

**THE ¹[KHYBER PAKHTUNKHWA] CO-OPERATIVE SOCIETIES (REFORMS)
ORDINANCE, 1982.**

²[KHYBER PAKHTUNKHWA] ORDINANCE NO. III OF 1982.

[20TH JANUARY, 1982]

**AN
ORDINANCE**

CONTENTS

PREAMBLE

SECTIONS:

1. Short title, extent and commencement.
2. Definitions.
3. Ordinance to override other laws, etc.
4. Act to continue to remain applicable to apex societies.
5. Membership of apex society.
6. Members of managing committee.
7. Filling up of vacancies in the Managing Committee and appointment of an Administrator in certain cases.
8. Declaration as a defaulter and its consequences.
9. No compensation for termination of office.
10. Jurisdiction of courts barred.
11. Indemnity.
12. Power to make rules.
13. Removal of difficulties.

¹ Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

² Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

**THE ¹[KHYBER PAKHTUNKHWA] CO-OPERATIVE SOCIETIES (REFORMS)
ORDINANCE, 1982.**

²[KHYBER PAKHTUNKHWA] ORDINANCE NO. III OF 1982.

[20TH JANUARY, 1982]

**AN
ORDINANCE**

*to Provide for the improvement of the constitution and working of certain Co-operative
Societies in the ³[Khyber Pakhtunkhwa]*

WHEREAS it is expedient to provide for the improvement of the constitution and working of certain Co-operative Societies in the ⁴[Khyber Pakhtunkhwa] for the purpose hereinafter appearing;

Preamble.

AND WHEREAS the Governor of the ⁵[Khyber Pakhtunkhwa] is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the Proclamation of the fifth day of July, 1977, and in exercise of all powers enabling him in that behalf, the Governor of the ⁶[Khyber Pakhtunkhwa] is pleased to make and promulgate the following Ordinance:—

1. (1) This Ordinance may be called the ⁷[Khyber Pakhtunkhwa] Co-operative Societies (Reforms) Ordinance, 1982.

Short title,
extent
and
commencement.

(2) It extends to whole of the ⁸[Khyber Pakhtunkhwa] Province.

¹ Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

² Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

³ Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

⁴ Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

⁵ Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

⁶ Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

⁷ Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

⁸ Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

(3) It shall come into force at once.

2. (1) In this Ordinance, unless the context otherwise requires,— Definitions.

(a) "Act" means the Co-operative Societies Act, 1925 (Sindh Act VII of 1925);

(b) "apex society" means—

(i) the Frontier Provincial Co-operative Bank Limited;

(ii) the Sarhad Co-operative Union, Peshawar;

(iii) the Sarhad Rural Supply Co-operative Limited Corporation, Peshawar; and

(iv) any other co-operative society which Government may, by notification in the official Gazette, declare to be an apex society for the purposes of this Ordinance; and

(c) "Government " means the Government of the ¹[Khyber Pakhtunkhwa].

(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. The provisions of this Ordinance shall have an overriding 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, or decree, judgment, injunction or orders of any court. Ordinance to override other laws, etc.

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

¹ Substituted vide Khyber Pakhtunkhwa Act. No. IV of 2011.

inconsistent with the provisions of this Ordinance.

apex societies.

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

5. (1) No person other than a co-operative society shall be a member of an apex society.

Membership of apex society.

(2) Any person other than a co-operative society who, immediately before the commencement of this Ordinance or at the time of declaration of a co-operative society as an apex society, happens to be a member of such society, shall forthwith cease to be a member of the apex society.

(3) 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.

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

6. (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 that society, and any person who, at the commencement of this Ordinance or at the time of declaration of a co-operative society as an apex society, as the case may be, happens to be a member of the Managing Committee of such a society without having been elected or nominated as such, shall forthwith cease to be a member of the Managing Committee of that society.

Members of managing committee.

(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 immediately preceding the commencement of this Ordinance, or in the case of an apex society declared as such under section 2 (b) (iv), immediately preceding such declaration, for a continuous period

of six years or more 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 date of such cessation.

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

(6) Where a person happens to be a member of the Managing Committee of more than one apex society on or after 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 he shall be deemed to have retained the office in the apex society in which he was elected or nominated late and shall cease to be a member of the Managing Committee of the other apex society or societies forthwith.

(7) 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.

(8) 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.

7. (1) Where the vacancies caused by the members of the Managing Committee of an apex society by reason of their 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.

Filling up of vacancies in the Managing Committee and appointment of an Administrator in certain cases.

(2) Where the vacancies referred to in sub-section (1) exceed one-third of the total number of members of the Managing Committee, it shall forthwith stand superseded and the affairs of the apex 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. The Administrator so appointed shall hold office until the persons elected as members of the Managing Committee at the election 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 holding an election in a general meeting of the society to be called by the Registrar. Such election shall be held not later than a period of six months from the date of such supersession unless extended by Government for another period not exceeding six months.

8. (1) Any person who—

Declaration as
a defaulter and
its
consequences.

- (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 installments has been outstanding for six months or more from the date on which the amount of the last installment becomes payable; may be declared to be a defaulter by the Registrar.

(2) Any person 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 Government and the decision of Government on such appeal shall be final.

¹[Provided that no decision under this sub-section shall be made 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 shall be payable for the removal from or cessation of membership or termination of any office or supersession of

No
compensation
for termination

¹ Inserted vide Khyber Pakhtunkhwa Act. No. II of 1985 read with Schedule.

any committee by virtue of operation of any of the provisions of this of office.
Ordinance.

10. (1) No court, including the High Court or Supreme Court, shall call Jurisdiction of
in question, or permit to be called in question, any provision of this courts barred.
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 or Supreme 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. No suit, prosecution or other legal proceedings shall lie against Indemnity.
Government or the Registrar or any other person for anything in good faith
done under this Ordinance or any rules made there under.

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

13. If any difficulty arises in giving effect to any of the provisions of Removal of
this Ordinance, Government may make such order not in consistent with difficulties.
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.

**LIEUTENANT GENERAL FAZLE HAQ
GOVERNOR OF THE KHYBER PAKHTUNKHWA**

**Peshawar,
Dated the
20TH JANUARY, 1982**