

Consequences of not laying before Annual General Meeting Audit Report of preceding Financial Year

I would like to deal with the very important aspect of consequences of breach of legal provisions by the members of the society in general and the office bearers in Managing Committee in particular.

I will deal with the issue of presentation of Audit Report of preceding Financial Year. The accounts of the society have to be finalized within 45 days of the end of the financial year and have to be submitted to the Statutory Auditor of the society. The audit report should be presented to the society in its Annual General Meeting.

Failure to present the report is an offence u/s 146. This offence attracts a fine which may extend to Rs. 5,000/-.

The members of the society, the members of Managing Committee in general and office bearers in particular should note that the Maharashtra Co-operative Societies Act, 1960 requires them to do or avoid doing some act or the other as specified in the act. Most of the time these provisions are not taken seriously. The offences at times attract fine, penalty, disqualification as well as prosecution and imprisonment also.

In fact the compliance of legal provision is very much necessary; it is therefore advisable that instead of acting on the perception of the office bearers or the committee members on a particular issue under consideration, in case of any doubt legal advisable should be taken. At times it may also be advisable to take the legal opinion in writing.