GOVERNMENT OF KERALA

Co-operation (C) Department

ORDER


Dated, Thiruvananthapuram, 22nd September, 2018

6th Kanni, 1194.

S. R. O. No. 661/2018.—WHEREAS, under sub-section (1) of section 29 of the Kerala Co-operative Societies Act, 1969 (Act 21 of 1969), a general body meeting of the society shall be held within a period of six months of the close of the financial year;

PRINTED AND PUBLISHED BY THE SUPERINTENDENT OF GOVERNMENT PRESSES
AT THE GOVERNMENT CENTRAL PRESS, THIRUVANANTHAPURAM. 2018.

33/3579/2018/S-16.
AND WHEREAS, under sub-section (3) of section 29 of the said Act where the board of a co-operative society fails to convene the annual general meeting within the period specified in sub-section (1), the Registrar or the person authorized by him in this behalf shall be competent to convene such annual general body meeting within a period of ninety days from the date of expiry of the period mentioned in sub-section (1) and the expenditure incurred on such meeting shall be borne by the co-operative society;

AND WHEREAS, under sub-section (4) of section 29 of the said Act, members of the Board who, in the opinion of the Registrar, were responsible for not convening the annual general meeting within the stipulated period shall be disqualified for one term for being elected as committee members and to continue as members of a society in addition to being liable for any other provisions under this Act;

AND WHEREAS, under sub-section (4) of section 63 of the said Act, it shall be the duty of the managing committee cause to audit the accounts of every society at least once in every year and it is provided that the accounts of every society shall be audited within six months of the close of the financial year to which such accounts relate;

AND WHEREAS, under sub-section (12) of section 63 of the said Act, it is the responsibility of the managing committee to convene general body meeting or special general body meeting in order to appoint auditors or auditing firms within the stipulated time from among the panel approved by Director of Co-operative Audit, failing which, the members of the managing committee shall cease to hold their office and in such cases to avoid administrative stalemate, the Registrar may suo motu or on application from the Director of Co-operative Audit or from any person authorized in this behalf, appoint an administrator or an administrative committee consisting of not more than three persons, who need not be members of the society, one among them as convener, to manage the affairs of the society, for a period not exceeding six months as may be specified in the order and it is provided that such administrator or administrative committee shall arrange for the constitution of a new committee or for entering upon office of the new committee, as the case may be;
AND WHEREAS, under sub-section (4) of section 64 of the said Act, the financial statements and other statutory statements as required by auditors shall be prepared by the Chief Executive of the society within one month from the date of close of the financial year and submit it before managing committee and the fact shall be reported to the Director of Co-operative Audit or to the persons authorized by him in this behalf;

AND WHEREAS, under the sub-section (4A) of section 64 of the said Act, it shall be the duty of the managing committee of every society to ensure the accuracy of financial and other statutory statements and it is the responsibility of the Managing Committee to submit the above statements for audit within one month from the date of receipt of the above statements before the auditor and lapse on the part of managing committee in this regard will be considered as a disqualification to hold office and they shall cease to be a member of the committee as may be prescribed and in such cases to avoid administrative stalemate, the Registrar may suo motu or on application from the Director of Co-operative Audit or by any person authorized in this behalf, appoint an administrator or an administrative committee consisting of not more than three persons, who need not be members of the society, one among them as convener, to manage the affairs of the society, for a period not exceeding six months as may be specified in the order and it is provided that such administrator or administrative committee shall arrange for the constitution of a new committee or for entering upon office of the new committee, as the case may be;

AND WHEREAS, under the sub-section (4B) of section 64 of the said Act, within three months from the date of receipt of the audit report, the Director of Co-operative Audit shall issue an audit certificate to the concerned society with a copy of audit memorandum as may be prescribed;

AND WHEREAS, under the sub-section (5) of section 64 of the said Act, the auditor or auditing firms appointed as per section 63 shall complete the audit within four months from the date of receipt of the statements and submit audit report to the Director of Co-operative Audit or to the persons authorized by him in this behalf;
AND WHEREAS, under section 66C of the said Act, every co-operative society shall file returns, within six months of the closure of every financial year before the Registrar containing the following particulars, namely:—

(a) a comprehensive annual report of its activities;

(b) its audited statements of accounts;

(c) plan for surplus disposal as approved by the general body of the co-operative society;

(d) list of amendments to the bye-laws of the co-operative society, if any;

(e) declaration regarding date of holding of its general body meeting and conduct of elections when due; and

(f) any other information required by the Registrar in pursuance of any of the provisions of this Act or rules;

AND WHEREAS, the societies were not in a position to conduct annual general body meeting and to satisfy the provisions within the time limit laid down under section 63 and 64 of Kerala Co-operative Societies Act in the contest of natural calamities occurred recently in the State;

AND WHEREAS, the Registrar of Co-operative Societies has further reported that it is mandatory for the societies to convene the meeting of annual general body in order to appoint auditors or auditing firms within the stipulated time from among the panel approved by Director of Co-operative Audit, failing which, the members of the managing committee shall cease to hold their office, and in the above circumstances the societies are not in a position to adhere with the rules regarding appointment of auditors and convening of general body meetings which affect the existence of elected board of directors upon which administration of the societies are vested with, and that the absence of Boards in societies will affect the day-to-day functioning of the societies which ultimately affects the interest of the general public;
AND WHEREAS, the Registrar of Co-operative Societies has recommended to the Government exempt all Co-operative Societies in the State from the provisions of sub-sections (1), (3) and (4) of section 29, sub-sections (4), and (12) of section 63, sub-sections (4); (4A), (4B) and (5) of section 64 and section 66 C of the Kerala Co-operative Societies Act, 1969 (Act 21 of 1969) and rule 64 of the Kerala Co-operative Societies Rules, 1969 for a further period of three months from 1st October, 2018 to 31st December, 2018;

AND WHEREAS, the Government have considered the matter in detail and are satisfied that it is necessary in public interest to exempt all Co-operative Societies from the provisions of sub-section (1), (3) and (4) of Section 29, sub-section (4) and (12) of section 63, sub-section (4), (4A), (4B) and (5) of section 64 and section 66C of the Kerala Co-operative Societies Act, 1969 (Act 21 of 1969) and rule 64 of the Kerala Co-operative Societies Act, 1969 and for a period of three months from 1st October, 2018 to 31st December, 2018;

NOW, THEREFORE, in exercise of the powers conferred by section 101 of the Kerala Co-operative Societies Act, 1969, and rule 181 of Kerala Co-operative Societies Rules, 1969, the Government of Kerala hereby exempt all Co-operative Societies in the State from the provisions of sub-sections (1), (3) and (4) of section 29 and sub-sections (4), and (12) of section 63 and sub-sections (4), (4A), (4B) and (5) of section 64 and section 66C of the Kerala Co-operative Societies Act, 1969 (Act 21 of 1969) and also to grant exemption from rule 64 of Kerala Co-operative Societies Rules, 1969 for a period of three months from 1st October, 2018 to 31st December, 2018.

By order of the Governor,

Suresh Kumar, V. S.,
Additional Secretary to Government.
Explanatory Note

(This does not form part of the order, but is intended to indicate its general purport.)

The Registrar of Co-operative Societies has recommended that the societies are not in a position to conduct annual general body meeting and to satisfy the provisions within the time limit laid down under sections 29, 63, 64 and 66C of Kerala Co-operative Societies Act and rule 64 of Kerala Co-operative Societies Rules in the contest of natural calamities occurred recently in the State. Government have considered the matter in detail and are satisfied that it is necessary in public interest to grant the exemption to all Co-operative Societies in the State, for a period of three months from 1st October, 2018 to 31st December, 2018.

The order is intended to achieve the above object.