



LEGISLATIVE ASSEMBLY OF THE STATE OF GOA

**THE GOA CO-OPERATIVE SOCIETIES
(AMENDMENT) BILL, 2023**

(BILL No. 13 of 2023)

(To be introduced in the Legislative Assembly of the State of Goa)

**GOA LEGISLATURE SECRETARIAT,
ASSEMBLY HALL, PORVORIM, GOA
FEBRUARY, 2023**

**THE GOA CO-OPERATIVE SOCIETIES (AMENDMENT)
BILL, 2023**

(BILL No. 13 of 2023)

A

BILL

further to amend the Goa Co-operative Societies Act, 2001 (Goa Act 36 of 2001).

5 BE it enacted by the Legislative Assembly of Goa in the Seventy-fourth Year of the Republic of India, as follows:—

1. Short title and commencement.— (1) This Act may be called the Goa Co-operative Societies (Amendment) Act, 2023.

(2) It shall be deemed to have come into force on 23rd day of
10 October, 2014.

2. Amendment of section 59.— In section 59 of the Goa Co-operative Societies Act, 2001 (Goa Act 36 of 2001), after sub-section (11), the following Explanation shall be inserted, namely:-

15 **“Explanation.**— For the purpose of sub-section (11), the expression “to continue on the board” shall mean disqualification against such director to hold the post of director forever”.

Statement of Objects and Reasons

Section 59 was amended in the year 2014 sub-section (11) of section 59 was specially inserted to give powers to the Registrar to take cognizance of discrepancies committed by the board in the working of the societies which are irregular, illegal in nature and detrimental to the interest of the society. This sub-section provides for disqualification of such directors who have acted in a manner detrimental to the interest of the society. This provision was incorporated in the Act with the intension to forever debar the erring board member from being on the board. On the basis of the report of the auditor or the enquiry officer, disqualification proceedings are initiated against the erring board of director after fixing the responsibility and giving an opportunity of being heard. Therefore, whenever such tainted directors are disqualified due to grave irregularities/misappropriation which is detrimental to the interest of the society and have direct impact on the administrative and financial affairs of the society, they don't deserve to represent the concern society or any other society. Under such circumstances, disqualification should definitely be for an indefinite period in order to protect the interest of the co-operative societies in particular and co-operative movement in the state at large. Such disqualification clause also acts as a deterrent and helps in cleansing the management by removing the fraudulent directors on the board apart from providing an opportunity for fresh blood to be on the board. However, there is scope for the provisions of sub-section (11) being misconstrued or misinterpreted as dealing with only removal from present board of Director without any future disqualification due to lack of clarity on the term of disqualification and therefore it is felt necessary to insert explanation to sub-section (11) of Section 59 of the Act by present amendment.

Therefore, in order to do away with above difficulties, the current amendment is proposed to bring clarity to wording of sub-section (11) of section 59 of the Act by inserting following explanation;

Explanation— For the purpose of sub section 11, the expression “to continue on the board” shall mean disqualification against such director to hold the post of director forever.”

This Bill seeks to achieve the above object.

Financial Memorandum

No financial implications are involved in the Bill.

Memorandum Regarding Delegated Legislation

No delegated legislation is envisaged in this Bill.

Place:- Porvorim Goa
Dated:- 01st March, 2023

Shri Subhash Shirodkar
Minister for Co-operation

Assembly Hall
Porvorim, Goa.
Dated:- 01st March, 2023

Namrata Ulman
Secretary to the
Legislative Assembly of Goa

ANNEXURE – I

Extract of the original Act with comments

Sr. No.	Section	Text of existing sub section	Text of new insertion	Text of Amended sub section	Reasons for amendment
1	2	3	4	5	6
1.	59 (Explanation to sub-section 11)	----	Explanation.- For the purpose of sub section 11, the expression “to continue on the board” shall mean disqualification against such director to hold the post of director forever.	---	Section 59 was amended in the year 2014 sub-section (11) of section 59 was specifically inserted to give powers to the Registrar to take cognizance of discrepancies committed by the board in the working of the societies which are irregular, illegal in nature and detrimental to the interest of the society. This sub-section provides for disqualification of such directors who have acted in a manner detrimental to the interest of the society. This provision was incorporated in the Act with the intension to forever debar the erring board member from being on the board. On the basis of report of the auditor or the enquiry officer,

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					<p>disqualification proceedings are initiated against the erring board of director after fixing the responsibility and giving opportunity of being heard. Therefore, whenever such tainted directors are disqualified due to grave irregularities/ /misappropriation which are detrimental to the interest of the society and have direct impact on the administrative and financial affairs of the society, they don't deserve to represent the society concerned or any other society. Under such circumstances, disqualification should definitely be for an indefinite period in order to protect the interest of the co-operative societies in particular and co-operative movement in the state at large. Such disqualification clause also acts as a deterrent and helps in cleansing the management by removing the fraudulent directors on the board apart from</p>

1	2	3	4	5	6
					providing an opportunity for fresh blood to be on the board. However, there is scope for the provisions of subsection (11) being misconstrued or misinterpreted as dealing with only removal from present board of director without any future disqualification due to lack of clarity on the term of disqualification and therefore it is felt necessary to insert explanation to subsection (11) of section 59 of the Act by present amendment.

ANEXURE - II

Extract of Existing and Amended Act

Sr. No.	Section	Text of existing Section	Text of amended/substituted/omitted/inserted Section
1.	59 (11)	If the Auditor, Enquiry Officer or Inspecting officer during the course of audit or enquiry or inspection has found certain discrepancies in the working of the society which are irregular, illegal in nature and detrimental to the interest of the society, the Registrar may take cognizance of such irregularities or illegalities and after giving due opportunity to the Directors concerned of being heard, may disqualify him to continue on the board.”.	If the Auditor, Enquiry Officer or Inspecting officer during the course of audit or enquiry or inspection has found certain discrepancies in the working of the society which are irregular, illegal in nature and detrimental to the interest of the society, the Registrar may take cognizance of such irregularities or illegalities and after giving due opportunity to the Director concerned of being heard, may disqualify him/them to continue on the board.”. Explanation.- For the purpose of sub section 11, the expression “may disqualify him/them to continue on the board” shall mean disqualification against such directors to hold the post of director forever.

ANEXURE - III

Sr. No.	Section	Text of amended Section
1	59 (11)	<p>If the Auditor, Enquiry Officer or Inspecting officer during the course of audit or enquiry or inspection has found certain discrepancies in the working of the society which are irregular, illegal in nature and detrimental to the interest of the society, the Registrar may take cognizance of such irregularities or illegalities and after giving due opportunity to the Director concerned of being heard, may disqualify him/them to continue on the board.”.</p> <p>Explanation.— For the purpose of sub section 11, the expression “may disqualify him/them to continue on the board” shall mean disqualification against such directors to hold the post of director forever.</p>

Assembly Hall
Porvorim, Goa.
Dated:- 01st March, 2023

Namrata Ulman
Secretary to the
Legislative Assembly of Goa