

THE KERALA CO-OPERATIVE SOCIETIES (AMENDMENT)

BILL, 2009

(Act 7 of 2010)

(As passed by the Assembly)

A

BILL

further to amend the Kerala Co-operative Societies Act, 1969.

Preamble.— WHEREAS it is expedient further to amend the Kerala Co-operative Societies Act, 1969, for the purposes hereinafter appearing ;

BE it enacted in the Sixty First Year of the Republic of India, as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Co-operative Societies (Amendment) Act, 2010.

(2) It shall come into force at once.

2. *Amendment of the Preamble.*—In the Kerala Co-operative Societies Act, 1969 (21 of 1969) (herein after referred to as the principal Act), in the Preamble,—

(i) for the words “by organising the Co-operative Societies as self governing” the words “it is essential to organise the Co-operative Societies in accordance with Co-operative principles as self governing” shall be substituted ;

(ii) after the words “Constitution of India” the words “and to promote scientific and technological development, health care, market intervention and management excellence in the Co-operative Sector” shall be inserted.

3. *Amendment of section 2.*—In section 2 of the principal Act,—

(i) after clause (ec), the following clause shall be inserted, namely:—
“(ecc) ‘Co-operative Ombudsman’ means the person or persons appointed under sub-section (2) of section 69A ;”;

(ii) for clause (hb), the following clause shall be substituted, namely:—
“(hb) ‘Director of Co-operative Audit’ means the Director of Co-operative Audit appointed under sub-section (1) of section 63 and any officer to whom all or any of the powers of the Director of Co-operative Audit may be delegated by the Government by general or special order under sub-section (3) of section 63;”;

(iii) in clause (ib), after the words “and having” and before the word “individuals”, the words “the Government,” shall be inserted ;

(iv) after clause (1), the following clause shall be inserted, namely:—

“(1a) ‘Miscellaneous Societies’ means such societies as may be prescribed and which accept deposits from their members only and undertake business activities for the welfare of their members, as per their approved bye-laws except providing of agricultural and schematic loans and which do not deal with negotiable instruments under the Negotiable Instruments Act, 1881 (Central Act 26 of 1881);”;

(v) for clause (oa), the following clause shall be substituted, namely:—

“(oa) ‘Primary Agricultural Credit Society’ means a Service Co-operative Society, a Service Co-operative Bank, a Farmers Service Co-operative Bank and a Rural Bank, the principal object of which is to undertake agricultural credit activities and to provide loans and advances for agricultural purposes, the rate of interest on such loans and advances shall be the rate fixed by the Registrar and having its area of operation confined to a Village, Panchayath or a Municipality :

Provided that the restriction regarding the area of operation shall not apply to societies or banks in existence at the commencement of the Kerala Co-operative Societies (Amendment) Act, 1999 (1 of 2000) :

Provided further that if the above principal object is not fulfilled, such societies shall lose all characteristics of a Primary Agricultural Credit Society as specified in the Act, Rules and Bye-laws except the existing staff strength.”;

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

“(taa) ‘Urban Co-operative Society’ means a co-operative society the principal object of which is to undertake non-agricultural credit activities and to raise funds to be lent to its members with its area of operation confined to a municipality or a corporation :

Provided that the restriction regarding the area of operation shall not be applicable to the existing urban co-operative societies.”.

4. *Amendment of section 6.*—In section 6 of the principal Act, in clause (c) of sub-section (2), after the words “who is an individual” and before the words “and by a person duly authorized”, the words “as specified under clause (a) of sub-section (1) of section 16” shall be inserted.

5. *Amendment of section 9.*—After section 9 of the principal Act, the following proviso shall be added, namely:—

“Provided that the Government and the Registrar shall have power to regulate and control the working of a society for the economic and social betterment of its members and the general public.”.

6. *Amendment of section 28.*—In section 28 of the principal Act,—

(i) in sub-section (1), the third and fourth provisos shall be omitted ;

(ii) for sub-section (1A), the following shall be substituted, namely :—

“(1 A) Notwithstanding anything contained in the bye-laws of the Society, the number of the members of the committee shall not be less than seven and shall not exceed thirteen in the case of primary Co-operative Societies and twenty five in the case of all other types of co-operative societies”.

(iii) after sub-section (1A), the following proviso shall be inserted, namely:—

“Provided that in the case of committees of Primary Co-operative Societies constituted prior to the commencement of the Kerala Co-operative Societies (Amendment) Act, 2010 the maximum number of members shall be fifteen.”;

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

“(1C) Notwithstanding anything contained in the bye-laws of a Primary Credit Society or an Urban Co-operative Bank, one seat in the committee of each such society shall be reserved for the members having a deposit of ten thousand rupees and above.”;

(v) in clause (a) of sub-section (2), for the words “another society of the same type; or”, the words “more than one society of the same type; or” shall be substituted ;

- (vi) in clause (b) of sub-section (2), for the words “two or more societies of a different type or different types;” the words “more than two societies of different types ;” shall be substituted.

7. *Amendment of section 28A.*—In section 28A of the principal Act,—

- (i) in sub-section (1), for the words “one seat for a woman member”, the words “three of the total seats for women members” shall be substituted ;
- (ii) for sub-section (3), the following sub-section shall be substituted, namely :—

“(3) Where there is no representation of women or members belonging to Scheduled Castes or Scheduled Tribes in the committee of a Society including those of the societies formed exclusively for the benefit of women and for persons belonging to Scheduled Castes or Scheduled Tribes, the Government or the Registrar shall nominate women and persons belonging to Scheduled Castes or Scheduled Tribes to the elected committee from among the members of such societies.”.

8. *Insertion of new section 28AA.*—In the principal Act, the existing section 28AA shall be renumbered as 28AB and before section 28AB so renumbered, the following section shall be inserted, namely :—

“28AA. *Reservation for persons with banking experience or professional qualification in the committees of Urban Co-operative Banks.*—Notwithstanding anything contained in the bye-laws of any Urban Co-operative Bank, there shall be reserved not less than two seats in the committees of such banks for members who possess experience in banking or professional qualifications :

Provided that this section shall not be applicable to the committees of Urban Co-operative Banks constituted prior to the commencement of the Kerala Co-operative Societies (Amendment) Act, 2010.

Explanation :—For the purpose of this section,—

- (i) “members who possess experience in banking” means members who are or were in paid service of a Commercial Bank, State Co-operative Bank, District Co-operative Bank, an Urban Co-operative Bank or a Service Co-operative Bank in the managerial cadre.

(ii) “professional qualifications” means membership in the Institute of Chartered Accountants of India or Masters Degree in Business Administration or Membership in the Institute of Cost and Works Accountants of India or Masters Degree in Commerce with experience in banking or experience in the inspection or audit of banks, including Co-operative Bank.”.

9. *Amendment of section 28B.*—In section 28B of the principal Act,—

- (i) in sub-section (1), after the words “the conduct of elections to the committees”, the words “and Representative General Bodies” and after the words “the conduct of election to the committee” the words “and Representative General Body” shall be added.
- (ii) in the proviso to sub-section (1), after the words “the conduct of elections to the committees”, the words “and Representative General Bodies” shall be inserted.
- (iii) in sub-section (3), after the words “in consultation with the Government”, the words “and the Registrar” shall be inserted ; and after the words “conduct of election to the committee”, the words “and Representative General Body” shall be inserted.
- (iv) in sub-section (4), after the words “elections to the committee” the words “and Representative General Body” shall be inserted.

10. *Amendment of section 32.*—In section 32 of the principal Act,—

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

“(d) misappropriates or destroys or tampers with the records or causes the destruction of records to cover up any misconduct or malpractice, he may, after giving the committee an opportunity to state its objections, if any, by order in writing, remove the committee and appoint in its place, one administrator or an administrative committee consisting of not more than three individuals, one among them as convener, who need not be members of the society, to manage the affairs of the society for a period not exceeding six months as may be specified in the order, which period may, at the discretion of the Registrar, be extended from time to time, so however that the aggregate period does not exceed one year.

Explanation :—A notice and an order given as per this clause to the President, in his absence to the Vice President or any committee member who is holding charge of President or Vice President or to the Chief Executive of a society shall be treated as an order given to the committee of the society.”;

(ii) after clause (d) of sub-section (1), the following clause shall be added, namely :—

“(e) Every member of the committee superseded under this section shall from the date of order of such supersession stand disqualified to contest in the election to or to be nominated to the committee of any Society or to be appointed as an administrator in any society for two consecutive terms.”.

11. *Amendment of section 33.*—In section 33 of the principal Act, for clause (b) of sub-section (1), the following clause shall be substituted, namely:—

“(b) that a new committee is prevented from entering upon office or a new committee fails to enter upon office, on the date on which the term of office of the existing committee expires, the Registrar may, either *suo motu* or on the application of any member of the society, after intimating the Circle Co-operative Union, appoint one administrator or an administrative committee consisting of not more than three individuals, one among them as convener, who need not be member of the society to manage the affairs of the society, for a period not exceeding six months as may be specified in the order, which period may, at the discretion of the Registrar and for reasons to be recorded in writing, be extended, from time to time, so, however, that the aggregate period shall not, in any case, exceed one year or till a new committee enters upon office, whichever is earlier.”.

12. *Amendment of section 36A.*—In section 36A of the principal Act:—

- (i) after the words “in favour of the State Co-operative Bank or a District Co-operative Bank or a Primary Agricultural Credit Society or Primary Housing Society” the words “or an Urban Co-operative Bank or any Primary Co-operative Societies dealing with credit activities” shall be inserted ;
- (ii) after the words “substituting the words “State Co-operative Bank or District Co-operative Banks”, “Primary Agricultural Credit Society or Primary Housing Society”,” the words, “or an Urban Co-operative Bank or any Primary Co-operative Societies dealing with credit activities” shall be inserted ;
- (iii) in the Explanation, after the words “in favour of the State Co-operative Bank or a District Co-operative Bank, or a Primary Agricultural Credit Society or a Primary Housing Society”, the words “or an Urban Co-operative Bank or any Primary Co-operative Societies dealing with credit activities”, shall be inserted.

13. *Amendment of section 37.*—In section 37 of the principal Act, in sub-section (2), the following proviso shall be inserted, namely:—

“Provided that this sub-section shall not apply if the employees, whose salary is to be deducted, are not informed at least thirty days in advance, by notice duly acknowledged, about the dues on loan or award amount.”.

14. *Amendment of section 53.*—In section 53 of the principal Act, after clause (f), the following clause shall be inserted, namely:—

“(g) set off any amount due to Government out of the financial assistances given under this section, in which case the gross amount of assistance before set off shall be treated as the original amount of assistance :

Provided that the Government may exempt any society, in eligible cases considering its financial position, from setting off Government dues.”.

15. *Amendment of section 56.*—In section 56 of the principal Act,—

(i) clause (c) of sub-section (1) shall be omitted;

(ii) in clause (a) of sub-section (2) for the words “twenty” the words “twenty five” shall be substituted ;

(iii) for clause (c) of sub-section (2), the following shall be substituted, namely:—

“(c) seven percent of the net profit to Agricultural Credit Stabilization Fund” ;

“(cc), five percent of the net profit to the professional education fund maintained by the Registrar”;

(iv) for clause (e), the following shall be substituted, namely:—

“(e) balance of net profit may be utilised for any or all of the purposes specified in the bye-laws of the societies except for payment of bonus to employees.”.

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

“(3) Notwithstanding anything contained in section 18 of this Act, in the case of District Co-operative Banks the term ‘member’ shall include nominal and associate members, for the purpose of clause (a) of sub-section (2).”.

16. *Amendment of section 57A.*—In section 57A of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:— .

“(2) A society shall contribute to the Fund at such rates as may be specified in the scheme.”.

17. *Insertion of new section 57D.*—In the principal Act, after section 57C, the following section shall be inserted, namely:—

“57D. *Co-operative Risk Fund Scheme.*—(1) The Government may, by notification in the Gazette, frame a scheme to be called the “Co-operative Risk Fund Scheme” for the establishment of a Fund for meeting the loan liability of those members who have availed loans from the co-operative societies and died within the repayment period of such loans.

(2) The types of societies and the types of loans covered by the scheme, the rate and manner of contribution towards the fund by the societies, the manner of administration and utilization of the fund and the maintenance of books of accounts in respect of the fund and its audit shall be such as may be specified in the scheme.”.

18. *Amendment of section 59.*—In section 59 of the principal Act, after sub-section (2), the following sub-section shall be added, namely:—

“(3) Granting of loans to members or to non-members under sub-section (2) and recovery thereof shall be in the manner as may be specified by the Registrar.”.

19. *Amendment of section 63.*— In section 63 of the principal Act,—

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

“(3) The Government may by general or special order, delegate all or any of the powers of the Director of Co-operative Audit, in the Act to his subordinate officers.”;

(ii) after sub-section (6), the following sub-section shall be inserted, namely:—

“(7) The Director of Co-operative Audit shall be under the control of the Registrar of Co-operative Societies.”.

20. *Amendment of section 64.*—In section 64 of the principal Act,—

(i) in sub-section (6), after the words “The amount of fee”, the words “or cost” shall be inserted ;

(ii) in sub-section (7), after the words “The fee” and after the words “non-payment of the fee”, the words “or cost” shall respectively be inserted ;

(iii) in sub-section (8), after the words “the procedure for payment of the fee”, the words “or cost” shall be inserted ;

(iv) after sub-section (11), the following sub-section, shall be inserted, namely:—

“(12) Notwithstanding anything contained in this Act it shall be the duty of the committee of a society,—

(a) to request the Director of Co-operative Audit to get its accounts audited every year by remitting the required fee or cost for audit in advance or as determined by the Director of Co-operative Audit and to get its books, accounts, financial statements and all other statements required by the auditor for audit, written up and completed and to submit them for audit through its Chief Executive, to the Director of Co-operative Audit or officer authorised by him for the purpose of audit within the time limit stipulated in sub-section (4), before a request for audit is made to the Director of Co-operative Audit ;

(b) to place the audit certificate in full before the general body or the representative general body and to read over to the general body or Representative General body of the defects mentioned in it and also to place the rectification reports of each defects before the general body or the Representative General body.

(c) to rectify all the defects mentioned in the audit certificate and to submit the rectification reports on the defects mentioned in the audit certificate, to the Director of Co-operative Audit and to the Registrar within two months of the receipt of the audit certificate.”.

21. *Amendment of section 66.*—In section 66 of the principal Act,—

(i) for sub-section (4), the following sub-sections shall be substituted, namely:—

“(4) The Registrar or any person authorised by him under sub-section (1) or sub-section (2) shall at all reasonable time have free access to and have power to inspect the books, records, accounts, documents, securities, cash balance and other properties belonging to the society and may summon any

person in possession of or responsible for the custody of such books, records, accounts, documents, securities, cash balance and other properties, to produce the same for inspection at any place at the Head Quarters of the society or any branch thereof or where there is no working office for the society, at the office of the Registrar or at the office of any of his subordinate officers.

(4A) It shall be the duty of every officer and employee of the society to co-operate with and assist in such supervision or inspection, to furnish any information that may be required for the purpose and to produce the books, records, cash balance etc. referred to in sub-section (4), on demand by such officer, failing which it shall be treated as an offence under sub-section (4) of section 94.”.

(ii) after sub-section (10), the following sub-section and explanations shall be added, namely:—

“(11) Notwithstanding anything contained in sub-sections (1) and (2) above, the Registrar or his subordinate officers authorized by him under sub-section (1), shall have power to hold an enquiry with necessary records of a society, on any petition received, and to inspect the affairs of a society periodically, in such cases, the inspecting officers shall have the same powers as specified in sub-section (4).

Explanation 1:—The “affairs of a society” for the purpose of this sub-section includes, among other things, matters relating to administration, management and the business of a society.

Explanation 2:—The duty of the officers and chief executive of a society and the nature of offences and penalties mentioned in sub-section (4) shall be applicable to this sub-section also.”.

22. *Amendment of section 66A.*—For section 66A of the principal Act, the following section shall be substituted, namely:—

“66A. *Powers of Registrar to give directions.*—Subject to the provisions of the Act and the rules made thereunder the Registrar may issue general directions and guidelines to any or all of the co-operative societies in furtherance of the purposes of the Act or for implementing government policies for the benefit of the members and the general public.”.

23. *Amendment of section 68.*—In section 68 of the principal Act after sub-section (2), the following sub-section shall be added, namely:—

“(3) Where the money, property, interest, cost or compensation is not repaid or restored as per sub-section (2), the Registrar shall take urgent steps to recover such amounts from the concerned persons as arrears of public revenue due on land as specified in section 79 of the Act.”.

24. *Insertion of new section 69A.*—In the principal Act, after section 69, the following section shall be inserted, namely:—

“69A. *Co-operative Ombudsman.*—(1) The Government may, by notification in the official Gazette, frame a scheme to be called the “Kerala Co-operative Ombudsman Scheme” with the object of enabling redressal of complaints relating to deficiency in banking or other services rendered by co-operative societies dealing with banking business.

(2) The Government may appoint one or more persons as Ombudsman or Ombudsmen to carry out the functions entrusted to them by or under the scheme.

(3) The term of office of the Ombudsman or Ombudsmen, as the case may be, shall be three years from the date of their entering office or sixty five years, whichever is earlier.

(4) The Ombudsman or Ombudsmen so appointed under sub-section (2) shall be a person or persons having experience and expertise in banking or co-operative field and shall have a degree in management or law.

(5) The functions, powers, duties etc. of the Ombudsman shall be such, as may be specified in the scheme.

(6) The Ombudsman shall be under the control of the Government.”.

25. *Amendment of section 70A.*—In section 70A of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) The Government or Registrar shall appoint as many officers and employees as may be necessary, to assist the Co-operative Arbitration Court.”.

26. *Insertion of new chapter XB.*—In the principal Act, after chapter XA, the following chapter shall be inserted, namely:—

“CHAPTER X B

SPECIAL PROVISIONS RELATING TO CO-OPERATIVE SOCIETIES, THEIR
OFFICE BEARERS AND EMPLOYEES

74B. *Opening of Branches.*—(1) The State Co-operative Bank, The State Co-operative Agricultural and Rural Development Bank and District Co-operative Banks may open branches in the area of operation of their member credit societies if such member credit societies are weak and not functioning enough to provide service to the members or to the public.

74C. *Inspection in certain Co-operatives.*—Notwithstanding anything contained in section 66, the Registrar shall inspect or cause to inspect the “affairs” of all apex, federal and central societies every year and the power of inspecting officers shall be as specified under sub-section (4) of section 66.

Explanation:—Inspection conducted under this section shall be in addition to and not in derogation of the inspection conducted under any other law for the time being in force.

74D. *Duty of Chief Executive to supply confirmation certificate.*—It shall be the duty of the chief executive of a society to supply confirmation certificate correctly and within the time limit required by the auditor in respect of any accounts maintained in that society by another society in whose favour the Auditor requires certificate.

74E. *Manner of acceptance of deposits and lending of money.*—Acceptance of deposits and lending of money by all co-operative societies and banks shall be in such manner, as may be prescribed.

74F. *Write off of loans.*—Notwithstanding anything contained in any Act or Rules, no Authority or Commission, other than the Government or Registrar, shall have the power to write off agricultural or non-agricultural debts of borrowers of any society.

74G. *Library in co-operative societies.*—Every co-operative society shall establish a library :

Provided that nothing contained in this provision shall apply to a society which is working on loss for a continuous period of five years.”.

27. *Amendment of section 80.*— In section 80 of the principal Act,—

(i) in sub-section (3A), after the words “the Kerala Public Service Commission”, the following words shall be added, namely:—

“and in making such recruitment the reservation principles under rule 14 to 17 of the Kerala State and Subordinate Service Rules, 1958 shall be followed.”;

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

“(3AA) Notwithstanding anything contained in this Act or any other law, or judgment or order of any court, all appointments already made on the advice by the Kerala Public Service Commission following the reservation principles under rule 14 to 17 of the Kerala State and Subordinate Service Rules, 1958 to the societies mentioned in the schedule for which direct recruitment shall be resorted to shall be deemed to have been validly done as if such provisions were in force at that time.”;

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

“(5) Notwithstanding anything contained in sub-section (1) or (2), three percent of the total posts of employees of every society shall be reserved for physically handicapped persons having disability of forty percent or above, as certified by the medical board and the procedure of appointment shall be such as may be prescribed :

Provided that in societies where there are more than ten and less than thirty three employees including cadre and sanctioned posts, there shall be reserved a minimum of one employee belonging to physically handicapped persons.

(6) Government shall have power to fix the pay, allowances and other benefits of employees of co-operative societies :

Provided that the Government may direct the Registrar to fix the pay and allowances of employees of co-operative societies, whose pay and allowances are not fixed by Government as per this sub-section.

(7) Notwithstanding anything contained in the bye-laws, a society shall not pay bonus to its employees exceeding the amount and the rate fixed by the Government or the Registrar from time to time.

(8) Government shall, by order, frame uniform Service Rules and Conduct Rules for the employees of any or all classes of the co-operative societies.

(9) Suspension and disciplinary action in relation to an officer, employee or servant of a co-operative society shall be such, as may be prescribed.”.

28. *Amendment of section 80B.*—In section 80B of the principal Act, after sub-section (1), the followings sub-section shall be inserted, namely:—

“(1A) The Co-operative Service Examination Board shall also conduct competitive or qualifying examinations if any for promotion of employees in the societies, in such manner as may be prescribed.”.

29. *Amendment of section 82.*—In section 82 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) The Tribunal shall pass an order under sub-section (1) within six months with direction to communicate the copies thereof within fifteen days to the parties thereof.”.

30. *Amendment of section 94.*—In section 94 of the principal Act,—

(i) for sub-section (8), the following sub-section shall be substituted, namely:—

“(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 three years and with fine which may extend to twice the amount of money involved in the offence.”;

(ii) after sub-section (8) so substituted, the following sub-sections shall be inserted, namely:—

“(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 extend to three years and with fine which may extend 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, connives or conspires the commission of an offence punishable under sub-section (8A), he shall be punishable with imprisonment for a term which may extend to three years and with fine which may extend to twice the amount of money involved in the offence.”;

(iii) after sub-section (9), the following sub-sections shall be inserted, namely:—

“(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.”.

31. *Amendment of section 95.*—For section 95 of the principal Act, the following section shall be substituted, namely:—

“95. *Cognizance of offences.*—(1) The offences punishable under sub-sections (8), (8A) and (8B) of section 94 shall be cognizable.

(2) Where a sentence of fine is imposed under sub-section (8), (8A) or (8B) of section 94, the court in fixing the amount of the fine shall take into consideration the amount involved in the offence, the amount or value of the property, if any, which the accused person has obtained by committing the offence and the loss caused to the society.

(3) When a court imposes a sentence of which fine forms a part, the court may, when passing judgment, order the whole or any part of the fine recovered to be applied in the payment to the society as compensation for any loss caused by the offence.

(4) No prosecution shall be instituted under sub-sections (2), (3), (4), (5), (6) and (7) of section 94 without the previous sanction of the Registrar.”.

32. *Insertion of new section 95A.*—In the principal Act, after section 95, the following section shall be inserted, namely:—

“95A. *Offences by Companies.*—(1) If the person committing any offence under this Act is a company, the Company as well as every person in

charge of and responsible to the company for the conduct of its business at the time of the commission of the offences shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all the diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributed to any neglect on the part of any Director, Manager, Secretary or other Officer of the Company, such Director, Manager, Secretary or other Officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation:—*For the purpose of this section,—

(a) ‘Company’ means any body corporate and includes a firm or other association of individuals or a society or a co-operative society ;

(b) ‘Director’ in relation to firm, means partner in the firm.”.

33. *Substitution of section 99.*—For section 99 of the principal Act, the following section shall be substituted, namely:—

“99. *Orders to be pronounced.*—In cases where parties have been heard, the order, decision or award made or given by the Registrar, the Tribunal, the Co-operative Arbitration Court, the Arbitrator, the liquidator or any officer or other person under this Act, shall be pronounced on the day on which the case is finally heard or on some future day of which due notice shall be given to the parties or the date shall be pronounced openly on the day of final hearing.”.

34. *Amendment of section 108.*—For sub-section (1) of section 108 of the principal Act, the following sub-section shall be substituted, namely:—

“(1) It shall be the duty of every police officer, as defined in the Kerala Police Act, 1960 (5 of 1961), to assist and protect the Registrar, the Director of Co-operative Audit, and the Vigilance Officer appointed under this Act or any Officer subordinate to them in exercising the powers, duties and function conferred on them under the Act, if any such officer demands the assistance and protection of a police officer as above.”.