

DIRECTORATE OF COOPERATIVE AUDIT: ODISHA: BHUBANESWAR.

Letter No. VI (I) 39/2010 1238 / Audit-8

Dated. 23/2/16

To

The Assistant Auditor General of Cooperative Societies of Circles.

Sub: Regarding institution of prosecution for offence under OCS Act.

Madam/Sir,

Your attention is drawn to the following provision of OCS Act, 1962.

1. Section - 115(15) Any present or past office bearer, officer or employee of a society causing any deficiency in the assets of a society by breach of trust, willful negligence, misappropriation, fraudulent or unauthorized retention or by making payment contrary to the provisions of this Act, Rules or the Bye-laws or by any other act or omission not lawful or done in good faith, shall be punishable with fine which may extend to eighteen thousand rupees, or with imprisonment which may extend to one year, or with both.
2. Section - 116(2) Offence specified in sub-section 15 of section 115 of OCS Act shall be cognizable.
3. Section - 116 (3) Without prejudice to the provisions of any other law for the time being in force, in regard to the institutions of prosecutions, the Registrar, Auditor General or any member of the concerned society, shall be the person competent to institute prosecution for any offence under the Act.

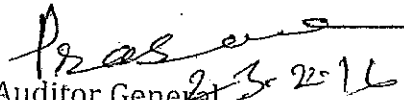
As is evident, the above provisions of OCS Act has empowered this Directorate to institute prosecution against the offenders for Committing offence specified under section - 115(15) of the Act.

It has been observed through audit or special audit that large scale irregularities, illegalities, fraud, misappropriation, embezzlement etc. have been occurred in the different Cooperative Organizations including Cooperative Banks in the state year after year. Such offences are being committed by the management and/ or errant employees of the Cooperative organizations with impunity due to non-initiation of stringent action. Hence, it is high time to deal with the matter sternly like initiating criminal action against the offender(s) by invoking the provisions of OCS Act which is also statutory obligation of this Directorate, to curb such offences.

Therefore, you are incumbent upon to identify the fit cases particularly the cases of huge fraud, misappropriation and misutilisation of funds as detected in audit or special audit of different Cooperative Organisations in the recent period and register F.I.R against the delinquents with the police station coming within the jurisdiction of HQRs of the concerned society on exemplary basis.

The above instructions should be adhered to strictly without deviation. Action taken in the matter be reported to the undersigned for appraisal.

Yours faithfully

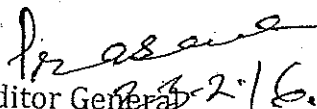

Auditor General

Cooperative Societies, Odisha.

Memo No. 1239

Dated. 23/2/16

Copy submitted to the Principal Secretary to Government of Odisha, Cooperation Department, Bhubaneswar for favour of kind information.


Auditor General

Cooperative Societies, Odisha.

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AKS.22.02.2016.