in relation to the Fund in such form as may be specified by the Central Government in consultation with the Comptroller and Auditor-General of India.

(*3*) The Committee shall spend the money out of the Fund for carrying out the objects for which such Fund has been established.

Rehabilitation and reconstruction of sick societies.

63B. (*1*) If, at any time, the Central Registrar, is of the opinion that a multi-State co-operative society has become sick, he may, by an order, declare such society as sick co-operative society.

(*2*) Where a multi-State co-operative society is declared as a sick co-operative society under sub-section (*1*), the Central Government or any person or agency authorised by it, may prepare a scheme for rehabilitation and reconstruction of the society and hand it over to the society for approval of the general body.

(*3*) The Central Government may, on the recommendation of the general body and to give effect to the scheme for rehabilitation and reconstruction referred to in sub-section (*2*), re-organise the board of such society with such persons, having experience in the field of co-operation, management, finance, accountancy and any other area relating to such societies as may be recommended by the general body:

Provided that in respect of a sick multi-State co-operative bank, any scheme for rehabilitation or reconstruction shall be done with the prior approval of the Reserve Bank.

Explanation.––For the purposes of this section, the expression "sick co-operative society" means a multi-State co-operative society being a society registered under the provisions of this Act which has at the end of any financial year accumulated losses equal to or exceeding total of its paid-up capital, free reserves and surpluses and has also suffered cash losses in such financial year and the financial year immediately preceding such financial year.

Financial assistance to multi-State co-operative societies for development.

63C. (*1*) The Central Government may, on an application made by a multi-State co-operative society which has contributed to the Fund for continuous five preceding financial years, grant such financial assistance as it may consider appropriate to the society out of the Fund for infrastructural requirement:

Provided that at least fifty per cent. of the total requirement shall be borne by the multi-State co-operative society and the financial assistance from the Fund shall not exceed more than the fifty per cent. of such requirement.

(*2*) The Committee constituted under sub-section (*2*) of section 63A shall examine and recommend to the Central Government for providing the financial assistance to the multi-State co-operative society to such extent and on such terms and conditions as it may consider necessary.'.

Amendment of section 64.

25. In section 64 of the principal Act,—

(*i*) for clause (*b*), the following clause shall be substituted, namely:—

"(*b*) in any of the securities issued by the Central Government, State Government, Government Corporations, Government Companies, Authorities, Public Sector Undertakings or any other securities ensured by Government guarantees;";

(*ii*) in clause (*d*), after the words "any other institution", the words "in the same line of business as the multi-State co-operative society" shall be inserted;

(*iii*) for clauses (*e*) and (*f*), the following clauses shall be substituted, namely:—

'(*e*) with any other scheduled or nationalised bank.

Explanation.—For the purposes of this clause, the expression,—

(*i*) "scheduled bank" shall have the same meaning as assigned to it in clause (*e*) of section 2 of the Reserve Bank of India Act, 1934; and 2 of 1934.

(*ii*) "nationalised bank" means a corresponding new bank constituted under sub-section (*1*) of section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980; or 5 of 1970. 40 of 1980.

(*f*) in such other manner as may be determined by the Central Government.'.

Amendment of section 67.

26. In section 67 of the principal Act, in sub-section (*1*), in the first proviso, for the words "ten times", the words "such multiples as may be determined by the Central Government" shall be substituted.

Amendment of section 70.

27. In section 70 of the principal Act,—

(*a*) in sub-section (*2*), for the proviso, the following provisos shall be substituted, namely:—

"Provided that such auditors or auditing firm shall be appointed from a panel approved by the Central Registrar:

Provided further that in case of multi-State co-operative banks, multi-State credit societies with deposits of above five hundred crore rupees and multi-State non-credit societies with turnover of above five hundred crore rupees, the auditor shall be appointed from a panel of auditors approved for audit of such societies by the Central Registrar.";

(*b*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*3A*) An auditor appointed under sub-section (*2*) shall submit the audit of accounts report to the multi-State co-operative society, within

six months from the date of closing of the financial year, to which such accounts relate.";

(*c*) in sub-section (*7*), in clause (*a*), for the proviso, the following proviso shall be substituted, namely:—

"Provided that where such vacancy is caused by the resignation or death of an auditor, the vacancy shall be filled by the board from the panel of auditors from which such auditor was appointed.";

(*d*) after sub-section (*9*) and the *Explanation* thereunder, the following sub-section shall be inserted, namely:—

"(*10*) The audit report of the accounts of the national co-operative societies shall be laid before each House of Parliament.".

Insertion of new section 70A.

28. After section 70 of the principal Act, the following section shall be inserted, namely:—

Concurrent Audit.

"70A. In case of multi-State co-operative societies,—

(*i*) having an annual turnover more than the amount as determined by the Central Government; or

(*ii*) having deposit of more than the amount as determined by the Central Government,

the concurrent audit shall be carried out by an auditor appointed from a panel of auditors approved by the Central Registrar.".

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Amendment of section 73.

29. In section 73 of the principal Act, after sub-section (*5*), the following sub-section shall be inserted, namely:—

"(*6*) the multi-State co-operative society or class of multi-State co-operative societies, as the case may be, shall adopt such standards of auditing and accounting as may be determined by the Central Government:

Provided that until such standards of auditing and accounting are specified, the auditing and accounting standards specified by the Institute of Chartered Accountants of India constituted by sub-section (*1*) of section 3 of the Chartered Accountants Act, 1949 shall be deemed to be the standards of auditing and accounting:

38 of 1949.

Provided further that the multi-State co-operative banks shall adopt the standards of accounting and auditing, if any, laid down by the Reserve Bank.".

Amendment of section 78.

30. In section 78 of the principal Act, after sub-section (*1*), the following sub-sections shall be inserted, namely:—

"(*1A*) If the Central Registrar is satisfied on the basis of information available with him or furnished to him by a Government agency, that the business of a multi-State co-operative society is being carried on for a fraudulent or unlawful purpose, he may, after informing the multi-State co-operative society of the allegations made against it, by a written order, call on the multi-State co-operative society to furnish in writing any information or explanation, with the endorsement of the board of the society, on matters contained in such order within the time specified therein:

Provided that if the Central Registrar is not satisfied with the explanation of the society, he shall either himself or through an office or agency authorised by him, conduct inquiry into the constitution, working and financial condition of the society.

(*1B*) Notwithstanding anything contained in this Act, the Central Registrar shall, either *suo motu* or through an officer or agency authorised by him, conduct inquiry into the constitution, working and financial condition of any multi-State co-operative society, once in such period as may be determined by the Central Government.".

Insertion of new Chapter IXA.

31. After Chapter IX of the principal Act, the following Chapter shall be inserted, namely:—

"CHAPTER IXA

REDRESSAL OF COMPLAINTS

Co-operative Ombudsman.

85A. (*1*) The Central Government shall appoint, one or more Co-operative Ombudsman with territorial jurisdiction for inquiring into the complaints made by any member of the multi-State co-operative societies regarding their deposits, equitable benefits of society's functioning or any other issue affecting the individual rights of the concerned member, in such manner, as may be prescribed.

(*2*) The Co-operative Ombudsman shall, on receipt of a complaint, complete the process of inquiry and adjudicate within a period of three months from the date of receipt of the complaint and may issue necessary directions to the society during the course of inquiry and the society shall be bound to comply with the same within a period of one month from the date of issuance of such directions.

(*3*) The multi-State co-operative society aggrieved by any directions of the Ombudsman may file an appeal in such manner as may be prescribed, within a period of one month before the Central Registrar who shall decide the appeal within a period of forty-five days and the decision of the Central Registrar shall be final and binding:

Provided that the Central Registrar may entertain the appeal after the expiry of said period of one month, if he is satisfied that the society was prevented by sufficient cause from preferring the appeal in time.

(*4*) The Ombudsman shall submit periodic reports to the Central Registrar of Co-operative Societies.

(*5*) The Co-operative Ombudsman while conducting the inquiry under sub-section (*1*), shall exercise the same powers as are vested in a civil court under the Code of Civil Procedure, 1908,— 5 of 1908.

(*a*) for summoning and enforcing the attendance of persons;

(*b*) examining them on oath;

(*c*) discovery and production of books of account and other documents; and

(*d*) any other matter which may be prescribed.".

Amendment of section 86.

32. In section 86 of the principal Act,—

(*a*) in sub-section (*1*), after the words and figures "under section 79", the words and figures "or section 108" shall be inserted;

(*b*) in sub-section (*2*),—

(*i*) for clause (*a*), the following clause shall be substituted, namely:—

"(*a*) where the number of members or the number of societies or the number of persons, as the case may be, has at any time reduced below the number of members or societies or persons as specified in sub-section (*2*) of section 6:

Provided that the multi-State co-operative society shall be given six months' time to restore the number of members or societies or persons to the requisite number;";

(*ii*) in clause (*b*), for the words "co-operative principles.", the words "co-operative principles; or" shall be substituted;

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(*iii*) after clause (*b*), the following clause shall be inserted, namely:—

"(*c*) where the Central Registrar has reasons to believe that the registration was obtained by misrepresentation of facts, submission of false or misleading information, suppression of material facts or fraud thereby compromising the spirit of co-operation.".

(*c*) for sub-section (*5*), the following sub-section shall be substituted, namely:—

"(*5*) Notwithstanding anything contained in this section, in case of winding up of multi-State co-operative banks, the provisions of the Banking Regulation Act, 1949 shall also apply.". 10 of 1949.

(*d*) in sub-section (*6*), the following shall be inserted, namely:—

'Provided that prior to winding up, "no objection" from the institutional lenders, who have outstanding loans from the society, shall be required in writing.

Explanation.—For the purposes of this proviso, the expression "institutional lenders" includes banks, savings and loan association, trust company, insurance company, real estate investment trust, pension fund and the like.'.

33. In section 94 of the principal Act, in the opening paragraph, after the words and figures "section 83 or", the words and figures "section 84 or" shall be inserted. Amendment of section 94.

34. In section 98 of the principal Act, after sub-section (*2*), the following sub-section shall be inserted, namely:— Amendment of section 98.

"(*3*) The Central Registrar shall also have the power to recover the following dues by attaching bank accounts of defaulting multi-State co-operative societies—

(*a*) the co-operative education fund referred to in clause (*b*) of sub-section (*1*) of section 63;

(*b*) the Co-operative Rehabilitation, Reconstruction and Development Fund established under section 63A; and

(*c*) the expenses incurred by the Co-operative Election Authority for conduct of elections.".

35. After section 98 of the principal Act, the following section shall be inserted, namely:— Insertion of new section 98A.

''98A. The Central Registrar may, on an application received from any party, review his decision under clause (*a*) or clause (*b*) or clause (*c*) of sub-section (*1*) of section 94: Review of decision.

Provided that no application for review shall be entertained against the recovery certificate issued by the Central Registrar or by any person authorised by him in writing in this behalf, unless the applicant deposits with the concerned society, fifty per cent. of the amount of the recoverable dues:

Provided further that no application for review shall be entertained, if made after sixty days of the date of receipt of the decision or order:

Provided also that the Central Registrar may entertain any such application made after such period, if the applicant satisfies that he had sufficient cause for not making the application within such period.''.

36. In section 103 of the principal Act, in sub-section (*1*), the following provisos shall be inserted, namely:— Amendment of section 103.

"Provided that where all the successor States take necessary steps to divide or reorganise such deemed multi-State co-operative society into State co-operative

societies in order to confine their objects, services and the members to respective States within a period of three years, such deemed multi-State co-operative society shall cease to be a multi-State co-operative society:

Provided further that the deemed multi-State co-operative society other than those mentioned in the first proviso shall submit an application for registration and obtain the certificate of registration from the Central Registrar.".

Amendment of section 104.

37. In section 104 of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) after the words "furnishing false information", the words "or failing to file any return or information" shall be inserted;

(*ii*) for the words "two thousand rupees", the words "five thousand rupees" shall be substituted;

(*iii*) for the words "ten thousand rupees", the words "one lakh rupees" shall be substituted;

(*b*) in sub-section (*2*), for the words "five thousand rupees", the words "ten thousand rupees" shall be substituted;

(*c*) in sub-section (*3*),—

(*i*) after the word and figures "section 89", the words and figures "or to a person required to file return under section 120" shall be inserted;

(*ii*) for the words "two thousand rupees", the words "five thousand rupees" shall be substituted;

(*iii*) for the words "five thousand rupees", the words "ten thousand rupees" shall be substituted;

(*d*) in sub-section (*4*),—

(*i*) in clause (*h*), after the words "to any person", the words "or receives such gift, promise or gratification" shall be inserted;

(*ii*) in the long line, occurring after sub-clause (*iii*) of clause (*h*), after the words "or with both", the words "and shall also be debarred from contesting elections for a period of three years" shall be inserted;

(*e*) after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*5*) Where a multi-State co-operative society,—

(*a*) which is required to provide an explanation or make a statement during the course of inspection, inquiry or investigation, destroys, mutilates or falsifies, or conceals or tampers or unauthorisedly removes, or causes the destruction, mutilation or falsification or concealment or tampering or unauthorised removal of, any document relating to the property, assets or affairs of the society or makes or causes to make a false entry in any document concerning the society;

(*b*) makes any investment in contravention of the provision of section 64 or the bye-laws made under this Act;

(*c*) causes unlawful loss to the assets and property of the society; or

(*d*) causes unlawful loss to the depositor,

the board of directors or the responsible officers of the multi-State co-operative society shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to one year or with fine which shall not

be less than five thousand rupees but may extend to one lakh rupees or with both.

(*6*) Where the board of directors or officers of the multi-State co-operative society receive any unlawful gains while transacting matters related to such society or utilise any assets of the society for personal unlawful gains, such directors or officers concerned shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to one year or with fine which shall not be less than five thousand rupees but may extend to one lakh rupees or with both and the proceeds of such unlawful gains shall be recovered from them and deposited in such manner as may be prescribed.".

Insertion of new section 105A.

38. After section 105 of the principal Act, the following section shall be inserted, namely:—

Provisions of this Act not in derogation of any other law.

"105A. The provisions of this Act shall be in addition to, and not in derogation of, any other law for the time being in force.".

Substitution of new sections for section 106.

39. For section 106 of the principal Act, the following sections shall be substituted, namely:—

Appointment of Co-operative Information Officer.

"106. (*1*) Every multi-State co-operative society shall appoint a Co-operative Information Officer to provide the information relating to affairs and management of the society to the members of the society and such information shall be confined to the information falling under the disclosure norms specified by the society in its bye-laws.

(*2*) Any member of multi-State co-operative society shall make an application, accompanying such fee as may be prescribed, to get information specified in sub-section (*1*).

(*3*) The Co-operative Information Officer shall, within thirty days from the date of receipt of application, either provide the information or reject the application specifying the reason to do so.

(*4*) Any member of the multi-State co-operative society whose application has been rejected may prefer an appeal to the Co-operative Ombudsman within a period of one month from the date of such rejection and his decision shall be final and binding.

Copy of rules and bye-laws, etc., for inspection.

106A. Every Chief Executive of multi-State co-operative society shall keep a copy of the rules and its bye-laws and also a list of its members, open to inspection free of charge at all reasonable times, at the registered address of the multi-State co-operative society.".

Amendment of section 108.

40. In section 108 of the principal Act, in sub-section (*1*), in clause (*i*), after the words "Central Registrar" the words, "or any person authorised by him in this behalf, not below the rank of Assistant Commissioner or equivalent" shall be inserted.

Amendment of section 109.

41. In section 109 of the principal Act, in clause (*a*), for the words "co-operative year", the words "financial year" shall be substituted.

Amendment of section 116.

42. In section 116 of the principal Act,—

(*i*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Power to amend Schedules.";

(*ii*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) If the Central Government is satisfied that it is necessary or expedient so to do, it may, by notification, amend the First Schedule and the Third Schedule

and thereupon such Schedules shall be deemed to have been amended accordingly:

Provided that in case of the First Schedule, such notification shall be used only for adding to the co-operative principles in the list.";

(*iii*) in sub-section (*2*), for the word, brackets and figure "sub-section (*1*)", the words, brackets, figures and letter "sub-sections (*1*) and (*1A*)" shall be substituted.

Amendment of section 120.

43. In section 120 of the principal Act,—

(*i*) for clause (*a*), the following clause shall be substituted, namely:—

"(*a*) annual report of the activities including details of board decisions which were not unanimous;";

(*ii*) for clause (*f*), the following clauses shall be substituted, namely:—

"(*f*) disclosure regarding employees who are relatives of Members of board;

(*g*) declaration of any related party transactions by the board of directors; and

(*h*) any other information required by the Central Registrar in pursuance of any of the provisions of this Act or the rules made thereunder.".

Insertion of new sections 120A and 120B.

44. After section 120 of the principal Act, the following sections shall be inserted, namely:—

Filing of applications, documents, inspections, etc., in electronic form.

"120A. (*1*) Notwithstanding anything to the contrary contained in this Act, and without prejudice to the provisions of the Information Technology Act, 2000, the Central Government may, from such date as may be notified, require that— 21 of 2000.

(*a*) such applications, returns, reports, statement of accounts, or any other particulars or document as may be required to be filed or delivered under this Act or the rules made thereunder, shall be filed in the electronic form and authenticated;

(*b*) such document, notice, any communication or intimation, as may be required to be served or delivered under this Act, shall be served or delivered in the electronic form and authenticated;

(*c*) such applications, returns, reports, statement of accounts, registers, bye-laws or any other particulars or documents and returns filed under this Act or the rules made thereunder shall be maintained by the Central Registrar in the electronic form and registered or authenticated, as the case may be;

(*d*) such inspection of bye-laws, returns, reports, statement of accounts or any other particulars or documents maintained in the electronic form, as is otherwise available for inspection under this Act or the rules made thereunder, may be made by any person through the electronic form; and

(*e*) such fees, charges or other sums payable under this Act or the rules made thereunder shall be paid through the electronic form,

in such manner as may be prescribed.

(*2*) The Central Registrar shall—

(*a*) issue certificate of registration;

(*b*) register the amendment of bye-laws;

(*c*) register change of registered office;

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(*d*) register any document;

(*e*) issue any certificate;

(*f*) issue notice; and

(*g*) receive such communication as may be required to be registered or issued or recorded or received, as the case may be,

under this Act or the rules made thereunder or perform duties or discharge functions or exercise powers under this Act or the rules made thereunder or do any act which is by this Act directed to be performed or discharged or exercised or done by the Central Registrar, in the electronic form in such manner as may be prescribed.

Application of Banking Regulation Act, 1949.

120B. The provisions of this Act shall apply to a multi-State co-operative society in respect of matters relating to incorporation, regulation and winding up:

Provided that in case of a multi-State co-operative society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 shall also apply.".

10 of 1949.

Amendment of section 121.

45. In section 121 of the principal Act, in sub-section (*1*), for the words and figures "the Companies Act, 1956" and "the Monopoly and Restrictive Trade Practices Act, 1969", the words and figures "the Companies Act, 2013" and "the Competition Act, 2002" shall respectively be substituted.

1 of 1956.
54 of 1969.
18 of 2013.
12 of 2003.

Amendment of section 123.

46. In section 123 of the principal Act,—

(*i*) in sub-section (*1*),—

(*a*) for the portion beginning with "or has committed any act" and ending with "the aggregate period does not exceed one year", the following shall be substituted, namely:—

"or has committed any act including fraud, misappropriation and the like 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 section 122 in public interest or that there is a stalemate in the constitution or functions of the board or the Co-operative Election Authority has failed to conduct elections in accordance with the provisions of this Act, the Central Government may, after giving the board an opportunity to state its objections, if any, and considering the objections, if received, by order in writing, supersede or suspend 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, as may be specified in the order:";

(*b*) for the proviso, the following proviso shall be substituted, namely:—

"Provided that while taking a decision for supersession or suspension on grounds of failure to conduct election, such action shall only be taken if the Board had not given requisition to hold election to the Co-operative Election Authority within the time limit or not extended necessary assistance as per the provisions of section 45.";

(*ii*) for the *Explanation,* the following *Explanation* shall be substituted, namely:—

'*Explanation*.—For the purposes of section 122 and this section, the expression "specified multi-State co-operative society" means any multi-State co-operative society where there is Government shareholding or loan or financial assistance or any guarantee by the Government.'.

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Amendment of section 124.

47. In section 124 of the principal Act,—

(*a*) in sub-section (*2*),—

(*i*) after clause (*a*), the following clause shall be inserted, namely:—

"(*aa*) the guidelines under sub-section (*2*) of section 7;";

(*ii*) after clause (*j*), the following clause shall be inserted, namely:—

"(*ja*) the manner in which the board of a multi-State co-operative society shall provide information, documents, personnel, funds or expenses or any other assistance as sought by the Co-operative Election Authority for conducting elections under clause (*a*) of sub-section (*2*) of section 43;";

(*iii*) for clause (*k*), the following clauses shall be substituted, namely:—

"(*k*) the composition of the Selection Committee for appointment of Chairperson, Vice-Chairperson and Members of the Co-operative Election Authority under sub-section (*1*) of section 45;

(*ka*) the qualification and experience for appointment of Member of the Authority under clause (*iii*) of sub-section (*3*) of section 45;

(*kb*) the salaries and allowances payable to, and other terms and conditions of service of the Chairperson, Vice-Chairperson and Members of the Authority under sub-section (*5*) of section 45;

(*kc*) the other powers and functions of Chairperson under section 45A;

(*kd*) the procedure of inquiry under sub-section (*2*) of section 45B;

(*ke*) time, places and the procedure to be observed by the Authority in regard to transaction of business at its meetings under sub-section (*1*) of section 45H;

(*kf*) other functions of the Authority under clause (*iii*) of section 45-I;

(*kg*) the manner of election of members of board by secret ballot under sub-section (*3*) of section 45J;

(*kh*) the manner of bearing the expenses for holding elections by the Authority under sub-section (*6*) of section 45J;

(*ki*) the manner of discharge of functions by the Returning Officers and observers under sub-section (*1*) and clause (*a*) of sub-section (*3*) of section 45K;

(*kj*) other functions of the observers under clause (*a*) of sub-section (*3*) of section 45K;";

(*iv*) after clause (*m*), the following clause shall be inserted, namely:—

"(*ma*) the procedure for recruitment of employees under proviso to clause (*e*) of sub-section (*2*) of section 49;";

(*v*) clause (*o*) shall be omitted;

(*vi*) after clause (*q*), the following clause shall be inserted, namely:—

"(*qa*) the manner of maintenance of fund under clause (*b*) of sub-section (*1*) of section 63;";

(*vii*) after clause (*s*), the following clauses shall be inserted, namely:—

"(*sa*) the manner of appointment of Co-operative Ombudsman and submission of complaints to such Ombudsman under sub-section (*1*) of section 85A;

(*sb*) the manner of filing an appeal by society against directions of Ombudsman under sub-section (*3*) of section 85A;

(*sc*) other matters under clause (*d*) of sub-section (*5*) of section 85A;";

(*viii*) after clause (*w*), the following clauses shall be inserted, namely:—

"(*wa*) the manner of recovery and deposit of proceeds of unlawful gains under sub-section (*6*) of section 104;

(*wb*) the manner to make an application with such fee for the purpose of getting information under sub-section (*2*) of section 106;";

(*ix*) after clause (*x*), the following clauses shall be inserted, namely:—

"(*xa*) the manner of powers being exercised by the Central Government in respect of matters relating to filing of applications, documents, inspections and the like in electronic form under sub-section (*1*) of section 120A;

(*xb*) the manner of discharging the functions or exercising powers with respect to matters mentioned therein by the Central Registrar in electronic form under sub-section (*2*) of section 120A;";

(*b*) for sub-section (*3*), the following sub-section shall be substituted, namely:—

"(*3*) Every rule made under this section and any notification issued under section 116 shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree that the rules and any notification issued under section 116 should not be made, the rule and any notification issued under section 116 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 and any notification issued under section 116.".

Amendment of section 125.

48. In section 125 of the principal Act, after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) Notwithstanding anything contained in sub-section (*1*), if any difficulty arises in giving effect to the provisions of this Act as amended by the Multi-State Co-operative Societies (Amendment) Act, 2023, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to it to be necessary for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of a period of two years from the date of commencement of the Multi-State Co-operative Societies (Amendment) Act, 2023.".

Insertion of Third Schedule.

49. After the Second Schedule to the principal Act, the following Schedule shall be inserted, namely:—

"THE THIRD SCHEDULE

[*See* clause (*h*) of sub-section (*1*) of section 43]

Sl. No.	Name of the Act	Act Number
1.	The Indian Stamp Act, 1899	2 of 1899.
2.	The Reserve Bank of India Act, 1934	2 of 1934.
3.	The Central Excise Act, 1944	1 of 1944.

Sl. No.	Name of the Act	Act Number
4.	The Industries (Development and Regulation) Act, 1951	65 of 1951.
5.	The Prevention of Food Adulteration Act, 1954	37 of 1954.
6.	The Essential Commodities Act, 1955	10 of 1955.
7.	The Securities Contracts (Regulation) Act, 1956	42 of 1956.
8.	The Wealth-Tax Act,1957	27 of 1957.
9.	The Customs Act, 1962	52 of 1962.
10.	The Prize Chits and Money Circulation Schemes (Banning) Act, 1978	43 of 1978.
11.	The Sick Industrial Companies (Special Provisions) Act, 1985	1 of 1986.
12.	The Securities and Exchange Board of India Act, 1992	15 of 1992.
13.	The Foreign Trade (Development and Regulation) Act, 1992	22 of 1992.
14.	The Foreign Exchange Management Act, 1999	42 of 1999.
15.	The Competition Act, 2002	12 of 2003.
16.	The Prevention of Money-Laundering Act, 2002	15 of 2003.
17.	The Companies Act, 2013	18 of 2013.”.

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DR. REETA VASISHTA,
Secretary to the Govt. of India.

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