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PART IV—Bills introduced in the West Bengal Legislative Assembly; Reports of Select Committees presented or to be presented to that Assembly; and Bills published before introduction in that Assembly.

GOVERNMENT OF WEST BENGAL

LAW DEPARTMENT

Legislative

NOTIFICATION

No. 722-L.—3rd June, 2015.—The Governor having been pleased to order, under rule 66 of the Rules

of Procedure and Conduct of Business in the West Bengal Legislative Assembly, the publication of the following Bill, together with the Statement of Objects and Reasons which accompanies it, in the *Kolkata Gazette*, the Bill and the Statement of Objects and Reasons are accordingly hereby published for general information:—

Bill No. 19 of 2015

**THE WEST BENGAL CO-OPERATIVE SOCIETIES
(AMENDMENT) BILL, 2015.**

A
BILL

to amend the West Bengal Co-operative Societies Act, 2006.

WHEREAS it is expedient to amend the *West Bengal Co-operative Societies Act, 2006*, for the purposes and in the manner hereinafter appearing;

West Ben. Act
XL of 2006.

It is hereby enacted in the Sixty-sixth Year of the Republic of India, by the Legislature of West Bengal, as follows:—

Short title and
commencement.

1. (1) This Act may be called the West Bengal Co-operative Societies (Amendment) Act, 2015.

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(Amendment) Bill, 2015.*

(Clauses 2-6.)

(2) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint.

Amendment of section 16 of West Ben. Act XL of 2006.

2. To the first proviso of sub-section (3) of section 16 of the West Bengal Co-operative Societies Act, 2006 (hereinafter referred to as the principal Act), the following proviso shall be added:—

“Provided further that in the case of a federal Co-operative society comprising Co-operative societies exclusively formed by self-help group members, the number of applicants shall not be less than three.”.

Amendment of section 19.

3. After sub-section (4) of section 19 of the principal Act, the following sub-section shall be inserted:—

“(5) If, on his own motion or on the application of the financing bank concerned, it appears to the Registrar that any amendment of by-laws is necessary or desirable in the interest of such Co-operative society, the Registrar or any person authorised by him in this behalf, may, by order, direct the Co-operative society to call a special general meeting in the prescribed manner to make such amendment of by-laws and apply for registration thereof within such time as he may specify in the order and if the Co-operative society fails to make the amendment of by-laws and apply for registration thereof within the time specified in the order, the Registrar shall call a special general meeting at the cost of the Co-operative society for consideration of his proposal for amendment of by-laws.”.

Omission of section 30.

4. Section 30 of the principal Act shall be omitted.

Amendment of section 31.

5. In section 31 of the principal Act,—

(1) for sub-section (3), the following sub-section shall be substituted:—

“(3) When a resolution in a Special General Meeting is passed for dissolution of the board and its constitution, the Registrar shall recommend to the State Government for appointment of an administrator in the manner laid down in section 35 and simultaneously refer the matter to the Co-operative Election Commission for reconstitution of management and the Election Commission shall hold election of directors of the new board within two months from the date of receipt of the reference.”;

(2) for sub-section (5), the following sub-section shall be substituted:—

“(5) The board against which no confidence has been passed shall stand dissolved immediately after adoption of such resolution and the administrator appointed under section 35, shall manage the affairs of the Co-operative society until a new board elected under sub-section (3) assumes charge:

Provided that the administrator shall arrange for reconstitution of management within six months.”.

Amendment of section 32.

6. In sub-section (1) of section 32 of the principal Act,—

(1) to clause (b), the following proviso shall be added:—

“Provided that no person shall be nominated by the State Government to the board of a Co-operative society comprising self-help group members.”;

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(Clauses 7-11.)

(2) to clause (d), the following proviso shall be added:—

“Provided that there shall be no requirement to elect an employee from amongst themselves as the director of a Co-operative society comprising self-help group members.”;

(3) to clause (e), the following proviso shall be added:—

“Provided that no director shall be nominated by a *Gram Panchayat* or *Panchayat Samiti* or *Zilla Parishad* in a Co-operative society comprising self-help group members.”.

Amendment of
section 43.

7. In section 43 of the principal Act,—

(1) for sub-section (1), for the words “with the prior approval by general body”, the words “in the manner as may be prescribed” shall be substituted;

(2) after sub-section (2), the following sub-section shall be inserted:—

“(3) The qualifications and conditions of service of the officers and other employees of the Co-operative societies shall be such as may be prescribed.”.

Amendment of
section 79.

8. For clause (f) of section 79 of the principal Act, the following clause shall be substituted:—

“(f) in any scheduled bank regulated by the Reserve Bank of India with the approval of the Registrar:

Provided that a Co-operative society comprising self-help group members may invest its funds in a nationalised bank or scheduled commercial bank or regional rural bank or Co-operative banks for which no approval will be necessary:

Provided further that in the case of a Co-operative bank, such investment shall be made in accordance with the directives issued by the Reserve Bank of India from time to time.”.

Amendment of
section 94.

9. In section 94 of the principal Act,—

(1) after sub-section (5), the following sub-section shall be inserted:—

“(5A) Appointment to the posts of Group D in the Co-operative societies shall be made in the manner as may be prescribed.”;

(2) after sub-section (8), the following sub-section shall be inserted:—

“(9) The Commission shall prepare its Annual Statement of Accounts for a particular financial year commencing from the 1st day of April of any year to the 31st day of March of the subsequent year, in the prescribed manner and submit the same to the State Government within six months from the end of each financial year.”.

Amendment of
section 96.

10. In section 96 of the principal Act, sub-section (9) shall be omitted.

Amendment of
section 97.

11. In section 97 of the principal Act,—

(1) in sub-section (1), for clause (d), the following clause shall be substituted:—

“(d) The audit report of the accounts of all apex and federal Co-operative societies shall be laid by the State Government before the State Legislature in such manner as may be prescribed.”;

(2) in clause (b) of sub-section (2), for the words “within nine months”, the words “within six months” shall be substituted;

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(Clauses 12, 13.)

- (3) in sub-section (6), for *Explanation IV*, the following *Explanation* shall be substituted:—

‘Explanation IV.—“re-audit” of accounts of the Co-operative society shall mean fresh audit of accounts of the Co-operative society by a senior auditor appointed by the Director of Co-operative Audit. The order for re-audit shall be issued by the Director of Co-operative Audit when a major discrepancy in the audited accounts of the Co-operative society in particular Co-operative year is noticed by him or when such re-audit is demanded by the Co-operative society on the basis of a resolution passed in its general meeting. If it appears to the State Government that it is necessary or expedient to re-audit the accounts of a Co-operative society, the State Government may, by order, provide for re-audit of accounts at the expense of a Co-operative society. The provisions of the Act and rules framed thereunder as applicable to annual audit shall also apply to such re-audit.’

Amendment of
section 98.

- 12.** For sub-section (1) of section 98 of the principal Act, the following sub-section shall be substituted:—

“(1) The audit officer shall conduct and complete annual audit of accounts as provided for in this Act or the rules and submit his report to the Director of Co-operative Audit, the Registrar of Co-operative Societies, the Co-operative Society and to the financing bank or credit agency together with audited statement of accounts within the period specified in sub-section (2) of section 97. The audit report shall be prepared and submitted in such manner and with such information as may be prescribed.”

Amendment of
section 134C.

- 13.** In sub-section (2) of section 134C of the principal Act,—

- (1) for clause (d), the following clause shall be substituted:—

“(d) posting and compensation to staff;”;

- (2) for clause (e), the following clause shall be substituted:—

“(e) internal control system.”

STATEMENT OF OBJECTS AND REASONS.

It is considered necessary and expedient to amend the West Bengal Co-operative Societies Act, 2006 (West Ben. Act XL of 2006) (hereinafter referred to as the said Act), with a view to making the said Act more effective.

2. The Bill, therefore, *inter alia*, seeks—

- (a) to incorporate the provisions consistent with the guidelines framed by the Government of India regarding National Rural Livelihoods Mission in the matter of promotion of Co-operative societies with self-help group members and granting them autonomy in the shape of non-involvement of the State Government of the *Panchayati Raj* Institutions, by making amendments in section 16 and section 32;
- (b) to empower the Registrar to amend the bye-laws of Co-operative societies in conformity with the said Act and rules made thereunder, by way of inserting new sub-section (5) in section 19;

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- (c) to facilitate the process of reconstitution of management in Co-operative societies which do not have Government officers as well as any employee, by way of making amendments in section 31;
 - (d) to achieve uniformity in matters of qualifications and conditions of service of the staff serving them and recruitment of Group D staff in Co-operative societies by way of inserting new sub-section (3) in section 43 and sub-section (5A) in section 94, respectively and to incorporate the provision of preparation of Annual Accounts by Co-operative Service Commission, West Bengal, by way of inserting new sub-section (9) in section 94;
 - (e) to regulate unhealthy investments and erosion of funds in Co-operative societies and to provide for completion of annual audit within the time limit stipulated in the Constitution in order to achieve greater transparency and accountability, by way of making amendments in section 97 and section 98;
 - (f) to regulate the Co-operative Credit Structure Entity by way of making amendments in section 134C.
3. The Bill has been framed with the above objects in view.
4. There is no financial implication involved in the Bill.

Kolkata,
The 2nd June, 2015.

JYOTIRMOY KAR,
Member-in-charge.

By order of the Governor,

MADHUMATI MITRA,
*Secy. to the Govt. of West Bengal,
Law Department.*