

**THE CO-OPERATIVE SOCIETIES (REFORMS) ORDINANCE,
1980
(XVII of 1980)**

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TEXT

¹THE CO-OPERATIVE SOCIETIES (REFORMS) ORDINANCE, 1980
(XVII of 1980)

[3rd January, 1981]

An
Ordinance

to provide for the improvement of the constitution and working of certain co-operative societies in the Punjab.

Preamble.— WHEREAS it is expedient to provide for the improvement of the constitution and working of certain co-operative societies in the Punjab in the manner hereinafter appearing;

NOW, THEREFORE, in pursuance of the Proclamation of fifth day of July, 1977, read with the Laws (Continuance in Force) Order, 1977 (CMLA's Order No. 1 of 1977), the Governor of the Punjab is pleased to make and promulgate the following Ordinance:—

1. Short title, extent and commencement.— (1) This Ordinance may be called the Co-operative Societies (Reforms) Ordinance, 1980.

(2) It extends to the whole of the Province of the Punjab.

(3) It shall come into force at once.

2. Definitions.— (1) In this Ordinance, unless there is anything repugnant in the subject or context,—

(a) “Act” means the Co-operative Societies Act, 1925 (Bombay Act VII of 1925);

(b) “apex society” means any one of the following, namely:—

(i) the Co-operative Insurance Society of Pakistan Limited, Lahore;

(ii) the Khanewal Co-operative Textile Mills Ltd., Khanewal;

(iii) the Punjab Co-operative Union, Lahore;

(iv) the Rural Supply Co-operative Corporation Limited, Lahore; and any other co-operative society which the Government may, by notification in the official gazette, declare to be an apex society for the purposes of this Ordinance;

(c) “Government” means Government of the Punjab; and

(d) “Ordinance” means the Co-operative Societies (Reforms) Ordinance, 1980.

¹This Ordinance was promulgated by the Governor of the Punjab on 31st December, 1980; and, published in the Punjab Gazette, (Extraordinary), dated 3rd January, 1981; pages 7-B to 7-G.

(2) The words and expressions used but not defined in this Ordinance shall have the same meanings as are respectively assigned to them in the Act.

3. Ordinance to override other laws, etc.— The provisions of this Ordinance shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force or in the constitution or bye-laws of an apex society or in any agreement, award, decree, injunction, judgment or order of any court.

4. Act to continue to remain applicable to apex societies.— (1) An apex society shall continue to be regarded as a society and remain subject to the provisions of the Act in so far as they are not inconsistent with the provisions of this Ordinance.

(2) The Registrar shall have power to carry into effect the provisions of this Ordinance in relation to an apex society.

5. Cessation of certain persons and members of an apex society.— (1) No person other than a co-operative society shall be a member of an apex society.

(2) Any person other than a co-operative society who, immediately before the commencement of this Ordinance, was a member of such society, shall forthwith cease to be a member of such society.

(3) When, by virtue of a notification issued under clause (b) of sub-section (1) of section 2, any society is declared as an apex society, the provisions of sub-sections (1) and (2), shall become applicable thereto from the date of such notification.

(4) Notwithstanding the cessation of membership under sub-section (2), a person ceasing to be a member of an apex society shall not be absolved of any liability incurred by him as a member of the society before such cessation.

(5) Where a person has ceased to be a member of an apex society under sub-section (2) or (3), the price paid by him for the shares held by him in the society shall be refunded to him.

6. Members of Managing Committee.— (1) No person shall be elected to or hold the office of a member of the Managing Committee of an apex society unless he has been duly elected or nominated by the society, represented by him, in accordance with the bye-laws of the society, and any person who is at the commencement of this Ordinance, a member of the Managing Committee of an apex society without having been elected or nominated as such, shall cease to be a member of the Managing Committee forthwith.

(2) A member of the Managing Committee of an apex society shall not hold office for more than two consecutive terms or parts thereof and shall not be eligible for membership of that committee except after the expiration of a period of thirty-six months immediately following the two consecutive terms.

(3) A person who has been a member of the Managing Committee of an apex society for a continuous period of six years or more immediately preceding the commencement of this Ordinance shall forthwith cease to be a member of such committee.

(4) No person ceasing to hold office of a member of the Managing Committee of an apex society in pursuance of sub-section (3) shall be eligible for membership of the Managing Committee of that society except after the expiration of a period of thirty-six months from the commencement of this Ordinance.

(5) No person shall, at the same time, be on the Managing Committee of more than one apex society.

(6) Where a person was a member of the Managing Committee of more than one apex society at the time of the commencement of this Ordinance, he shall forthwith resign from the membership of the Managing Committee of all such societies other than the one in which he wishes to retain such office and if he does not so resign within a period of fifteen days from such commencement he shall be deemed to have resigned the office in the apex society in which he was elected last and shall cease to be a member of the Managing Committee of the other apex society forthwith.

(7) When, by virtue of a notification issued under clause (b) of sub-section (1) of section 2, any society is declared as an apex society, the provisions of sub-sections (1), (3), (4) and (6) shall become applicable thereto from the date of such notification.

(8) Where a person is a member of the Managing Committee of an apex society, he shall not seek election to the membership of the Managing Committee of another apex society unless he first resigns his office in the Managing Committee of the apex society of which he is a member.

(9) Nothing contained in this section shall apply to any person who is a member of the Managing Committee of an apex society by virtue of his holding an office in the service of Pakistan or who has been appointed as such by Government or the Registrar.

7. Filling up of vacancies in the Managing Committee and appointment of an Administrator in certain cases.— (1) If the vacancies caused by the members of the Managing Committee of an apex society ceasing to hold office in pursuance of sub-sections (1), (3) and (6), of section 6, do not exceed one-third of the total number of members of the Managing Committee, the vacancies shall be filled in accordance with the bye-laws of the society.

(2) If the vacancies caused by the members of the Managing Committee of an apex society ceasing to hold office in pursuance of sub-sections (1), (3) and (6) of section 6 exceeds one-third of the total number of members of the Managing Committee, it shall stand superseded forthwith and the affairs of the society shall be managed, and all powers and functions of the Managing Committee shall be exercised and performed by an Administrator who shall be appointed by the Registrar and hold office until the persons elected as members of the Managing Committee at the elections held in pursuance of sub-section (3) have assumed office.

(3) Where the Managing Committee of an apex society stands superseded in pursuance of sub-section (2), another committee shall be constituted by election in a general meeting of the society to be called by the Registrar which shall be fixed by him and which shall not be later than the date of expiry of a period of six months from the date of such supersession:

Provided that the aforesaid period of six months may be extended by Government for another period not exceeding six months.

8. Declaration as a defaulter and its consequences.— (1) Any person who—

- (a) has taken a loan from any society which has been outstanding against him for six months or more after it has become payable; or
- (b) has taken a loan from any society which is repayable by installments and the amount of three or more instalments has been outstanding for six months or more from the date on which the amount of the last instalment becomes payable;

may be declared to be a defaulter by the Registrar.

(2) Any persons aggrieved by an order of the Registrar under sub-section (1) may, within thirty days of the date of the order, prefer an appeal to the Government and the decision of the Government on such an appeal shall be final:

²[Provided that no order under sub-section (2) shall be passed without giving the appellant an opportunity of being heard.]

(3) Any person who is a member of the Managing Committee of an apex society and is declared to be a defaulter under sub-section (1), shall forthwith cease to hold such office.

9. No compensation on termination of office.— No compensation shall be payable for the removal from or cessation of membership or termination of any office or supercession of any committee by virtue of operation of any of the provisions of this Ordinance.

10. Jurisdiction of courts barred.— (1) No court, including the High Court, shall call in question, or permit to be called in question, any provision of this Ordinance, or any rule or order made or anything done or action taken or purporting to be made, done or taken thereunder.

(2) No court, including the High Court, shall grant an injunction or make any order or entertain any proceedings in relation to anything done or intended or purporting to be done under this Ordinance.

11. Indemnity.— No suit, prosecution or other legal proceedings shall lie against Government or the Registrar or any other person for anything done in good faith under this Ordinance or any rule made thereunder.

12. Power to make rules.— Government may, by notification in the official gazette, make such rules as appear to it to be necessary or expedient for carrying out the purposes of this Ordinance.

13. Removal of Difficulties.— If any difficulty arises in giving effect to any of the provisions of this Ordinance, Government may make such order not inconsistent with the provisions of this Ordinance, as may appear to it to be necessary for the purposes of removing the difficulty:

Provided that no such order shall be made after the expiration of one year from the commencement of this Ordinance.

²Added by the Cooperative Societies (Reforms) (Amendment) Ordinance, 1984 (XIV of 1984); and published in the Punjab Gazette (Extraordinary), dated 16.12.1984, s.2