

CHAPTER XV

Offences and Penalties

94. Offences.-(1) No person other than a society shall trade or carry on business under any name or title of which the word 'co-operative' or its equivalent in any Indian language is part without the sanction of the Government;

Provided that nothing in this section shall apply in any area to the use by any person or his successor in interest of any name or title under which he carried on business at the date on which the Co-operative Societies Act, 1912 (Central Act 2 of 1912), the Co-operative Societies Act (Travancore Act X of 1089) or the Cochin Co-operative Societies Act, XXVI of 1113, as the case may be, came into operation in that area.

(2) Any person carrying on any trade or business in contravention of sub-section (1) shall be punishable with fine which may extend to ^{93d}[two thousand rupees.]

(3) Any member or past member or the nominee, heir or legal representative of a deceased member of a society who contravenes the provisions of section 35 by disposing of any property in respect of which the society is entitled to have a first charge under that section or does any other act to the prejudice of such claim, shall be punishable with fine which may extend to ^{93d}[two thousand rupees].

(4) The committee of a society or an officer or member thereof willfully making a false return or furnishing false information or failing to produce cash balance on demand or failing to make the records available for audit, inquiry or inspection, or any person willfully or without any reasonable excuse disobeying any summons, requisition or lawful written order issued under the provisions of this Act or willfully not furnishing any information required from him by a person authorized in this behalf under the provisions of

this Act, shall be punishable with fine which may extend to ^{93d}[five thousand rupees.]

⁹³[(4A)Any officer or custodian, willfully fails to handover custody of books, accounts, documents, records, cash, security and other property belonging to a society of which he is an officer or custodian, to an authorized officer such as Administrator, Administrative Committee, Liquidator, Auditor, or to any person authorized in this behalf by the Registrar or by the Director of Co-operative Audit, shall be punishable with imprisonment for a term which may extent to one year or with fine which may extent to five thousand rupees or with both.

(4B)Whoever, before, during or after the election of members of the committee or of office bearer or of delegates indulges in or adopt any corrupt practices mentioned hereunder shall be punishable with imprisonment which may extent up to six months or with fine which may extent up to one thousand rupees or with both,—

(a)fraudulently defaces or fraudulently destroys any nomination paper; or

(b)fraudulently defaces, destroys or removes any lists, notice or other document affixed by or under the authority of the Co-operative Election Commission or the Electoral Officer or the Retuning Officer; or

©fraudulently defaces or fraudulently destroys any ballot paper or the official mark or the ballot box or any identity card for election relating to any society; or

(d)supplies any forged ballot paper or forged identity card; or

(e)fraudulently put any other matter other than ballot paper in the ballot box which he is not authorized by law; or

(f) commits any criminal offence against the Electoral Officer or the Returning Officer or the Polling Personnel or other office bearers and employees of a society; or

(g) offers any gift or promise with the intention to influence members to vote in favour of him or to any other person; or

(h) compel any person to withdraw or not to withdraw from being a candidate at an election to any society.]

(5) Any employer or officer who, without sufficient cause,—

(a) fails to deduct any amount as required by sub-section (2) of section 37; or

(b) fails to pay to a society the amount deducted by him under that sub-section within a period of seven days from the date on which such deduction is made, shall be punishable with fine which may extend to ^{93d}[five thousand rupees].

(6) If any person collecting the share money for a society in formation does not deposit the same in the State Co-operative Bank, a Central Co-operative Bank, a Postal Savings Bank or in any other bank approved by the Registrar within fourteen days of its receipt, he shall be punishable with fine which may extend to ^{93d}[five thousand rupees].

(7) If any person collecting the share money for a society in formation makes use of the funds so raised for conducting any trade or business in the name of the society to be registered or otherwise, he shall be punishable with fine which may extend to ^{93d}[five thousand rupees].

^{93a}[(8) If any officer, employee, agent, servant of a society or any other person dealing with the society misappropriates or unauthorisedly or illegally keeps any money belonging to that society, he shall be punishable with

imprisonment for a term which may extend to ^{93d}[three years] and with fine which may extend to ^{93d}[twice the amount of money involved in the offence]].

^{93b}[(8A)If any person dishonestly or fraudulently makes or executes or cause to make or execute, any false or improper document or valuation certificate or project report or register or cause to register any fictitious company or firm or society in order to support any application for loan and thereby induces any society to deliver any loan to him or to any other person which causes loss to the society, he shall be punishable with imprisonment for a term which may extent to three years and with fine which may extent to twice the amount of money involved in the offence.

(8B)If any officer, employee, member, agent or servant of a society or any other person abets, convives or conspires the commission of an offence punishable under sub-section 8(A), he shall be punishable with imprisonment for a term which may extent to three years and with fines which may extent to twice the amount of money involved in the offence.]

(9)The provisions of this section shall be without prejudice to any action that may be taken against the offenders under any other law for the time being in force.

^{93c}[(10)The Vigilance Officer appointed under section 68A shall have power of litigation and power to make complaints before a court of law in respect of offences mentioned in sub-sections (2), (3), (4), (5), (6) and (7) of this section subject to section 95.

(11)Amount of fine mentioned in sub-sections (4), (5), (6), (7), (8), (8A) and (8B) of this section shall not be met from the funds of the society.]

93 inserted by [Act 8/2013](#)

93a substituted & 93b, 93c inserted by [Act 7/2010](#)

93d substituted by [Act 1/2000](#)