

No.RCS/CLC/Direction /2022/102
GOVERNMENT OF PUDUCHERRY
CO-OPERATIVE DEPARTMENT (Legal Cell)
V.V.P Nagar, Thattanchavady
Puducherry – 605 009.

Puducherry, the 21st July, 2022

Proceedings of the Registrar of Cooperative Societies, Puducherry

Present: Thiru. S.YESVANTHAIYAH
Registrar of Cooperative Societies.

Sub: Contempt Petition No.973 & 1265 /2022 in W.P. No. 23858/2014 and W.P. No. 23829/2014 filed by Tvl. V.Ravichandran and Pandurangan – Commitments made by the Administrator before the Hon'ble Court – Observance of the Government Pleader for Puducherry at High Court, Madras – Directions under Section 81 of the Puducherry Cooperative Societies Act, 1972 – Issued.

Ref : Letter No.Nil dated 19.07.2022 received from the Government Pleader, Chennai.

WHEREAS the Registrar of Cooperative Societies often appoints Administrator / Special Officer / Three Member Committee of the Cooperative Societies in the absence of an elected committee of management to maintain the society as a stop gap arrangement. Often many societies become dormant/ inactive due to various reasons including improper administration as well as low business transaction. Therefore, many societies are not able to disburse even salary and statutory benefits to its employees. In such situations, some employees Union/ individuals approaches the Hon'ble Court seeking remedy. While furnishing the reply to the Hon'ble Court, some Managing Director/ Administrator without examining the financial position of the society commits to the Hon'ble Court stating that the dues will be settled by getting funds from the Government in the form of Grant-in-Aid, which is not mandatory on the part of the Government to settle the said dues since the Cooperative Societies are registered under the Puducherry Cooperative Societies Act, 1972 (here after “ the Act”) and they are separate legal entity. But, the said Administrators failed to settle the dues which led to contempt of Court and thereby places the Government which is a proforma party, in an embarrassing situation.

2. **AND WHEREAS** it is to be pointed out that in a recent case, the Government Pleader for Puducherry at High Court, Madras, vide reference cited, communicated that the Administrator of the Cooperative Societies are furnishing their commitment before the Hon'ble Court which is beyond their

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ambit. In the W.P. No. 23858/2014 and W.P. No. 23829/2014 filed by V.Ravichandran and Pandurangan, the Administrator of the Siddhi Vinayagar Farmers Service Cooperative Society (**hereafter " the society"**) committed himself to settle the terminal benefits on receipt of financial grant or assistance from the Government of Puducherry. The said Writs were disposed by the Hon'ble Court by a common order on 01.09.2021, with a direction to the petitioners to submit a representation to the Administrator of the society under copy to the Registrar of Cooperative Societies. Since, the terminal benefits of the said petitioners are not settled to them, Contempt Petitions are filed and have placed the Official respondents in a binding situation. Thus, the suo moto commitment made by the Administrator impliedly bind the Government.

3. **AND WHEREAS** an Administrator is appointed by the Registrar of Cooperative Societies by invoking Sub Section (1) of Section 33 of the Puducherry Cooperative Societies Act 1972 (**hereafter " the Act"**) and the Sub Section (2) of Section 33 of the Act read as under :

" The Committee or administrator or administrators appointed under sub-section (1) shall subject to the control of the Registrar and to such instructions as he may from time to time give, have power to exercise all or any of the functions of the committee or any officer of the society and take all such actions as may be required in the interest of the society"

As such, the Administrator appointed by the Registrar under the Act shall discharge his function under the control of the Registrar.

4. **AND WHEREAS** it is imperative to note that at present the Cooperative societies are managed either by a Committee of Management or three member committee or Administrator or Special Officer, as the case may be. In this regard, the undersigned is of the opinion that it is high time to issue directions in general to the President / Special Officer/ Administrator of the Cooperative Societies.

5. **NOW, THEREFORE**, in view of the above and in exercise of the powers conferred by Section 81 of the Act, I hereby direct the said President / Special Officer/ Administrator / Managing Director of the Cooperative Societies, not to make any financial commitment without having necessary relevant funds before any legal forum/ Hon'ble Courts. If any such commitments are made it should be complied within the stipulated time given by the Hon'ble Courts, by the societies out of the resources available with

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them and if it is committed before any legal forum without having funds by the President / Special Officer/ Administrator / Managing Director , it shall not be binding on the Government. The President and the erring officials will be held personally liable to make good for such commitments. Besides, disciplinary action will be initiated upon the erring officials.

The receipt of this direction should be acknowledged.



(S.YESVANTHAIYAH)
Registrar of Cooperative Societies

To :

The President/Administrator/ Special Officer
All the registered Cooperative societies of
Union Territory of Puducherry

>> Through the administrative branch officers/
Regional branch officers concerned

Copy to:

- 1) The PS to Secretary (Cooperation)
- 2) The Government Pleader for Puducherry,
High Court of Madras,
Old legal Aid building,
High Court Building,
CHENNAI – 600 104.

>> for the kind information of the Secretary (Coop.)

For forwarding a copy to the societies under their administrative control:

3. The Director, Directorate of Fisheries & Fishermen Welfare, Puducherry.
4. The Dairy Development Officer, Coop.Dept, Puducherry
5. The Deputy Registrar (Planning), Coop.Dept, Puducherry.
6. The Deputy Registrar (Credit), Coop.Dept, Puducherry.
7. The Deputy Registrar (Housing), Coop.Dept, Puducherry.
8. The Deputy Registrar (Consumer), Coop.Dept, Puducherry.
9. The Deputy Registrar (Handlooms), Coop.Dept, Puducherry.
10. The Deputy Registrar (Audit), Coop.Dept, Puducherry.
11. The Deputy Registrar, Coop.Dept, Karaikal.
12. The Deputy Registrar, Coop.Dept, Mahe.
13. The Cooperative Officer, Coop.Dept, Yanam.
14. Web Editor, Cooperative Department
15. Stock File 2022.