

**L. A. BILL No. XVIII OF 2023.**

*A BILL*

*further to amend the Maharashtra Co-operative Societies Act, 1960.*

WHEREAS both Houses of the State Legislature were not in session;

5 AND WHEREAS the Governor of Maharashtra was satisfied that  
circumstances existed which rendered it necessary for him to take immediate  
action further to amend the Maharashtra Co-operative Societies Act, 1960,  
for the purposes hereinafter appearing ; and, therefore, promulgated the  
Mah. Maharashtra Co-operative Societies (Amendment) Ordinance, 2023, on the  
XXIV of 1961. Mah. Ord. II 107th June 2023 ;  
of 2023.

AND WHEREAS it is expedient to replace the said Ordinance, by an Act of the State Legislature ; it is hereby enacted in the Seventy-fourth Year of the Republic of India as follows :-

Short title and commencement.	<p><b>1.</b> (1) This Act may be called the Maharashtra Co-operative Societies (Second Amendment) Act, 2023. 5</p> <p>(2) It shall be deemed to have come into force on the 7th June 2023.</p>	
Amendment of section 2 of Mah. XXIV of 1961.	<p><b>2.</b> In section 2 of the Maharashtra Co-operative Societies Act, 1960 (hereinafter referred to as "the principal Act"), in clause (19), after sub-clause (a), the following sub-clause shall be inserted, namely :--</p> <p>“(a-1) “active member” means a member who participates in the 10 affairs of the society and utilizes the minimum level of services or products of that society, as may be specified in the by-laws;”.</p>	Mah. XXIV of 1961.
Amendment of section 26 of Mah. XXIV of 1961.	<p><b>3.</b> For section 26 of the principal Act, the following section shall be substituted, namely :--</p>	
Rights and duties of members.	<p>“<b>26.</b> (1) A member shall be entitled to exercise such rights as 15 provided in the Act, rules and by-laws :</p> <p>Provided that, no member shall exercise the rights, until he has made such payment to the society in respect of membership, or acquired such interest in the society, as may be prescribed and specified under the by-laws of the society, from time to time: 20</p> <p>Provided further that, in case of increase in minimum contribution of member in share capital to exercise right of membership, the society shall give a due notice of demand to the members and give reasonable period to comply with.</p> <p>(2) It shall be the duty of every member of a society,-- 25</p> <p>(a) to attend at least one general body meeting within a consecutive period of five years:</p> <p>Provided that, nothing in this clause shall apply to the member whose absence has been condoned by the general body of the society;</p> <p>(b) to utilise minimum level of services or products at least once 30 in a period of five consecutive years as specified in the by-laws of the society :</p> <p>Provided that, a member who does not attend at least one meeting of the general body as above and does not utilise minimum level of services or products at least once in a period of five 35 consecutive years, as specified in the by-laws of such society, shall be classified as non-active member :</p> <p>Provided further that, when a society classifies a member as a non-active member, the society shall, in the prescribed manner communicate such classification, to the concerned member within 40 thirty days from the date of close of the financial year :</p> <p>Provided also that, a non-active member who does not attend at least one meeting of the general body and does not utilise minimum level of services or products as specified in the by-laws, in next five years from the date of classification as a non-active member, shall 45 be liable for expulsion under section 35 :</p>	

Provided also that, a member classified as non-active member shall, on fulfilment of the eligibility criteria as provided in this sub-section be entitled to be re-classified as an active member :

5 Provided also that, if a question of a member being active or non-active member arises, an appeal shall lie to the Registrar within a period of sixty days from the date of communication of such classification:

Mah. 10  
of 2023.

Provided also that, the provisions of this section shall not be applicable to the societies whose final voters list is published before the date of commencement of the Maharashtra Co-operative Societies (Second Amendment) Act, 2023.”.

**4.** In section 27 of the principal Act,—

Amendment  
of section 27  
of Mah. XXIV  
of 1961.

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

15 “(1A) Notwithstanding anything contained in sub-section (1), an active member who fails to participate in the affairs of the society and to use the services or products upto the minimum level as specified, from time to time, in the by-laws, shall cease to be an active member and shall not be entitled to vote.”;

20 (ii) in sub-section (3), after the words “appoint one of its”, the word “active” shall be inserted.

**5.** In section 73A of the principal Act, in sub-section (9), after the words “nominated as a designated officer, if he” the words “is not an active member and” shall be inserted.

Amendment  
of section 73A  
of Mah. XXIV  
of 1961.

Mah. 25  
Ord. II of  
2023.

**6.** (1) The Maharashtra Co-operative Societies (Amendment) Ordinance, 2023, is hereby repealed.

Repeal of  
Mah. Ord. II  
of 2023 and  
saving.

30 (2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or issued, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.



## STATEMENT OF OBJECTS AND REASONS

The Maharashtra Co-operative Societies Act, 1960 (Mah. XXIV of 1961) is enacted for the orderly development of the co-operative movement in the State. Society is autonomous association of persons united voluntarily to meet their common needs and aspirations through a jointly owned and democratically controlled enterprise and adhering to the co-operative principles and values. Participation of members plays vital role in the development and functioning of the society. It was observed that the most of the members of the societies are not taking active participation in the activities of the societies, which affects the overall development of the society as well as members thereof.

2. To strengthen the co-operative movement in the State and to ensure and to encourage the active participation of the members in the affairs of the society, it was proposed that, the member shall attend at least one general body meeting of the society within a consecutive period of five years and shall utilise minimum level of services or products at least once in a period of five consecutive years, as specified in the by-laws of such society. It was, therefore, considered expedient to amend sections 2, 26, 27 and 73A of the said Act, suitably.

3. As both Houses of the State Legislature were not in session and the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Co-operative Societies Act, 1960 for the purposes aforesaid, the Maharashtra Co-operative Societies (Amendment) Ordinance, 2023 (Mah. Ord. II of 2023), was promulgated by the Governor of Maharashtra on the 7th June 2023.

4. The Bill is intended to replace the said Ordinance by an Act of the State Legislature.

Mumbai,  
dated the 30th June 2023.

ATUL SAVE,  
Minister for Co-operation.



ANNEXURE TO THE L. A. BILL No. XVIII OF 2023--  
THE MAHARASHTRA CO-OPERATIVE SOCIETIES  
(SECOND AMENDMENT) BILL, 2023

( Extracts from the Maharashtra Co-operative Societies Act, 1960 )

**( Mah. XXIV of 1961 )**

**1. to 25A.**

\* \* \* \*

**26.** A member shall be entitled to exercise such rights as provided in the Act, rules and by-laws :

No rights of membership to be exercised till due payments are made.

Provided that, no member shall exercise the rights, until he has made such payment to the society in respect of membership, or acquired such interest in the society, as may be prescribed and specified under the by-laws of the society, from time to time :

Provided further that, in case of increase in minimum contribution of member in share capital to exercise rights of membership, the society shall give a due notice of demand to the member and give reasonable period to comply with it.

**27. (1) and (2)**

\* \* \* \*

Voting powers of members.

(3) A society, which has invested any part of its funds in the shares of any federal society, may appoint one of its members to vote on its behalf in the affairs of that federal society ; and accordingly such member shall have the right to vote on behalf of the society :

Provided that, any new member society of a federal society shall be eligible to vote in the affairs of that federal society only after the completion of the period of three years from the date of its investing any part of its fund in the shares of such federal society :

Provided further that, where the election is to a reserved seat under section 73-B, no person shall have more than one vote.

(3A)

\* \* \* \*

(4) to (11)

\* \* \* \*

**28. to 73ID.**

\* \* \* \*

**73A. (1) to (8)**

\* \* \* \*

(9) In the case of such class or classes of societies as may be specified by the State Government, by notification in the *Official Gazette*, no member shall be eligible for being elected, co-opted or nominated as a designated officer, if he does not fulfill the minimum qualification relating to his monetary transactions with the society as may be laid down, in such notification.

Disqualification for being designated Officer simultaneously of certain categories of societies.

**73AAA. to 168.**

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**MAHARASHTRA LEGISLATURE  
SECRETARIAT**

**[L. A. BILL No. XVIII OF 2023.]**

**[A Bill further to amend the  
Maharashtra Co-operative  
Societies Act, 1960.]**

**[SHRI ATUL SAVE,  
Minister for Co-operation.]**

**JITENDRA BHOLE,  
Secretary (1) (I/C),  
Maharashtra Legislative Assembly.**