The Jammu and Kashmir Co-operative Societies Act, 1960

Act 28 of 1960

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Bye-laws, Co-operative Bank, Co-operative Federations, Divisional Level, State Level, Co-operative Society, Co-operative Year, Deposit Insurance Corporation, Federal Body, Net Profit, Nabard, Officer, Reserve Bank

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ACT NO. XXVIII OF 1960.

[Received the assent of the Sadar-i-Riyasat on 28th September, 1960 and published in Government Gazette dated 13th October, 1960.]

An Act to consolidate and amend the law relating to co-operative societies.

Be it enacted by the Jammu and Kashmir State Legislature in the Eleventh Year of the Republic of India as follows:

CHAPTER I.

PRELIMINARY.

1. Short title, extent and commencement.—(1) This Act may be called the Jammu and Kashmir Co-operative Societies Act, 1960.

(2) It extends to the whole of the Jammu and Kashmir State.

(3) It shall come into force on such date as the Government may, by notification in the Government Gazette, appoint and different dates may be appointed for the coming into force of different provisions of this Act.

2. Definitions.—In this Act, unless there is anything repugnant in the subject or context,—

(a) "bye-laws" means the registered bye-laws for the time being in force, and includes a registered amendment of the bye-laws;

(b) "committee" means the governing body of a co-operative society to whom the management of its affairs is entrusted;

(c) "co-operative society with unlimited liability" means a co-operative society, the members of which are, in the event of its being wound up, jointly and severally liable for and in respect of all its obligations and to contribute to any deficit in the assets of the society;

(d) "co-operative society with limited liability" means a co-operative society in which the liability of its members, for the debts of the society in the event of its being wound up, is limited by its bye-laws—

(i) to the amount, if any, unpaid on the shares respectively held by them; or

(ii) to such amount as they may, respectively, undertake to contribute to the assets of the society;

(e) "co-operative society" means a society registered or deemed to be registered under this Act;

[(ee) "Deposit Insurance Corporation" means the Deposit Insurance Corporation established under section 3 of the Deposit Insurance Corporation Act, 1961.]

(f) "member" means a person joining in the application for the registration of a co-operative society and a person admitted to membership after such registration in accordance with this Act, rules and bye-laws, and includes a nominal and an associate member;

(g) "officer" means a President, Vice-President, Chairman, Vice-Chairman, Secretary, Assistant Secretary, Manager, Liquidator, Administrator, Treasurer, member of Committee and includes any other person empowered under the rules or bye-laws to give directions in regard to the business of a co-operative society;

(h) "prescribed" means prescribed by rules made under this Act;

(i) "rules" means the rules made under this Act;

(j) "Registrar" means a person appointed to perform the functions of a Registrar of Co-operative Societies under this Act and includes any person appointed to assist the Registrar when exercising all or any of the powers of the Registrar;

[(jj) "Reserve Bank" means the Reserve Bank of India established under section 3 of the Reserve Bank of India Act, 1934.]

(k) "Tribunal" means the Tribunal constituted under section 101;

(l) 'creditor' includes 'depositor'.

CHAPTER II.

REGISTRATION OF CO-OPERATIVE SOCIETIES.

3. The Registrar.—(1) The Government may appoint a person to be the Registrar of Co-operative Societies for the whole State or any portion of it and may appoint a person or persons to assist him:

[Provided that the Government may also appoint any person to be the Registrar for any particular Co-operative Society or class of such societies as may be specified by notification in the Government Gazette.]

(2) The Government may, by general or special order, confer on any person appointed to assist the Registrar, all or any of the powers of the Registrar under this Act.

(3) Every person appointed to assist the Registrar shall exercise the powers conferred on him under sub-section (2), subject to the general superintendence and control of the Registrar.

4. Societies which may be registered.—Subject to the provisions of this Act, a co-operative society which has as its objects the promotion of the economic interests of its members in accordance with co-operative principles or a co-operative society established with the object of facilitating the operations of such a society may be registered under this Act.

5. Registration with limited or unlimited liability.—(1) A co-operative society may, subject to the provisions of sub-section (2), be registered with or without limited liability.

(2) Unless the Government by general or special order otherwise directs—

(a) a co-operative society shall be registered with limited liability if any of its members is another co-operative society;

(b) whether the liability of the members of a co-operative society is unlimited or limited by shares, the liability of the Government which has taken shares in a co-operative society shall be limited to the share capital subscribed by the Government.

(3) The word 'limited' shall be the last word in the name of every society with limited liability registered under this Act.

1. Proviso added by Act XVIII of 1973, s. 2.
6. Application for registration of co-operative societies.—(1) An application for the registration of a co-operative society shall be made to the Registrar in such form as the Registrar may, from time to time, specify; and the applicants shall furnish to him all such information about the society as he may require.

(2) Every such application shall conform to the following requirements, namely:

(a) the application shall be accompanied by three copies of the proposed bye-laws of the co-operative society,

(b) where all the applicants are individuals, the number of applicants shall not be less than ten (each of such applicants being a member of a different family),

Explanation.—For purposes of this section and section 16, the expression 'family' means wife, husband, father, mother, grand-mother, step-mother, step-father, son, daughter, step-son, step-daughter, grand-son, grand-daughter, brother, sister, half-brother, half-sister and wife of brother or half-brother, living jointly in one house-hold and having a common kitchen.

(c) everyone of the applicants who is an individual shall be above the age of eighteen years,

(d) where the objects of the co-operative society include the creation of funds to be lent to its members and where all the applicants are individuals, the applicants shall reside in the same village or town or in the same group of village or belong to the same class or pursue the same occupation,

(e) the application shall be signed by everyone of the applicants who is an individual and by a person duly authorised on behalf of any co-operative society which is an applicant.

7. Registration.—(1) If the Registrar is satisfied—

(a) that the application complies with the provisions of this Act and the rules,

(b) that the objects of the proposed society are in accordance with section 4,

(c) that the aims of the proposed society are not inconsistent with the principles of social justice,

1. inserted by Act XVIII of 1970.
(d) that the proposed bye-laws are not contrary to the provisions of this Act and the rules, and

(e) that the proposed society complies with the requirements of sound business and has reasonable chances of success,

the Registrar may register the co-operative society and its bye-laws.

(2) Where the Registrar refuses to register a co-operative society, he shall communicate the order of refusal together with the reasons therefor, to such of the applicants as may be prescribed.

8. Registration certificate.—Where a co-operative society is registered under this Act, the Registrar shall issue a certificate of registration signed by him, which shall be conclusive evidence that the co-operative society therein mentioned is a co-operative society duly registered under this Act.

9. Co-operative societies to be bodies corporate.—(1) The registration of a co-operative society shall render it a body corporate by the name under which it is registered, having perpetual succession and a common seal, and with power to hold property, enter into contracts, institute and defend suits and other legal proceedings and to do all things necessary for the purposes for which it was constituted.

(2) Notwithstanding anything contained in sub-section (1), no person being a member of a co-operative society shall by reason only of such membership acquire or hold property if such person is, under any enactment for the time being in force, ineligible for acquiring or holding property in the State. For the purposes of this sub-section a member shall not include a nominal or associate member.

10. Change of name of co-operative society.—(1) A co-operative society may, by an amendment of its bye-laws, change its name.

(2) Where a co-operative society changes its name, the Registrar shall enter the new name on the register of co-operative societies in place of the former name and shall amend the certificate of registration accordingly.

(3) The change of name of a co-operative society shall not affect any rights or obligations of the co-operative society, or render defective any legal proceedings by or against it; and any legal proceedings which might have been continued or commenced by or against the society by its former name may be continued or commenced by its new name.

11. Change of liability.—(1) Subject to the provisions of this Act and rules, a co-operative society may, by an amendment of its bye-laws, change the form or extent of its liability.
(2) When a co-operative society has passed a resolution to change the form of extent of its liability, it shall give notice thereof in writing to all its members and creditors and, notwithstanding any bye-law or contract to the contrary, any member or creditor shall, during a period of one month from the date of service of the notice upon him, have the option of withdrawing his shares, deposits or loans, as the case may be.

(3) Any member or creditor who does not exercise his option within the period specified in sub-section (2) shall be deemed to have assented to the change.

(4) An amendment of the bye-laws of a co-operative society changing the form or extent of its liability shall not be registered or take effect until, either—

(a) the assent thereto of all the members and creditors has been obtained; or

(b) all claims of members and creditors who exercise the option referred to in sub-section (2) within the period specified therein have been met in full.

12. Amendment of the bye-laws of co-operative society.—(1) No amendment of any bye-law of a co-operative society shall be valid unless such amendment has been registered under this Act.

(2) Every proposal for such amendment shall be forwarded to the Registrar and if the Registrar is satisfied that the proposed amendment—

(i) is not contrary to the provisions of this Act and the rules,

(ii) does not conflict with co-operative principles,

(iii) satisfies the requirements of sound business,

(iv) will promote the economic interests of the members of the society, and

(v) is not inconsistent with the principles of social justice,

he may register the amendment.

(3) The Registrar shall forward to the society a copy of the registered amendment together with a certificate signed by him and such certificate shall be conclusive evidence that the amendment has been duly registered.

(4) Where the Registrar refuses to register an amendment of the bye-laws of a co-operative society, he shall communicate the order of refusal, together with the reasons thereof, to the society.
1[12-A. Power to direct amendment of bye-laws.—(1) If it appears to the Registrar that an amendment of the bye-laws of a class of societies is necessary or desirable in the interest of such societies or in the interests of the Co-operative movement or for the implementation of the development programmes of the State, he may call upon all the societies of that class in the manner prescribed to make the amendment within such time as he may specify.

(2) If any society of that class fails to make the amendment within the time specified, the Registrar may, after giving the society an opportunity of being heard, register such amendment, and issue to the society a copy of such amendment, certified by him. With effect from the date of the registration of the amendment in the manner aforesaid, the bye-laws shall be deemed to have been duly amended accordingly and the bye-laws as amended shall be binding on the society and its members.]

13. When amendment of bye-laws comes into force.—An amendment of the bye-laws of a co-operative society shall, unless it is expressed to come into operation on a particular day, come into force on the day on which it is registered.

14. Amalgamation, transfer of assets and liabilities and division of co-operative societies.—(1) A co-operative society may, with the previous approval of the Registrar and by a resolution passed by a two-third majority of the members present and voting at a general meeting of the society,—

(a) transfer its assets and liabilities in whole or in part to any other co-operative society;

(b) divide itself into two or more co-operative societies.

(2) Any two or more co-operative societies may, with the previous approval of the Registrar and by a resolution passed by a two-third majority of the members present and voting at a general meeting of each such society, amalgamate themselves and form a new co-operative society.

(3) The resolution of a co-operative society under sub-section (1) or sub-section (2) shall contain all particulars of the transfer, division or amalgamation, as the case may be.

(4) When a co-operative society has passed any such resolution, it shall give notice thereof in writing to all its members and creditors and, notwithstanding any bye-laws or contract to the contrary, any such member or creditor shall, during the period of one month of the date of service of the notice upon him, have the option of withdrawing his shares, deposits, or loans, or interest, as the case may be.

(5) Any member or creditor who does not exercise his option within the period specified in sub-section (4) shall be deemed to have assented to the proposals contained in the resolution.

(6) A resolution passed by a co-operative society under this section shall not take effect until, either—

(a) the assent thereto of all the members and creditors affected has been obtained; or

(b) all claims of members and creditors affected who exercise the option referred to in sub-section (4) within the period specified therein, have been met in full.

(7) Where a resolution passed by a co-operative society under this section involves the transfer of any assets and liabilities, the resolution shall, notwithstanding anything contained in any law for the time being in force, be a sufficient conveyance, to vest the assets and liabilities in the transferee without any further assurance.

14-A. Power to direct amalgamation, division and reorganisation of societies.—(1) Where the Registrar is satisfied that it is essential in the public interest, or in the interest of the co-operative movement or for the purpose of securing proper management of any society, that two or more societies should be amalgamated or any society should be divided to form two or more societies or should be reorganised, then notwithstanding anything contained in the last preceding section, but subject to the provisions of this section, the Registrar may, after consulting the financing agency which may have advanced any loan to the societies or the society concerned, provide for the amalgamation, division or reorganisation of those societies into a single society, or into societies with such constitution, property, rights, interests and authorities and such liabilities and obligations as may be specified in the order:

Provided that every such order made by the Registrar under this section in respect of a non-agricultural society shall be issued after obtaining prior approval of the Government and every such order shall be laid, as soon as may be after it is made, before each House of the State Legislature:

Provided further that notwithstanding anything contained in section 3 or any order made thereunder the powers of the Registrar under this section shall not be exercised by any person other than the Registrar himself.

(2) No order shall be made under this section, unless—

(a) a copy of the proposed order has been sent in draft to the society or each of the societies concerned;

(b) the Registrar has considered and made such modifications in the draft order as may seem to him desirable in the light of any suggestion and objection which may be received by him within such period (not being less than two months from the date on which the copy of the order as aforesaid was received by the society) as the Registrar may fix in that behalf, either from the society or from any member or class of members thereof or from any creditors or class of creditors.

(3) The order referred to in sub-section (1) may contain such incidental, consequential and supplemental provisions as may, in the opinion of the Registrar, be necessary to give effect to the amalgamation, the division, or re-organisation. On the issue of an order under sub-section (1), the provision in sub-section (7) of section 14 shall apply to the societies so amalgamated, divided or re-organised as if they were amalgamated, divided or re-organised under that section and to the society amalgamated, divided or re-organised.

(4) Notwithstanding anything contained in section 14 and this section or any other provision of this Act, no action in pursuance of sub-section (1) or sub-section (2) of section 14 or sub-section (1) or sub-section (2) of this section and no scheme of compromise or arrangement or re-construction or amalgamation of a Co-operative Bank, shall be taken or given effect to without the previous sanction in writing of the Reserve Bank.

(5) Where an order of moratorium has been made by the Central Government under sub-section (2) of section 45 of the Banking Regulation Act, 1949, in respect of a Co-operative Bank, the Registrar, with the previous approval of the Reserve Bank in writing, may, during the period of moratorium prepare a scheme—

(i) for the reconstruction of the Co-operative Bank, or

(ii) for the amalgamation of the Co-operative Bank with any other Co-operative Bank (in this section referred to as “the Transferee bank.”)

(6) Where a Co-operative Bank, being an insured Bank within the meaning of the Deposit Insurance Corporation Act, 1961, is amalgamated, or in respect of which a scheme of compromise or arrangement or of re-construction has been sanctioned, and the Deposit Insurance Corporation has become liable to pay the depositors of the insured Bank under sub-section (2) of section 16 of that Act, the Bank with which such insured bank is amalgamated or the Co-operative Bank formed after such amalgamation or, as the case may be, insured bank or the transferee bank shall be under an obligation to repay the Deposit Insurance Corporation in the circumstances, to the extent and
in the manner referred to in section 21 of the Deposit Insurance Corporation Act, 1961.]

15. Cancellation of registration certificates of co-operative societies in certain cases.—(1) Where the whole of the assets and liabilities of a co-operative society are transferred to another co-operative society in accordance with the provisions of section 14, the registration of the first mentioned co-operative society shall stand cancelled and that society shall be deemed to have been dissolved and shall cease to exist as a corporate body.

(2) Where two or more co-operative societies are amalgamated into a new co-operative society in accordance with the provisions of section 14, the registration of each of the amalgamating societies shall stand cancelled on the registration of the new society and each society shall be deemed to have been dissolved and shall cease to exist as a corporate body.

(3) Where a co-operative society divides itself into two or more co-operative societies in accordance with the provisions of section 14, the registration of that society shall stand cancelled on the registration of the new societies, and that society shall be deemed to have been dissolved and shall cease to exist as a corporate body.

CHAPTER III.

MEMBERS OF CO-OPERATIVE SOCIETIES AND THEIR RIGHTS AND LIABILITIES.

16. Persons who may become members.—(1) No person shall be admitted, as a member of a co-operative society except the following, namely:

(a) an individual competent to contract under section 11 of the Jammu and Kashmir Contract Act, Samvat, 1977:

Provided that no two individuals belonging to the same family shall be admitted as members of a society:

Provided further that nothing in this clause shall affect the membership of the persons of the same family admitted as members prior to the commencement of the Jammu and Kashmir Co-operative Societies (Amendment) Act, 1970.

(b) any other co-operative society;

(c) the Government of Jammu and Kashmir; and

1. Proviso to clause (a) inserted by Act XVIII of 1970.
[(d) a firm, company or any other body corporate constituted under any law for the time being in force, or a society registered under the Jammu and Kashmir Societies Registration Act, 1998.]

(2) Where a person is refused admission as a member in a co-operative society, the decision refusing admission shall be communicated by the society to that person within seven days of the date of the decision.

[(3) Notwithstanding anything contained in sub-section (1), the Government or any person authorised by the Government may, having regard to the fact that the interests of any person or class of persons conflict or are likely to conflict with the objects of any society or class of societies, by general or special order published in the Government Gazette, declare that any person or class of persons engaged in or carrying on any profession, business or employment shall be disqualified from being admitted, or for continuing as members, or shall be eligible for membership only to a limited extent of any specified society or class of societies so long as such person or persons are engaged in or carry on that profession, business or employment, as the case may be.]

[16-A. (1) The election of the members of a committee of any society having jurisdiction within a district, other than an agricultural credit society, shall be held on such date, as may be specified by the Registrar and shall be conducted [under the control of the Tehsildar within whose jurisdiction the registered office of the society is situated] by such returning officers and other officers as may be appointed by him in this behalf.

(2) The election of members of a Committee of any society having jurisdiction in two or more districts shall be held on such date, as may be specified by the Registrar, and shall be conducted under the control of the Deputy Commissioner of the district in which the registered office of the society is situated, by such returning officers and other officers as may be appointed by him in this behalf.

(3) The voting at elections held under sub-sections (1) and (2) shall be by secret ballot.

(4) No election shall be called in question except by an election petition presented in accordance with the provisions of this section.

(5) Notwithstanding anything contained in section 63 or any other provision of this Act, any dispute touching—

(a) any election held under sub-section (1) shall be referred for decision to the "Sub-Divisional Magistrate, or where there is no Sub-Divisional
Magistrate, the Assistant Commissioner of the District within whose jurisdiction the society is situated; and]

(b) any election held under sub-section (2) shall be referred for decision to the Registrar who shall decide it himself.

(6) The reference of the dispute under clause (a) or clause (b) of sub-section (5) may be made by any aggrieved party by submitting an election petition to [Sub-Divisional Magistrate or where there is no Sub-Divisional Magistrate, the Assistant Commissioner of the District] or the Registrar, as the case may be, within 30 days from the date of declaration of the result of the election.

(7) The decision of the [Sub-Divisional Magistrate or the Assistant Commissioner] or the Registrar, as the case may be, shall be final.

(8) The election of the representatives of a society in any other society or a higher level society shall be made by the committee of the society by a majority vote in the manner prescribed. In case of a tie, the Chairman shall have a casting vote.]

(9) The Government may make rules to provide for and to regulate matters in respect of election held under this section including the elections to the agricultural credit societies.

17. Nominal or associate members.—(1) A co-operative society may admit any individual as a nominal or associate member.

(2) A nominal member shall not be entitled to any share, in any form whatsoever, in the assets or profit of the society.

(3) Save as provided in this section, a nominal or associate member shall have such privileges and rights of a member and be subject to such liabilities of a member as may be specified in the bye-laws of the society.

18. Member not to exercise rights till due payment made.—(1) No member of a co-operative society shall, save as otherwise provided in sub-section (2), exercise the rights of a member unless or until he has made such payment to the society in respect of membership or has acquired such interest in the society as may be specified in the bye-laws.

(2) In the case of a society registered after the commencement of this Act, the persons who have signed the application to register the society may elect a committee to conduct the affairs of the society for a period of three months

1. Substituted by Act XIX of 1978, s. 2.
from the date of registration or for such further period not exceeding six months as the Registrar may fix:

Provided that the committee shall cease to function as soon as the members of the society have elected a committee in accordance with its bye-laws.

19. Votes of members.—Every member of a co-operative society shall have one vote in the affairs of the society:

Provided that,—

(i) in the case of an equality of votes the Chairman shall have an additional casting vote;

(ii) a nominal or associate member shall not have the right to vote;

(iii) where the Government is a member of a co-operative society, each person nominated by the Government on the committee of the co-operative society shall have one vote.

20. Manner of exercising vote.—(1) Every member of a co-operative society shall exercise his vote in person and no member shall be permitted to vote by proxy.

(2) Notwithstanding anything contained in sub-section (1), a co-operative society which is a member of another co-operative society may, subject to any rules made under this Act, appoint one of its members to vote on its behalf in the affairs of that other society.

21. Restrictions on holding of shares.—In any co-operative society no member other than the Government or any other co-operative society shall—

(a) hold more than such portion of the total share capital of the society not exceeding one-fifth thereof as may be prescribed; or

(b) have or claim any interest in the shares of the society exceeding one thousand rupees:

Provided that where the society is a financing bank, a member may have or claim an interest in the shares of the society not exceeding five thousand rupees:

Provided further that the Government may, by notification in the Government Gazette, specify in respect of any class of co-operative societies a higher maximum than one-fifth of the share capital or a higher amount than five thousand rupees, as the case may be.
22. Restrictions on transfer of shares or interest.—(1) The transfer of a share or interest of a member in the capital of a co-operative society shall be subject to such conditions and restrictions as to the maximum holdings as are specified in section 21.

(2) No transfer by a member of his share or interest in a co-operative society shall be valid unless—

(a) the member has held such share or interest for not less than one year;

(b) the transfer is made to a member of the society; and

(c) the transfer is approved by the Committee of the society.

23. Transfer of interest on death of a member.—(1) On the death of a member of a co-operative society, the society may transfer his share or interest in the capital to the person nominated in accordance with the rules made in this behalf or, if there is no person so nominated, to such person as may appear to the committee to be the heir or legal representative of the deceased member, or pay to such nominee, heir or legal representative, as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or bye-laws:

Provided that where the share or interest exceeds rupees five hundred in value, payment shall be made to the person, who is certified to be the legal heir by competent Civil Court:

Provided further that—

(i) in the case of a society with unlimited liability, such nominee, heir or legal representative, as the case may be, may require payment by the society of the value of the share or interest of the deceased member ascertained as aforesaid; and

(ii) in the case of a society with limited liability, the society shall transfer the share or interest of the deceased member to such nominee, heir or legal representative, as the case may be, being qualified in accordance with the rules and bye-laws for membership of the society, or on his application within one month of the death of the deceased member, to any person specified in the application who is so qualified.

(2) Subject as aforesaid, a co-operative society may pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.
(3) All transfers and payments made by a co-operative society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

24. *Liability of past member and estate of deceased member*.—(1) Subject to the provisions of sub-section (2), the liability of a past member or of the estate of a deceased member of a co-operative society for the debts of the society as they existed—

(a) in the case of a past member, on the date on which he ceased to be a member;

(b) in the case of a deceased member, on the date of his death,

shall continue for a period of one year from such date.

(2) Where a co-operative society is ordered to be wound up under section 65, the liability of a past member or of the estate of a deceased member who ceased to be a member or died within one year immediately preceding the date of the order of winding up, shall continue until the entire liquidation proceedings are completed, but such liability shall extend only to the debts of the society as they existed on the date of his ceasing to be a member or death, as the case may be.

25. *Final authority in a co-operative society*.—The final authority in a co-operative society shall vest in the general body of the members:

Provided that where the bye-laws of a co-operative society provide for the constitution of a smaller body consisting of delegates of members of the society elected in accordance with such bye-laws, the smaller body shall exercise such powers of the general body as may be prescribed or as may be specified in the bye-laws of the society:

Provided further that nothing in this section shall affect any powers conferred on a committee or any officer of a co-operative society by the rules or the bye-laws.

1[25-A. (1) Subject to the provisions of this section, no person shall be or shall continue to be an officer of any society for a consecutive period of more than 3 years:

Provided that a person who has held office of an officer of any society for 3 years shall not be eligible for being re-elected or re-appointed as an officer until a period of 3 years has elapsed from the date of vacating his office as such officer.

(2) Notwithstanding anything contained in sub-section (1), if on the 10th day of September, 1970 any person has been such officer of any society for

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more than 3 years, he shall continue as such, till the next election is held or nomination is made:

Provided that where in a society the number of officers not eligible for re-election or re-appointment under proviso to sub-section (1), exceeds half the total number of officers of the society, the number of such officers who shall be ineligible for re-election or re-appointment shall be equal to only half the total number of officers of the society. The names of such ineligible officers shall be determined by lots by such authority and in such manner as may be prescribed:

Provided further that any person holding the office of President, Vice-President, Chairman, Vice-Chairman, Secretary or Assistant Secretary shall in no case be eligible for being re-elected or re-appointed to any of these offices until a period of 3 years has elapsed from the date of such election or nomination.

Explanation.—For purposes of section 25-A–

(i) if any person resigns his office as an officer or member within 12 months prior to the expiry of the consecutive period of 3 years in the office, he shall be deemed to have completed the said period of 3 years;

(ii) the expression “person” shall not include the Government or a Co-operative Society;

(iii) the expression "officer" shall not include a whole-time paid employee of the society.

1[25-B. Notwithstanding anything contained in any law for the time being in force, a person shall be disqualified for appointment as or for being an officer of the society, if he is a member of the committee of another society of the same type or of two societies of different types:

Provided that nothing in this section shall be deemed to disqualify a member of the committee of a (primary) society for appointment as, or for being a member of either two Central Societies of different types and one apex society] or of one Central society and two apex societies:

Provided further that no person shall be the President, Vice-President, Chairman, Vice-Chairman, Secretary or Assistant Secretary of more than one society at a time.]

1. Section 25-B substituted by Act XXII of 1972, s. 3. It was added by Act XVIII of 1970.
25-C. If any person is on the 10th day of September, 1970 an officer in contravention of section 25-B, unless he, within 60 days, conforms to the provisions of that section by resigning office, he shall cease to be an officer of all such societies.

25-D. In the case of society, which gives loans to members for purchasing machinery, implements, equipment, commodities or other goods, no members whose near relation is a dealer in such goods or is a Director of a Company or a partner in a firm carrying on business in such goods, shall be eligible for being elected or appointed as a member, of the Committee of such society.

25-E. (1) No person shall be eligible for election or appointment as an officer of a Co-operative Society or as a representative of a Co-operative Society in any other Co-operative Society or to vote at a meeting held for the purpose of electing members of the managing committee of a society, if he is—

(a) in arrears to any society in respect of any loan taken by him, for a period exceeding three months; or

(b) found guilty of embezzlement or mis-appropriation of funds or stocks of any Co-operative Society.

(2) Where a person while being an officer of Co-operative Society incurr any of the disqualifications specified in sub-section (1), he shall forthwith cease to be an officer of such society.

Explanation.—For the purpose of this section the expression officer shall include Storekeeper and paid Secretary of the Co-operative Society.

26. Annual general meeting.—A general meeting of a co-operative society shall be held once in a year for the purpose of—

(a) approval of the programme of the activities of the society prepared by the Committee for the ensuing year;

(b) election, if any, in the prescribed manner of the members of the Committee other than nominated members;

(c) consideration of the audit report and the annual report;

(d) disposal of the net profits; and

(e) consideration of any other matter which may be brought forward in accordance with the bye-laws.

1. Section 25-E inserted by Act XIV of 1978, s. 2.
1[26-A. At every annual general meeting of a society the Committee shall lay before the society a statement showing the details of the loans (if any) given to a near relation of any officer during the last preceding year and a balance sheet and profit and loss account for the year in the manner prescribed by Registrar by general or special order for any class or classes of societies.

Explanation.—For the purpose of this section, the expression “near relation” includes members of the family as defined under sub-section 2 (b) of section 6 in addition to son-in-law, daughter-in-law or brother-in-law.]

27. Special general meetings.—(1) The committee of a co-operative society may, at any time, call a special general meeting of the society and shall call such meeting within one month after the receipt of a requisition in writing from the Registrar or from such number of members or a proportion of the total number of members as may be prescribed.

(2) If a special general meeting of a co-operative society is not called in accordance with the requisition referred to in sub-section (1), the Registrar or any person authorised by him in this behalf, shall have the power to call meeting and that meeting shall be deemed to be a meeting called by the Committee.


(a) has subscribed to the share capital of a co-operative society; or

(b) has assisted indirectly in the formation or augmentation of the share capital of a co-operative society as provided in Chapter VI; or

(c) has guaranteed the repayment of principal and payment of interest on debentures issued by a co-operative society; or

(d) has guaranteed the repayment of principal and payment of interest on loans and advances to a co-operative society;

the Government or any authority specified by the Government in this behalf, shall have the right to appoint not more than 3[seven members subject to the condition that at no time the number of members so appointed shall exceed the number of elected members]

3[Provided that in addition to the members so appointed two seats shall be reserved, for members who belong to the Scheduled Castes and/or other Backward classes. If no such persons are elected the Registrar shall nominate the required number of persons entitled to such representation.]
(2) A member appointed on the Committee of co-operative society under sub-section (1) shall hold office during the pleasure of the Government or the specified authority, as the case may be.

29. **Supersession of Committee.**—(1) If as a result of an inquiry or an inspection or an audit conducted under this Act the Registrar is of opinion that the Committee of any co-operative society persistently makes default or is negligent in the performance of the duties imposed on it by this Act or the rules or the bye-laws, or commits any act which is prejudicial to the interests of the society or its members or is otherwise not functioning properly, the Registrar may, after giving the Committee an opportunity to state its objections, if any, by order in writing, remove the Committee; and

(a) appoint a new Committee consisting of one or more members of the society in its place;

(b) appoint one or more Administrators who need not be members of the society;

to manage the affairs of the society for a period not exceeding six months specified in the order which period may, at the discretion of the Registrar, be extended from time to time, so however, that the aggregate period does not exceed one and a half year.

(2) The Committee or Administrators so appointed 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 of any officer of the society and take all such action as may be required in the interests of the society.

(3) The Committee or Administrators shall, at the expiry of its or their term of office, arrange for the constitution of a new Committee in accordance with the bye-laws of the society.

(4) Before taking any action under sub-section (1) in respect of a co-operative society, the Registrar shall consult any financing institution to which it is indebted.

1[29-A. Notwithstanding anything contained in section 29, the Registrar shall, if so required in writing by the Reserve Bank in the public interest or for preventing the affairs of the Co-operative Bank being conducted in a manner detrimental [to the interests of the depositors] or for securing the proper management of the Co-operative Bank, pass an order for the supersession of the Committee (or other managing body by whatever name called) of that Co-operative Bank and appointment of an administrator thereof, for such

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30. Securing possession of records, etc.—(1) If the Committee of co-operative society is reconstituted at a general meeting of the society or the Committee of a co-operative society is removed by the Registrar under section 29 or if the society is ordered to be wound up under section 65 and the outgoing members of the Committee refuse to hand over charge of the records and property of the society to the new Committee or the Administrators or the liquidators, as the case may be, the new Committee or the Administrators or the liquidators may apply to the Magistrate, within whose jurisdiction the society functions, for securing the records and property of the society.

(2) On receipt of an application under sub-section (1), the Magistrate may, by a warrant, authorise any police officer, not below the rank of Sub-Inspector, to enter and search any place where the records and the property are kept or are believed to be kept and to seize such records and property; and the records and property so seized shall be handed over to the new Committee or the Administrators of the society or the liquidators, as the case may be.

1[30-A. (1) Where the Registrar is satisfied that the books and records of a society are likely to be suppressed, tampered with or destroyed, or the funds and property of a society are likely to be misappropriated or misapplied, the Registrar or any person authorised by him may apply to the Executive Magistrate 1st Class within whose jurisdiction the society is functioning for seizing and taking possession of the records and property of the society.

(2) On receipt of an application under sub-section (1) the Magistrate may authorise any police officer, not below the rank of a Sub-Inspector, to enter and search any place where the records and property are kept or likely to be kept, and to seize them and hand over possession thereof to the Registrar or the person authorised by him, as the case may be.]

CHAPTER IV.

PRIVILEGES OF CO-OPERATIVE SOCIETIES.

31. First charge of co-operative society on certain assets.—(1) Notwithstanding anything contained in any law for the time being in force but subject to any prior claim of the Government in respect of land revenue or any money recoverable as arrears of land revenue and subject to the provisions of the Tenancy Act, Samvat 1980, any debt or outstanding demand owing to a co-operative society by any member or past member or deceased member shall be a first charge upon the crops and other agricultural produce, cattle, fodder

for cattle, agricultural or industrial implements or machinery, raw materials for manufacture and any finished products manufactured from such raw materials, belonging to such member, past member, or forming part of the estate of the deceased member, as the case may be.

(2) No person shall transfer any property which is subject to a charge under sub-section (1) except with the previous permission in writing of the co-operative society which holds the charge.

(3) Any outstanding demands or dues payable to a housing society by any member or past member or deceased member in respect of rent, shares, loans or purchase money or any other rights or amounts payable to such society shall be a first charge upon his interests in the immovable property of the society. No member or past member or an heir of a deceased member shall transfer any property or his interest in the immovable property of the society which is subject to a charge except with the previous permission in writing of the co-operative society which holds the charge.

(4) Notwithstanding anything contained in any law for the time being in force, any transfer of property made in contravention of the provisions of sub-sections (2) and (3) shall be void.

1. [31-A. Notwithstanding anything contained in this Act or in any other law for the time being in force,—

(i) a member who makes an application for a loan to a registered society of which the majority are agriculturists shall, if he owns land, or other immovable property, make a declaration in the form prescribed, if any, that he thereby creates a charge upon such land or other immovable property or such portion thereof as may be specified in the declaration in respect of the loan which the society may make to the member on the application and future loans, if any, that may be made to him from time to time, by the society together with interest on such loan or loans:

Provided that it shall be lawful for a member to create subsequent charges in favour of the Land Development Bank, Jammu and Kashmir Bank, the State Government or a Bank contained in Schedule II of the Reserve Bank of India Act, 1934, subject to the provisions of section 140 of the Transfer of Property Act, 1977;

(ii) a declaration made under clause (i) may be varied or cancelled at any time by the member with the previous written permission of the society in favour of which such charge has been created;

(iii) no land or other immovable property in respect of which a declaration has been made under clause (i) or any part of such land or other

immovable property or any interest in such land or other immovable property shall be sold until the entire amount of the loan or loans taken by the member from the society together with interest thereon is paid to society and any transaction made in contravention of this clause shall be null and void;

(iv) the declaration made under clause (i) or any variation or cancellation thereof under clause (ii) shall be sent by registered post by the society to the Sub-Registrar having jurisdiction over the area in which the land or other immovable property is situated;

(v) the declaration made under clause (i) or any variation or cancellation thereof under clause (ii) shall be duly registered by the society in its own records;

(vi) any declaration made under clause (i) or any variation or cancellation thereof under clause (ii) which has not been registered shall be null and void;

(vii) the society granting loans under this section shall forward a copy of the particulars of every charge on land or interest created under a declaration under clause (i) or clause (ii) to Tehsildar concerned for being entered in the revenue records.]

32. Deduction from salary to meet society's claim in certain cases.—(1) Notwithstanding anything contained in any law for the time being in force, a member of a co-operative society may execute an agreement in favour of the society providing that his employer shall be competent to deduct from the salary or wages payable to him by the employer such amount as may be specified in the agreement and to pay the amount so deducted to the society in satisfaction of any debt or other demand owing by the member to the society.

(2) On the execution of such an agreement the employer shall, if so required by the society by a requisition in writing, and so long as such debt or demand or any part of it remains unpaid, make the deduction in accordance with the agreement and pay the amount so deducted to the society, within fourteen days from the date of the deduction.

33. Charges and set off in respect of shares or interest of members in the capital of a co-operative society.—A co-operative society shall have a charge upon the share or interest in the capital and on the deposits of a member or a past member and on any dividend, bonus or profits payable to a member or a past member in respect of any debt or outstanding demand owing to the co-operative society and may set off any sum credited or payable to a member or past member towards payment of any such debt or outstanding demand.
34. Shares or interest not liable to attachment.—Subject to the provisions of section 32, the share or interest of a member in the capital of a co-operative society shall not be liable to attachment or sale under any decree or order of a Court in respect of any debt or liability incurred by such member or past members, and an official assignee or a receiver under any law relating to insolvency shall not be entitled to or have any claim on such share or interest.

35. Exemption from certain taxes, fees and duties.—(1) The Central Government may, by notification in the official Gazette, remit the income-tax payable in respect of the profits of any class of co-operative societies or the dividends or other payments received by members of any class of such societies on account of profits.

(2) The Jammu and Kashmir Government by notification in the Government Gazette may in the case of any co-operative society or class of co-operative societies remit—

(a) the stamp duty chargeable under any law for the time being in force in respect of any instrument executed by or on behalf of a co-operative society or by an officer or member thereof and relating to the business of such society or any class of such instruments or in respect of any award or order made under this Act, in cases where, but for such remission the co-operative society, officer or member, as the case may be would be liable to pay such stamp duty;

(b) any fee payable under any law for the time being in force relating to the registration of documents or court fee.

(3) The Jammu and Kashmir Government may, by notification in the Government Gazette, exempt any class of co-operative societies from taxes on—

(a) sale or purchase of goods, and

(b) professions, trades, callings and employments.

36. Exemption from compulsory registration of instruments.—Nothing in clauses (b) and (c) of sub-section (1) of section 17 of the Jammu and Kashmir Registration Act, Samvat 1977 shall apply to—

(a) any instrument relating to shares in a co-operative society, notwithstanding that the assets of society consist in whole or in part of immovable property; or

(b) any debentures issued by any such society and not creating, declaring assigning, limiting or extinguishing any right, title or interest to or in immovable property except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immovable property or any interest
therein to trustees upon trust for the benefit of the holder of such debentures; or

(c) any endorsement upon or transfer of any debenture issued by any such society.

CHAPTER V.

GOVERNMENT AID TO CO-OPERATIVE SOCIETIES.

37. Direct partnership of Government in co-operative societies.—(1) The Government may subscribe directly to the share capital of a co-operative society with limited liability.

(2) Notwithstanding any agreement to the contrary, the Government shall not be entitled to a dividend on the shares of any such co-operative society at a rate higher than that at which such dividend is payable to any other shareholder of the society.

38. Indirect partnership of Government in co-operative societies.—The Government may, subject to appropriate bye-law, provide moneys to a co-operative society (hereinafter in this Chapter referred to as apex society) for the purchase of shares in other co-operative societies with limited liability.

39. Principal Government Partnership Fund.—(1) An apex society which is provided with money by the Government under section 38 shall, with such moneys, establish a Fund to be called the “Principal Government Partnership Fund”.

(2) An apex society shall utilize the Principal Government Partnership Fund for the purpose of—

(a) directly purchasing shares in other co-operative societies with limited liability;

(b) providing moneys to a co-operative society (hereinafter in this Chapter referred to as central society) to enable that society to purchase shares in other co-operative societies with limited liability (hereinafter in this Chapter referred to as primary societies);

(c) making payments to the Government in accordance with the provisions of this Chapter;

and for no other purpose.
40. **Subsidiary Government Partnership Fund.**—(1) A central society which is provided with moneys by an apex society from the Principal Government Partnership Fund shall, with such moneys, establish a Fund to be called the ‘Subsidiary Government Partnership Fund’.

(2) A central society shall utilize the ‘Subsidiary Government Partnership Fund’ for the purpose of—

(a) purchasing shares in primary societies;

(b) making payment to the apex society in accordance with the provisions of this Chapter;

and for no other purpose.

41. **Approval of Government for purchase of shares.**—No shares shall be purchased in a co-operative society from the moneys in the Principal Government Partnership Fund or the Subsidiary Government Partnership Fund except with the previous approval in writing of the Government.

42. **Liability to be limited in respect of certain shares.**—Where any shares are purchased in a co-operative society by—

(a) the Government, or

(b) an apex society or a central society from the Principal Government Partnership Fund or the Subsidiary Government Partnership Fund, as the case may be,

the liability in respect of such shares shall, in the event of the co-operative society being wound up, be limited to the amount paid in respect of such shares.

43. **Restrictions on amount of dividend.**—An apex society which has purchased shares in other co-operative societies from the moneys in the Principal Government Partnership Fund and a central society which has purchased shares in primary societies from the moneys in the Subsidiary Government Partnership Fund; shall be entitled only to such dividend on the said shares as is declared by the society concerned and is payable to other share-holders of that society.

44. **Indemnity of apex and central societies.**—(1) If a co-operative society in which shares are purchased from the Principal Government Partnership Fund is wound up or is dissolved, the Government shall not have any claim against the apex society which purchased the shares in respect of any loss arising from such purchase; but the Government shall be entitled to any moneys
received by the apex society in liquidation proceedings or on dissolution, as the case may be.

(2) If a co-operative society in which shares are purchased from the Subsidiary Government Partnership Fund is wound up or is dissolved, neither the Government nor the apex society shall have any claim against the central society which purchased the shares in respect of any loss arising from such purchases; but the apex society shall be entitled to any moneys received by the central society in liquidation proceedings or on dissolution, as the case may be, and such money shall be credited to the 'Principal Government Partnership Fund'.

45. Disposal of share capital and dividend, etc.—(1) All moneys received by an apex society in respect of shares of other co-operative societies purchased from the moneys in the Principal Government Partnership Fund on redemption of such shares or by way of dividend or otherwise shall be credited to that Fund.

(2) All moneys received by central society in respect of shares of primary societies purchased from the moneys in the Subsidiary Government Partnership Fund on redemption of such shares or by way of dividends or otherwise, shall in the first instance be credited to that Fund and then transferred to the apex society which shall credit them to the Principal Government Partnership Fund.

(3) All moneys and dividends referred to in sub-section (1) and sub-section (2), shall, notwithstanding that the shares stand in the name of the apex society or the central society, as the case may be, be paid to the Government.

(4) Save as provided in sub-section (3), the Government shall not be entitled to any other return on the money provided by it to the apex society under section 38.

46. Disposal of Principal Government Partnership Fund and Subsidiary Government Partnership Fund on winding up of an apex or a central society.—(1) If an apex society which has established a Principal Government Partnership Fund is wound up or is dissolved, all moneys to the credit of, or payable to, that Fund shall be paid to the Government.

(2) If a central society which has established a Subsidiary Government Partnership Fund is wound up or is dissolved, all moneys to the credit of, or payable to, that Fund shall be paid and credited to the Principal Government Partnership Fund from which it received moneys under clause (b) of sub-section (2) of section 39.

47. Principal Government Partnership Fund and Subsidiary Government Partnership Fund not to form part of assets.—Any amount to the credit of a Principal Government Partnership Fund, or a Subsidiary Government
Partnership Fund, shall not form part of the assets of the apex society or the central society, as the case may be.

48. Agreement by Government and Apex Societies.—Subject to the foregoing provisions of this Chapter,—

(a) the Government may enter into an agreement with the apex society setting out the terms and conditions on which it shall provide money to the apex society for the purpose specified in section 38;

(b) the apex society may, with the previous approval of the Government, enter into an agreement with a central society setting out the terms and conditions on which it shall provide money to that society from the Principal Government Partnership Fund for the purpose specified in clause (b) of sub-section (2) of section 39.

49. Other forms of Government aid to co-operative societies.—Notwithstanding anything contained in any law for the time being in force, the Government may—

(a) give loans or make advances to co-operative societies;

(b) guarantee the repayment of principal and payment of interest on debentures issued by a co-operative society;

(c) guarantee the repayment of share capital of a co-operative society and dividends thereon at such rates as may be specified by the Government;

(d) guarantee the repayment of principal and payment of interest on loans and advances to a co-operative society; and

(e) give financial assistance in any other form including subsidies, to any co-operative society.

50. Provisions of this Chapter to over-ride other laws.—The provisions of sections 38 to 48 of this Chapter shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

CHAPTER VI.

PROPERTY AND FUNDS OF CO-OPERATIVE SOCIETIES.

51. Funds not to be divided.—No part of the funds other than the net profits of a co-operative society shall be paid by way of bonus or dividend or otherwise distributed among its members:
Provided that a member may be paid remuneration on such scale as may be prescribed for any services rendered by him to the co-operative society as Secretary or as clerk.

51-A. A society earning profit shall calculate the net profits by deducting from the gross profits for the year all accrued interest which is overdue for more than six months, establishment charges, interest payable on loans and deposits, audit fees, working expenses including repairs, rent, taxes and depreciation, and after providing for or writing off bad debts and losses not adjusted against any fund created out of profits. A society may, however, add to the net profits for the year interest accrued in the preceding year, but actually recovered during the year. The net profits thus arrived at, together with the amount of profits brought forward from the previous year, shall be available for appropriation.

52. Disposal of net profits.—(1) A co-operative society shall, out of its net profits duly certified in audit in any year, transfer an amount not being less than twenty-five per cent of the profits to the reserve fund.

(2) The balance of the net profits may be utilized for all or any of the following purposes, namely:

(a) payment of dividend to members on their paid-up share capital at a rate not exceeding the prescribed limit;

(b) payment of bonus to members on the amount or volume of business done by them with the society, to the extent and in the manner specified in the bye-laws;

(c) constitution of, or contribution to, such special funds as may be specified in the bye-laws;

(d) donations of amounts not exceeding ten per cent of the net profits for any charitable purposes;

(e) payment of bonus to employees of the society, to the extent and in the manner specified in the bye-laws.

Explanation.—Charitable purpose includes relief of the poor, education, medical relief and the advancement of any other object or general public utility, but does not include a purpose which relates exclusively to religious teaching or worship.

(3) A co-operative society which pays dividend to its members at the rate of 4 per cent or more shall contribute at such rate as may be prescribed towards

the educational fund of the Jammu and Kashmir Co-operative Union to be utilized in such manner as may be prescribed.

53. Investment of funds.—A co-operative society may invest or deposit its funds—

(a) in Government Savings Bank; or

(b) in any of the securities specified in section 20 of the Trusts Act, Samvat 1977; or

(c) in the shares or securities of any other co-operative society; or

(d) with any bank or person carrying on the business of banking, approved for this purpose by the Registrar; or

(e) in any other mode permitted by the rules.

54. Restrictions on borrowings.—A co-operative society shall receive deposits and loans only to such extent and under such conditions as may be prescribed or as may be specified in the bye-laws.

55. Restrictions on loans.—(1) A co-operative society shall not make a loan to any person other than a member:

Provided that, with the general or special sanction of the Registrar, a co-operative society may make loans to another co-operative society.

(2) Notwithstanding anything contained in sub-section (1), a co-operative society may make a loan to a depositor on the security of his deposit.

56. Restrictions on other transactions with non-members.—Save as is provided in sections 54 and 55, the transactions of a co-operative society with persons other than members shall be subject to restrictions, if any, as may be prescribed.

CHAPTER VII.

AUDIT, INQUIRY AND INSPECTION.

57. Audit.—(1) The Registrar shall audit or cause to be audited by a person authorised by him by general or special order in writing in this behalf, the accounts of every co-operative society at least once in each year.
CO-OPERATIVE SOCIETIES ACT, 1960.

(2) The audit under sub-section (1) shall include an examination of over-due debts, if any, the verification of cash balance and securities and a valuation of the assets and liabilities of the society.

(3) The Registrar or the authorised person shall at all times have access to all the books, accounts, documents, papers, securities, cash and other properties belonging to, or in the custody of, the society and may summon any person in possession or responsible for the custody of any such books, accounts, documents, papers, securities, cash or other properties, to produce the same at any place at the headquarters of the society or any branch thereof.

(4) Every person who is, or has at any time been, an officer or employee of the society and every member and past member of the society shall furnish such information in regard to the transactions and working of the society as the Registrar or the person authorised by him may require.

58. Communication of defects in audit to co-operative societies.—(1) If the result of the audit held under section 57 discloses any defects in the working of a co-operative society, the Registrar may bring such defects to the notice of the society, and if the society is affiliated to another co-operative society also to the notice of that other society.

(2) The Registrar may make an order directing the society or its officers to take such action as may be specified in the order within the time mentioned therein to remedy the defects disclosed in the audit.

59. Inquiry by Registrar.—(1) The Registrar may of his own motion and shall on the application of a majority of the Committee or of not less than one-third of the members hold an inquiry, or direct some person authorised by him by order in writing in this behalf to hold enquiry into the constitution, working and financial condition of a co-operative society.

(2) The Registrar or the person, authorised by him under sub-section (1) shall have the following powers, namely:

(a) he shall, at all reasonable times, have free access to the books, accounts, documents, securities, cash and other properties belonging to or in the custody of the society and may summon any person in possession or responsible for the custody of any such books, accounts, documents, securities, cash or other properties to produce the same at any place, at the headquarters of the society or any branch thereof;

(b) he may summon any person who he has reason to believe has knowledge of any of the affairs of the society to appear before him at any place at the headquarters of the society or any branch thereof and may examine such person on oath; and
(c) (i) he may, notwithstanding any rule or bye-law prescribing the period of notice for a general meeting of the society, require the officers of the society to call a general meeting at such time and place at the headquarters of the society or any branch thereof and to determine such matters as may be directed by him. If the officers of the society refuse or fail to call such a meeting, he shall have power to call it himself;

(ii) any meeting called under clause (i) shall have all the powers of a general meeting called under the bye-laws of the society and its proceedings shall be regulated by such bye-laws;

(iii) the Registrar shall communicate the result of any such inquiry, where the inquiry is held of his own motion or on the application of the majority of the Committee or of not less than one-third of the members, to the society and to the Financing Bank, if any, to which the society is indebted.

60. Inspection of books of a co-operative society.—(1) The Registrar may of his own motion and shall on the application of a creditor of a co-operative society, inspect or direct any person authorised by him by orders in writing to inspect the books of the society and the Registrar or the person so authorised shall have all the powers of the Registrar when holding an inquiry under section 59:

Provided that no such inspection shall be made on an application of a creditor under sub-section (1) unless the creditor—

(a) satisfies the Registrar that the debt or deposit is a sum then due and that he has demanded payment or return thereof and has not received satisfaction within a reasonable time; and

(b) deposits with the Registrar such sum as security for the cost of the proposed inspection as the Registrar may require.

(2) The Registrar shall communicate the result of any such inspection—

(a) where the inspection is made of his own motion, to the society, and

(b) where the inspection is made on the application of a creditor, to creditors including the Financing Bank, to which the society is indebted and the society.

(3) A Financing Bank may cause the books of a co-operative society affiliated to it to be inspected by an officer of such Bank or by a member of its paid staff, authorised by the Registrar, by order in writing in this behalf.
The officer or member so inspecting shall at all reasonable times have free access to books, accounts, documents, securities, cash and other properties belonging to or in the custody of the society and may also call for such information, statements and returns as may be necessary to ascertain the financial condition of the society.

61. Costs of inquiry.—Where an inquiry is held under section 59 or an inspection is made under section 60, the Registrar may apportion the costs or such part of the costs as he may deem fit between the co-operative society to which the co-operative society concerned is affiliated, the society, the members or creditors demanding an inquiry or inspection, and the officers or former officers of the society:

Provided that—

(a) no order of apportionment of the costs shall be made under this section unless the society or the person sought made liable to pay the costs thereunder has had a reasonable opportunity of being heard;

(b) the Registrar shall state in writing the grounds on which the costs are apportioned.

62. Surcharge.—(1) If in the course of an audit, inquiry, inspection or the winding up of a co-operative society, it is found that any person, who is or was entrusted with the organisation or management of such society or who is or has at any time been an officer or an employee of the society, has made any payment contrary to this Act, the rules or the bye-laws or has caused any deficiency in the assets of the society by breach of trust or wilful negligence or has misappropriated or fraudulently retained any money or other property belonging to such society, the Registrar may, of his own motion or on the application of the Committee, liquidator or any creditor, inquire himself or direct any person authorised by him, by an order in writing in this behalf, to inquire into the conduct of such person.

(2) Where an inquiry is made under sub-section (1), the Registrar may, after giving the person concerned an opportunity of being heard, make an order requiring him to repay or restore the money or property or any part thereof with interest at such rate, or to pay contribution and costs or compensation to such extent, as the Registrar may consider just and equitable.

1. Proviso to sub-section (1) omitted by Act XVIII of 1970.
CO-OPERATIVE SOCIETIES ACT, 1960

CHAPTER VIII.

SETTLEMENT OF DISPUTES.

63. *Disputes which may be referred to Arbitration.*—(1) Notwithstanding anything contained in any law for the time being in force, if any dispute touching the constitution, management or the business of a co-operative society arises—

(a) among members, past members and persons claiming through members, past members or deceased members; and sureties of members, past members or deceased members whether such sureties are members or non-members; or

(b) between a member, past member or persons claiming through a member, past member or deceased member; or sureties of members, past members or deceased members, and the society, its committee or any officer, agent or employee of the society; or

(c) between the society or its committee and any past committee, any officer, agent or employee, or any past officer, past agent or past employee or the nominee, heirs or legal representatives of any deceased officer, deceased agent, or deceased employee of the society; or

(d) between the society and any other co-operative society;

such disputes shall be referred to the Registrar for decision and no Court shall have jurisdiction to entertain any suit or other proceeding in respect of such dispute.

(2) For the purposes of sub-section (1), the following shall be deemed to be disputes touching the constitution, management or the business of a co-operative society, namely:—

(a) a claim by the society for any debt or demand due to it from a member or the nominee, heirs or legal representatives of a deceased member, whether such debt or demand be admitted or not;

(b) a claim by a surety against the principal debtor where the society has recovered from the surety any amount in respect of any debt or demand due to it from the principal debtor as a result of the default of the principal debtor whether such debt or demand is admitted or not;

(c) any dispute arising in connection with the election of any officer of the society;
(d) the question whether a person is or was a member of co-operative society or not.

(3) If any question arises whether a dispute referred to the Registrar under this section is a dispute touching the constitution, management or the business of a co-operative society, it shall be decided by the Registrar.

1[63-A. (1) If a society is unable to pay its debts to a financing bank by reason of its members committing default in the payment of the money due to them the financing bank may direct the committee of such society to proceed against such members under section 63, and if the committee fails to do so within a period of 60 days from the date of receipt of such directions, the financing bank itself may proceed against such members under section 63, in which case the provisions of this Act, the rules or the bye-laws shall apply as if all references to the society or its committees in the said provisions were references to the financing bank.

(2) Where a financing bank has obtained a decree or award against a society in respect of moneys due to it from the society, the financing bank may proceed to recover such moneys firstly from the assets of the society and secondly from the members to the extent of their debts due to the society.]

64. Reference of disputes to arbitration.-(1) The Registrar may, on receipt of the reference of a dispute under section 63,-

(a) decide the dispute himself, or

(b) transfer it for disposal to any person who has been invested by the Government with powers in that behalf, or

(c) refer it for disposal to an arbitrator.

(2) Subject to such rules as may be prescribed, the Registrar may withdraw any reference transferred under clause (b) of sub-section (1) or referred under clause (c) of that sub-section and decide it himself.

(3) The Registrar or any other person to whom a dispute is referred for decision under this section may, pending the decision of the dispute, make such interlocutory orders as he may deem necessary in the interest of justice.

2[64-A. (1) Notwithstanding anything contained in sections 63 and 64, on an application made by a society for the recovery of arrears of any sum advanced by it to any of its members on account of the financing of crop or seasonal finance and on its furnishing a statement of account in respect of the arrears,

2. Section 64-A inserted ibid.
the Registrar may, after making such inquiries as he deems fit, grant a certificate for the recovery of the amount stated therein to be due as arrears.

(2) An application under sub-section (1) may also be made to the Registrar by the financing back against any member of the borrowing society.

(3) Where the Registrar is satisfied that a society has failed to take action under the foregoing sub-section in respect of arrears of any sum advanced by it to any of its members on account of the financing of crop, or seasonal finance, the Registrar may, on his own motion, after making such inquiries as he deems fit, grant a certificate for the recovery of the amount stated therein to be due as arrears, and such a certificate shall be deemed to have been issued as if on an application made by society concerned.

(4) A certificate granted by the Registrar under sub-section (1) or (3) shall be final and a conclusive proof of the arrears to be due therein, and the same shall be recoverable according to the law for the time being in force for the recovery of the land revenue.

CHAPTER IX.

WINDING UP AND DISSOLUTION OF CO-OPERATIVE SOCIETIES.

65. Winding up of co-operative societies.—(1) If the Registrar, after inquiry has been held under section 59 or an inspection has been made under section 60 or on receipt of an application made by not less than three-fourths of the members of a co-operative society, is of opinion that the society ought to be wound up, he may issue an order directing it to be wound up.

(2) The Registrar may of his own motion make an order directing the winding up of a co-operative society—

(a) where it is a condition of the registration of the society that the society shall consist of at least ten members and number of members has been reduced to less than ten, or

(b) where the co-operative society has not commenced working or has ceased to work.

(3) The Registrar may cancel an order for the winding up of a co-operative society at any time, in any case where, in his opinion, the society should continue to exist.
1[(4) Notwithstanding anything contained in sub-sections (1), (2) and (3), no co-operative bank shall be wound up except with the previous sanction in writing of the Reserve bank.]

7[65-A. Notwithstanding anything to the contrary contained in this Act, the Registrar shall make an order for the winding up of a co-operative bank, if so required by the Reserve Bank in the circumstances mentioned in section 13 (D) of the Deposit Insurance Corporation Act, 1961.]

65-B. Where a co-operative bank, being an insured bank within the meaning of the Deposit Insurance Corporation Act, 1961, is wound up or is taken into liquidation and the Deposit Insurance Corporation has become liable to pay to the depositors of the insured bank under sub-section (1) of section 16 of that Act, the Deposit Insurance Corporation shall be reimbursed in the circumstances to the extent and in the manner provided in section 21 of the Deposit Insurance Corporation Act, 1961.]

66. Liquidator.—(1) Where the Registrar has made an order under section 65 for the winding up of a co-operative society, he may appoint a liquidator for the purpose and fix his remuneration.

(2) A liquidator shall, on appointment, take into his custody or under his control all the property, effects and actionable claims to which the society is or appears to be entitled and shall take such steps as he may deem necessary or expedient, to prevent loss or deterioration of, or damage to, such property, effects and claims.

(3) Where an appeal is preferred under section 103, an order of winding up of a co-operative society made under section 65 shall not operate thereafter until the order is confirmed in appeal:

Provided that the liquidator shall continue to have custody or control of the property, effects and actionable claims mentioned in sub-section (2) and have authority to take the steps referred to in that sub-section.

(4) Where an order of winding up of a co-operative society is set aside in appeal, the property, effects and actionable claims of the society shall revest in the society.

67. Powers of liquidator.—(1) Subject to any rules made in this behalf, the whole of the assets of a co-operative society in respect of which an order for winding up has been made, shall vest in the liquidator appointed under

section 66 from the date on which the order takes effect and the liquidator shall have power to realise such assets by sale or otherwise.

(2) Such liquidators shall also have power, subject to the control of the Registrar,—

(a) to institute and defend suits and other legal proceedings on behalf of the co-operative society by the name of his office;

(b) to determine from time to time the contribution (including debts due) to be made or remaining to be made by the members or past members or by the estates or nominees, heirs or legal representatives of deceased members or by any officers or former officers, to the assets of the society;

(c) to investigate all claims against the co-operative society and, subject to the provisions of this Act, to decide questions of priority arising between claimants;

(d) to pay claims against the co-operative society including interest up to the date of winding up according to their respective priorities, if any, in full or rateably, as the assets of the society may permit; the surplus, if any, remaining after payment of the claims being applied in payment of interest from the date of such order of winding up at a rate fixed by him but not exceeding the contract rate in any case;

(e) to determine by what persons and in what proportions the costs of the liquidation are to be borne;

(f) to determine whether any person is a member, past member, or nominee of deceased member;

(g) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society;

(h) to carry on the business of the society so far as may be necessary for the beneficial winding up of the same;

(i) with the previous approval of the Registrar, to make any compromise or arrangement with creditors or persons claiming to be creditors, alleging to have any claim, present or future, whereby the society may be rendered liable; and

(j) with the previous approval of the Registrar, to compromise all calls or liabilities to call and debts and liabilities, capable of resulting in debts, and all claims, present or future, certain or contingent, subsisting or supposed to subsist between the society and a contributory or alleged contributory or
other debtor or person apprehending liability to the co-operative society and all questions in any way relating to or affecting the assets or the winding up of the society on such terms as may be agreed and take any security for the discharge of any such call, liability, debt or claim and give a complete discharge in respect thereof.

(3) When the affairs of a co-operative society have been wound up, the liquidator shall make a report to the Registrar and deposit the records of the society in such place as the Registrar may direct.

68. Cancellation of registration of a co-operative society.—Where in respect of a co-operative society which has been ordered to be wound up under section 65, no liquidator has been appointed under section 66 after two months from the date of such order, or if an appeal has been filed, from the date of confirmation of the order in appeal, or where the affairs of a co-operative society in respect of which a liquidator has been appointed under section 66 have been wound up, the Registrar shall make an order cancelling the registration of the society and the society shall be deemed to be dissolved and shall cease to exist as a corporate body from the date of such order of cancellation.

CHAPTER X.

LAND DEVELOPMENT BANKS.

1[69. Definitions.—In this Chapter :—

(a) 'Board'—means the Board of Directors of the State Land Development Bank;

(b) ‘Land Development Bank’ means a Co-operative Land Development Bank registered or deemed to be registered under this Act and admitted as a member of the State Land Development Bank;

(c) ‘State Land Development Bank’ means the Jammu and Kashmir Co-operative Central Land Development Bank Ltd;

(d) ‘trustee’ means the trustee referred to in section 70.

69-A. State and other Land Development Banks.—(1) There shall be a State Land Development Bank for the State and as many Primary Land Development Banks, as may be deemed necessary.

(2) A reference to the State Land Mortgage Bank or Land Mortgage Banks in any law, or instrument, for the time being in force, shall, with effect from the commencement of the Jammu and Kashmir Co-operative Societies (Amendment) Act, 1965, be construed as a reference to the State Land Development Bank or Land Development Bank respectively within the meaning of this Chapter, and until such time as the names of the State Land Mortgage Bank and the Land Mortgage Bank are changed into State Land Development Bank and Land Development Bank respectively, all acts done by them or mortgages and other documents executed by them, or in their favour, and all suits and other proceedings filed by or against them shall be deemed to have been done, executed or filed, as the case may be, by or against them as State Land Development Bank or Land Development Bank.

69-B. Powers of Land Development Banks to advance loans and to hold lands.—Subject to the provisions of this Act and the rules made thereunder, it shall be competent for the State Land Development Bank and the Land Development Bank when authorised in this behalf by the Board of the State Land Development Bank to advance loans for the following purposes and to hold lands, the possession of which is transferred to them under the provisions of this Chapter:—

(i) land improvement and productive purposes;

(ii) purchase of land to enable cultivator to consolidate his holding and make it working more economical;

(iii) the purchase or acquisition of title to agricultural lands by tenant purchasers;

(iv) redemption of mortgage on land and discharge of prior debts;

(v) Sheep breeding, Poultry and Dairy farming and such other industries allied to agriculture as the Government may by notification specify.

Explanation.—Land improvement and productive purposes mean any work, construction or activity which adds to the productivity of the land and, in particular, includes the following, that is to say:—

(a) construction and repair of wells (including tube wells), tanks and other works for the storage, supply or distribution of water for the purpose of agriculture or for the use of men and cattle employed in agriculture;

(b) renewal or reconstruction of any of the foregoing works or alterations therein or additions thereto;

(c) preparation of land for irrigation;

(d) drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes, or waste land which is cultivable;

(e) bunding and similar improvements;

(f) reclamation, clearance and enclosure or permanent improvement of land for agricultural purposes;

(g) horticulture;

(h) purchase of oil-engines, pumping sets and electrical motors for any of the purposes mentioned herein;

(i) purchase of tractors or other agricultural machinery;

(j) increase of the productive capacity of land by addition to it of special variety of soil;

(k) construction of permanent farm houses, cattle-sheds and sheds for processing of agricultural produce at any stage;

(l) such other purposes as the Board may, with the approval of the Registrar, Co-operative Societies, from time to time, declare to be improvement or productive purpose for the purpose of this Chapter.

70. **Appointment of Trustee and his powers and functions.**—(1) The Registrar, or where the Government appoint any other person in this behalf, such person, shall be the trustee for the purpose of securing the fulfilment of the obligations of the State Land Development Bank to the holders of debentures issued by the Board.

(2) The powers and functions of the trustee shall be governed by the provisions of this Act and by the instrument of trust executed between the Bank and the trustee as modified from time to time by mutual agreement between the Board and the trustee.

71. **Trustee to be a corporation sole.**—The trustee appointed under section 70 shall be a corporation sole by the name of the trustee for the debentures and as such shall have perpetual succession and a common seal and in his corporate name shall sue and be sued.
72. **Issue of debentures by the Board.**—(1) With the previous sanction of the trustee, the Board may from time to time issue debentures of one or more denominations for such periods as it may deem expedient, on the security of the mortgage and other assets transferred or deemed under the provisions of section 78 to have been transferred by the Land Development Bank to the State Land Development Bank and other properties of such Bank.

(2) Such debentures may contain a term fixing a period not exceeding ten years from the date of issue during which they shall be irredeemable or reserving to the Board the right to call in at any time any of the debentures in advance of the date fixed for redemption, after giving to the debenture holder concerned not less than three months' notice in writing.

(3) The total amount due on the debentures issued by the Board and outstanding at any time shall not exceed the aggregate of—

(a) the amounts due on the mortgages, and the value of the other assets, transferred or deemed under the provisions of section 78 to have been transferred by the Land Development Banks to the State Land Development Bank and subsisting at such time; and

(b) the amounts paid under the mortgage aforesaid and remaining in the hands of the Board or of the trustee at that time.

73. **Charge or debenture holders on certain properties.**—The holders of the debentures shall have floating charge on—

(a) all such mortgages and assets as are referred to in clause (a) of sub-section (3) of section 72;

(b) the amount paid under such mortgages and remaining in the hands of the Board or the trustee; and

(c) the other properties of the State Land Development Bank.

74. **Guarantee by Government of principal of, and interest on, debentures.**—(1) The principal of, and interest on, the debentures issued under section 72 shall, in respect of such maximum amount as may be fixed by the Government and subject to such conditions as it may think fit to impose, carry the guarantee of the Government.

(2) The Government may, subject to any law of legislature of the State, increase the maximum amount of any guarantee given under sub-section (1).

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(3) The Government may, after consulting the Board and the trustee,—

(a) by notification in the Government Gazette; and

(b) by notice of not less than fourteen days in such of the principal newspapers in the State and of other States in India as the Government may select in this behalf;

discontinue any guarantee given by it or restrict the maximum amount thereof or modify the conditions, subject to which it is given, with effect from a specified date, not being earlier than six months from the date of publication of the notification in the Government Gazette:

Provided that the withdrawal, restriction or modification of any guarantee under this sub-section shall not in any way affect the guarantee carried by any debentures issued prior to the date on which such withdrawal, restriction or modification takes effect.

(4) Every notification and notice, referred to in sub-section (3), shall, where the maximum amount of the guarantee is to be restricted, or the conditions subject to which the guarantee is given are to be modified, set forth precisely the scope and effect of the restriction or modification, as the case may be.

75. Other guarantees by the Government.—Where a [State Land Development Bank] or a [Land Development Bank] has given a loan to a member for the development of any land in excess of the amount of the loan to which such member would be entitled on the basis of the value of the land as determined in accordance with the principles of valuation approved by the Government, the Government may guarantee for a specified period the repayment of the loan to the extent of the excess.

75-A. Mode of dealing with applications for loans.—(1) When an application for a loan is made for any of the purposes mentioned in section 69-B, a public notice shall be given of the application in such manner as may be prescribed calling upon all persons interested to present their objections to the loan, if any, in person at a time and place fixed therein. The Government may, from time to time, prescribe the persons by whom such public notice shall be given and the manner in which the objections shall be heard and disposed of.

(2) the prescribed officer shall consider every objection submitted under sub-section (1) and make an order in writing either upholding or over-ruling it:

Provided that when the question raised by an objection is in the opinion of the officer one of such a nature that it cannot be satisfactorily decided except

2. Sections 75-A and 75-B inserted ibid.
by a Civil Court, he shall postpone the proceedings on the application until the question has been so decided.

(3) A notice under sub-section (1) published in the manner prescribed shall, for the purpose of this Act, be deemed to be proper notice to all persons having or claiming interest in the land to be improved or offered as security for the loan.

(4) Subject to such rules as may be framed by the Board and approved by the Registrar, the Land Development Banks or the State Land Development Bank, if there be no Land Development Bank, shall consider such applications after due enquiry for the purpose of making loans under this Chapter.

75-B. Order granting loan conclusive of certain matters.—A written order by the Land Development Bank or the State Land Development Bank, if there be no Land Development Bank, or persons or committees authorised under the bye-laws of the Bank to make loans for all or any of the purposes specified in section 69-B, granting, either before or after the commencement of this Act, a loan to or with the consent of a person mentioned therein for the purpose of carrying out the work specified therein for the benefit of the land or for the productive purpose specified therein, shall, for the purposes of this Act, be conclusive of the following matters, that is to say:

(a) that the work described for the purpose for which the loan is granted, is an improvement of productive purpose, as the case may be, within the meaning of section 69-B;

(b) that the person had at the date of the order a right to make such an improvement, or incur expenditure for productive purpose, as the case may be; and

(c) that the improvement is one benefiting the land specified and productive purpose concerns the land offered in security, or any part thereof as may be relevant.

76. Priority of mortgage over certain claims.—A mortgage executed in favour of a Land Development Bank shall have priority over any claim of the Government arising from a loan under the Aid to Agriculturists and Land Improvement Act, Samvat 1993, granted after the execution of the mortgage.

77. Right of Land Development Bank or of the State Land Development Bank to purchase mortgaged property.—(1) Notwithstanding anything contained in any law for the time being in force, it shall be lawful for a Land Development Bank or the State Land Development Bank to purchase any

mortgaged property sold under this Chapter, and the property so purchased shall be disposed of by such Bank by sale within such period as may be fixed by the trustee.

(2) Nothing in the Big Landed Estates Abolition Act, Samvat 2007, fixing a maximum limit of agricultural holding shall apply to the acquisition of land by a [Land Development Bank] or the [State Land Development Bank] under sub-section (1).

78. Mortgages executed in favour of [Land Development Bank] to stand vested in [State Land Development Bank].—The mortgages executed in favour of, and all other assets transferred to, a [Land Development Bank] by the members thereof shall with effect from the date of such execution or transfer, be deemed to have been transferred by such [Land Development Bank] to the [State Land Development Bank] and shall vest in the trustee.

78-A. Registration of mortgage in favour of Land Development Banks.—Notwithstanding anything contained in the Registration Act, Samvat 1977, it shall not be necessary to register mortgages executed in favour of the State Land Development Bank or the Land Development Banks; provided that the Land Development Bank/ State Land Development Bank concerned, as the case may be, send within such time and in such manner as may be prescribed, a copy of the instrument whereby immovable property is mortgaged for the purpose of securing repayment of the loan to the Registering Officer within the local limits of whose jurisdiction the whole or any part of the property mortgaged is situate, and such Registering Officer shall file a copy or copies, as the case may be, in his Book No. 1.

78-B. Restriction on lease.—Notwithstanding anything contained in the Transfer of property Act, Samvat 1977, or any other law for the time being in force, no mortgagor of property mortgaged to a State Land Development Bank, or to a Land Development Bank, shall, except with the prior consent in writing of the Bank, and subject to such terms and conditions as the Bank may impose, lease or create any tenancy rights on any such property:

Provided that the rights of the State Land Development Bank and the Land Development Bank shall be enforceable against the tenant, purchaser, the lessee of the tenant as the case may be, as if he himself were a mortgagor.

78-C. Recovery of loans by Land Development Banks.—All loans granted by the State Land Development Bank, and the Land Development Banks all interests if any, chargeable thereon and costs, if any, incurred in making the same shall, when they become due, be recoverable by the State Land Development Bank or the Land Development Bank concerned, as the case may be.]

2. Sections 78-A, 78-B and 78-C inserted ibid.
79. Power of [Land Development Bank] to receive money and grant discharges.—Notwithstanding that a mortgage executed in favour of a [Land Development Bank] has been transferred, or is deemed under the provisions of section 78 to have been transferred, to the [State Land Development Bank]—

(a) all moneys due under the mortgage, shall, in the absence of any specific direction to the contrary issued by the Board or trustee and communicated to the mortgagor, be payable to the [Land Development Bank] and such payment shall be as valid as if the mortgage had not been so transferred; and

(b) the [Land Development Bank] shall, in the absence of any specific directions to the contrary, issued by the Board or trustee and communicated to the [Land Development Bank], be entitled to sue on the mortgage or take any other proceeding for the recovery of the moneys due under the mortgage.

80. Right of [Land Development Bank] to pay prior debts of mortgagor.—(1) Where a mortgage is executed in favour of a [Land Development Bank] for payment of prior debts of the mortgagor, the Bank may, notwithstanding the provisions of section 76 of the Transfer of Property Act, Samvat 1977, by notice in writing, require any person to whom any such debt is due, to receive payment of such debt or part thereof from the Bank at its registered office within such period as may be specified in the notice.

(2) Where any such person fails to receive such notice or such payment, such debt or part thereof, as the case may be, shall cease to carry interest from the expiration of the period specified in the notice:

Provided that where there is a dispute as regards the amount of any such debt, the person to whom such debt is due shall be bound to receive payment of the amount offered by the [Land Development Bank] on the debt, but such receipt shall not prejudice the right, in any subsequent person, to recover the balance claimed by him.

81. Distraint when to be made.—(1) If any instalment payable under a mortgage executed in favour of a [Land Development Bank] or any part of such instalment has remained unpaid for a period that is more than one month from the date on which it fell due, the Committee may, in addition to any other remedy available to the Bank, apply to the Registrar for recovery of such instalment or part thereof by distraint and sale of the produce of the mortgaged land including the standing crops thereon.

(2) On receipt of such application the Registrar or such person may, notwithstanding anything contained in the Transfer of Property Act, Samvat

1977, take action in the manner prescribed for the purpose of distraining and selling such produce:

Provided that no distraint shall be made after the expiry of twelve months from the date on which the instalment fell due.

(3) The value of the property distrained shall be, as nearly as possible, equal to the amount due and the expenses of the distraint and the costs of the sale.

82. Power of sale when to be exercised.—(1) Notwithstanding anything contained in the Transfer of Property Act, Samvat 1977, where a power of sale without the intervention of the Court is expressly conferred on the '[Land Development Bank] by the mortgage deed, the Committee of such Bank or any person authorised by such committee in this behalf shall, in case of default of payment of the mortgage money or any part thereof, have power, in addition to any other remedy available to the Bank, to bring the mortgaged property to sale without the intervention of the Court.

(2) No such power shall be exercised unless and until—

(a) the Board has previously authorised the exercise of the power conferred by sub-section (1), after hearing the objections, if any, of the mortgagor;

(b) notice in writing requiring payment of such mortgage money or part thereof has been served upon—

(i) the mortgagor;

(ii) any person who has any interest in or charge upon the property mortgaged or in or upon the right to redeem the same;

(iii) any surety for the payment of mortgage debt or any part thereof; and

(iv) any creditor of the mortgagor who has in a suit for the administration of his estate obtained a decree for sale of the mortgaged property;

(c) default has been made in payment of such mortgage money or part thereof for three months after such service.

83. Power of '[Land Development Bank] when mortgaged property is destroyed or security becomes insufficient.—Where any property mortgaged to a '[Land Development Bank] is wholly or partially destroyed or the security

is rendered insufficient and the mortgagor, having been given a reasonable opportunity by the Committee of 1[Land Development Bank] of providing further security enough to render the whole security sufficient or of repaying such portion of the loan as may be determined by the Committee, has failed to provide such security or to repay such portion of the loan, the whole of the loan shall be deemed to fall due at once and the committee shall be entitled to take action against the mortgagor under section 81 or section 82 for the recovery thereof.

Explanation.—A security is insufficient within the meaning of this section unless the value of the mortgaged property exceeds the amount for the time being due on the mortgage by such proportion as may be specified in the bye-laws of the 1[Land Development Bank].

84. Power of Board or of Trustee to distrain and sell property etc.—(1) The Board or the trustee may direct the committee of a 1[Land Development Bank] to take action against a defaulter under section 81, section 82 or section 83 and if the Committee neglects or fails to do so 2[or if there be no such Committee] the Board or the trustee may take such action.

(2) (a) Where such action is taken by the Board, the provisions of this Chapter and any rules made in this behalf shall apply in respect thereto as if all references to the 1[Land Development Bank] and to its Committee in the said provisions were references to the 1[State Land Development Bank] and the Board, respectively.

(b) Where such action is taken by the trustee, the provisions of this Act and of any rules made thereunder shall apply in respect thereto as if all references to the Development Bank or to its committee in the said provisions were references to the trustee.

85. Title of purchaser not to be questioned on the ground of irregularity etc.—Where any property is sold in the exercise or purported exercise of a power of sale under section 81, the title of the purchaser shall not be questioned on the ground that—

(a) the circumstances required for authorising the sale had not arisen, or

(b) due notice of the sale was not given, or

(c) the power of the sale was otherwise improperly or irregularly exercised;

2. Inserted ibid.
but any person who has suffered any damage by an unauthorised, improper or irregular exercise of any such power shall have a remedy in damages against the 'Land Development Bank'.

86. Mortgage not to be questioned on insolvency of mortgagor.—Notwithstanding anything contained in any law relating to insolvency, a mortgage executed in favour of the 'Land Development Bank' shall not be called in question on the ground that it was not executed in good faith for valuable consideration or on the ground that it was executed in order to give the 'Land Development Bank' a preference over the other creditors of the mortgagor.

87. Appointment of receiver and his powers.—(1) The Board may, on the application of a Land Development Bank and under circumstances in which the power of sale conferred by section 82 may be exercised, appoint in writing a receiver of the produce and income of the mortgage property or any part thereof and such receiver shall be entitled either to take possession of the property or collect its produce and income, as the case may be to retain out of any money realised by him, his expenses of management including his remuneration, if any, as fixed by the Board, and to apply the balance in accordance with the provisions of sub-section (3) of section 69-A of the Transfer of Property Act, Samvat 1977.

(2) A receiver appointed under sub-section (1) may, for sufficient cause and on application made by the mortgagor, be removed by the Board.

(3) A vacancy in the office of the receiver may be filled up by the Board.

(4) Nothing in this section shall empower the Board to appoint a receiver where the mortgaged property is already in possession of a receiver appointed by a Civil Court.

88. Mortgagor's powers to lease.—(1) Notwithstanding anything contained in the Transfer of Property Act, Samvat 1977, or any other law for the time being in force, a mortgagor shall not grant a lease of the mortgaged property for a period exceeding five years.

(2) Any lease granted in contravention of the provisions of sub-section (1) shall be void.

89. Registration of documents executed on behalf of a 'Land Development Bank' or of the 'State Land Development Bank'.—(1) Notwithstanding anything contained in the Jammu and Kashmir Registration Act, Samvat 1977, it shall not be necessary for any officer of a 'Land Development Bank' or of the 'State Land Development Bank' to appear in person or by agent at any

registration' office in any proceedings connected with the registration of any instrument executed by him in his official capacity or to sign as provided in section 59 of that Act.

(2) Where any instrument is so executed, the Registering Officer to whom such instrument is presented for registration, may, if he thinks fit, refer to such officer for information respecting the same, and on being satisfied of the execution thereof, shall register the instrument.

90. Delegation of certain powers by the Board.—The Board may, if it thinks fit, delegate all or any of its powers under sections 82, 84 and 87 to an executive committee constituted by it and consisting of two or more of its members.

91. Sections 102, 103 and 104 of the Transfer of Property Act, Samvat 1977 to apply to notice under this Chapter.—The provisions of sections 102, 103 and 104 of the Transfer of Property Act, Samvat 1977 and of any rules made by the High Court under section 104 of that Act for carrying out the purposes of the said sections, shall apply, as far as may be, in respect of all notices to be served under this Chapter.

92. Power of the Board to make regulations.—(1) The Board may, subject to the approval of the trustee, make regulations not inconsistent with the provisions of this Chapter—

(a) for affixing the period of debentures and the rate of interest payable thereon;

(b) for calling in debentures after giving notice to debenture holders;

(c) for the issue of new debentures in place of debentures damaged or destroyed;

(d) for converting one class of debentures into another bearing a different rate of interest;

(e) for the inspection of account books and proceedings of [Land Development Bank];

(f) for the submission of returns and reports by [Land Development Banks] in respect of their transactions;

(g) for the periodical settlement of accounts between [Land Development Banks] and for the payment of the amounts recovered by [Land Development Banks] on mortgages transferred or deemed under the provisions of section 78 to have been transferred to [the State Land Development Bank];

(h) for specifying the form in which applications to [Land Development Banks] for loans should be made and for the valuation of the properties offered as security for such loans;

(i) for the investment of moneys realised from mortgagors; and

(j) generally for the purpose of carrying out the provisions of this Chapter.

93. Mortgagee Bank to be agricultural class.—Notwithstanding anything contained in section 6 of the Jammu and Kashmir Land Alienation Act, Samvat 1995, the [State Land Development Bank] and the [Land Development Bank] established under this Chapter shall be deemed to belong to an agricultural class throughout the Jammu and Kashmir State for the purposes of the said Act.

94. Omitted.


CHAPTER XI.

EXECUTION OF AWARDS, DECrees, ORDERS AND DECISIONS.

96. Enforcement of charge.—Notwithstanding anything contained in Chapter IX, or any other law for the time being in force, but without prejudice to any other mode of recovery provided in this Act, the Registrar, or any person subordinate to him empowered by the Registrar in this behalf, may, on the application of a co-operative society, make an order directing the payment of any debt or outstanding demand due to the society by any member or past or deceased member, by sale of the property or any interest therein, which is subject to a charge under sub-section (1) of section 31:

Provided that no order shall be made under this section, unless the member, past member or the nominee, heir or legal representative of the deceased member, has been served with a notice of the application and has failed to pay the debt or outstanding demand within seven days from the date of such service.

97. Execution of orders, etc.—Every order made by the Registrar under sub-section (2) of section 62 or under section 96, every decision or award made under section 64, every order made by the liquidator under section 67 and every order made by the Tribunal or Government under sections 102, 104, 105 or 106 and every order made under section 103, shall, if not carried out—

(a) on a certificate signed by the Registrar, or any person authorised by him in this behalf, be deemed to be a decree of a Civil Court and shall be executed in the same manner as decree of such Court; or

2. Section 94 omitted ibid.
(b) be executed according to the law and under the rules for the time being in force for the recovery of arrears of land revenue:

Provided that any application for the recovery in such manner of any sum shall be made—

(i) to the Collector and shall be accompanied by a certificate signed by the Registrar or by any person authorised by him in this behalf;

(ii) within twelve years from the date fixed in the order, decision or award and if no such date is fixed, from the date of the order, decision or award, as the case may be; or

(c) be executed by the Registrar, or any other person subordinate to him empowered by the Registrar in this behalf, by the attachment and sale or sale without attachment of any property of the person or a co-operative society against whom the order, decision or award has been obtained or passed.

98. Registrar or person empowered by him to be a Civil Court for certain purposes.—The Registrar, or any person empowered by him in this behalf, shall be deemed, when exercising any powers under this Act for the recovery of any amount by the attachment and sale or by sale without attachment of any property, or when passing any orders on any application made to him for such recovery or for taking a step-in-aid of such recovery, to be a Civil Court for the purposes of Article 182 of the First Schedule to the Limitation Act, Samvat 1995.

99. Attachment of property before award or order.—If the Registrar is satisfied on an application, report, inquiry or otherwise that any person with intent to delay or obstruct the enforcement of any order, decision or award that may be made against him under the provisions of this Act—

(a) is about to dispose of the whole or any part of his property, or

(b) is about to remove the whole or any part of his property from the jurisdiction of the Registrar, the arbitrator or liquidator, as the case may be,

he may, unless adequate security is furnished, direct the attachment of the said property; and such attachment shall have the same effect as if made by a competent Civil Court.

100. Recovery of sums due to Government.—(1) All sums due from a co-operative society or from an officer or member or past member of a co-operative society as such to Government, including any costs awarded to Government under any provisions of this Act, may, on a certificate issued by the Registrar in this behalf, be recovered in the same manner as arrears of land revenue.
(2) Sums due from a society to Government and recoverable under sub-section (1) may be recovered firstly, from the property of the society; secondly, in the case of a society the liability of the members of which is limited, from the members, past members or the estates of deceased members, subject to the limit of their liability; and thirdly, in the case of other societies, from the members, past members or the estates of deceased members:

Provided that the liability of past members and the estates of deceased members shall in all cases be subject to the provisions of section 24.

CHAPTER XII.

APPEALS, REVISION AND REVIEW.

101. Co-operative Tribunal.—(1) The Government may constitute a Tribunal or Tribunals to be called the Co-operative Tribunal or Tribunals to exercise the functions conferred on the Tribunal under this Chapter.

(2) A Tribunal shall consist of not exceeding three members possessing such qualifications as may be prescribed.

(3) Where a Tribunal consists of three members, any two members shall form the quorum for the disposal of its business.

(4) Any vacancy in the membership of the Tribunal shall be filled by the Government.

(5) Subject to the previous sanction of the Government, the Tribunal shall frame regulations consistent with the provisions of this Act and the rules made thereunder for regulating its procedure and the disposal of its business.

(6) All regulations made by the Tribunal shall be published in Government Gazette and shall come into force from the date of such publication.

102. Appeals to Tribunal.—(1) The Government may, by notification in Government Gazette, direct that an appeal against a decision or award mentioned hereinafter shall lie to the Tribunal:—

(a) any decision of the Registrar made under clause (a) of sub-section (1) of section 64; or

(b) any decision of the person invested by the Government with powers in that behalf under clause (b) of sub-section (1) of section 64; or

(c) any award of an Arbitrator under clause (c) of sub-section (1) of section 64; or

(d) any decision of the Registrar under section 63 (3).
(2) The period of limitation for an appeal under this section shall be sixty days from the date of the decision or award, as the case may be.

103. Appeals to other authorities.—(1) An appeal shall lie under this section against—

(a) an order of the Registrar made under sub-section (2) of section 7 refusing to register a co-operative society;

(b) an order of the Registrar made under sub-section (4) of section 12 refusing to register an amendment of the bye-laws of a co-operative society [(and orders passed by the Registrar under sub-section (2) of section 12-A ;)]

(c) a decision of a co-operative society refusing to admit any person as a member of the society or expelling any member of the society;

(d) an order of the Registrar removing the committee of a co-operative society made under section 29;

(e) an order made by the Registrar under section 61 apportioning the cost of an inquiry held under section 59 or an inspection made under section 60;

(f) an order of surcharge made by the Registrar under section 62;

(g) an order made by the Registrar under section 65 directing the winding up of a co-operative society;

(h) any order made by the liquidator of a co-operative society in exercise of the powers conferred on him by section 67;

(i) an order for attachment of any property made by the Registrar under section 99;

(j) a decision or award mentioned in clauses (a), (b), (c) and (d) of sub-section (1) of section 102 in respect of which no direction under that section is made by the Government.

(2) An appeal against any decision, award or order under sub-section (1) shall be made within sixty days from the date of the decision, award or order—

(a) if the decision, award or order was made by the Registrar, to the Government;

(b) if the decision, award or order was made by any other person or a co-operative society, to the Registrar.

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1. Inserted by Act XVIII of 1970.
(3) No appeal shall lie under this section from any decision or order made by the Registrar in appeal.

Explanation.—For the purposes of this section, Registrar shall not include any person exercising all or any of the powers of the Registrar.

104. Revision.—(1) The Tribunal may call for and examine the record of any proceedings in which an appeal lies to it for the purpose of satisfying itself as to the legality or propriety of any decision or order passed and if in any case it shall appear that any such decision or order should be modified, annulled or revised, the Tribunal may pass such order thereon as it may deem fit.

(2) The Government may call for and examine the record of any inquiry or the proceedings of any officer subordinate to it for the purpose of satisfying itself as to the legality or propriety of any order passed and as to the regularity of the proceedings of such officer. If in any case it shall appear to the Government that any order or proceedings so called should be modified, annulled or reversed, it may pass such order thereon as it may deem fit.

105. Review.—(1) The Government or the Tribunal, as the case may be, may either on the application of the Registrar or on the application of any party interested, review its own order in any case and pass in reference thereto such order as it thinks fit:

Provided that no such application shall be entertained unless the Government or the Tribunal, as the case may be, is satisfied that there has been a discovery of new and important matter or evidence which after the exercise of due diligence was not within the knowledge of the applicant or could not be produced by him at the time when its order was made or that there has been some mistake or error apparent on the face of the record or for any other sufficient reason:

Provided further that no such order shall be made under this sub-section unless notice has been given to all interested parties and they have been given a reasonable opportunity of being heard.

(2) An application for review under sub-section (1) by any party shall be made within ninety days from the date of the communication of the order of the Government or of the Tribunal.

106. Interlocutory orders.—Where an appeal is made to the Government or the Tribunal under section 102 or 103 or where the Government or the Tribunal calls for the record of a case under section 104, the Government or the Tribunal, as the case may be, may, in order to prevent the ends of Justice being defeated, make such interlocutory orders pending the decision of the appeal or revision as it may deem fit.
Chapter XIII. Offences and Penalties.

107. Offences.—(1) Any person other than a co-operative society carrying on business under any name or title of which the word 'co-operative' or its equivalent in any Indian language is part, without the sanction of the Government, shall be punishable with fine which may extend to two hundred rupees.

(2) Any member or past member or the nominee, heir or legal representative of a deceased member of a co-operative society who contravenes the provisions of section 32 by disposing of any property in respect of which the society is entitled to have a first charge under that section or do any other act to the prejudice of such claim, shall be punishable with fine which may extend to two hundred rupees.

(3) A co-operative society or an officer or member thereof wilfully making a false return or furnishing false information, or any person wilfully or without any reasonable excuse disobeying any summons, requisition or lawful written order issued under the provisions of this Act or wilfully not furnishing any information required from him by a person authorised in this behalf under the provisions of this Act, shall be punishable with fine which may extend to two hundred rupees.

(4) Any employer, who, without sufficient cause, fails to pay to a co-operative society the amount deducted by him under sub-section (2) of section 32 within a period of fourteen days from the date on which such deduction is made, shall be punishable with fine which may extend to two hundred rupees.

made without prejudice to any action that may be taken against him under any law for the time being in force, be punishable with fine which may extend to five hundred rupees.

108. Cognizance of offences.—(1) No Court inferior to that of a [Judicial Magistrate] of the first class shall try any offence under this Act.

(2) No prosecution shall be instituted under this Act without the previous sanction of the Registrar and such sanction shall not be given without giving to the person concerned an opportunity to represent his case.

CHAPTER XIV.

MISCELLANEOUS.

109. Prohibition against the use of the word "Co-operative".—No person other than a co-operative society shall trade or carry on business under any name or title of which the word “Co-operative” or its equivalent in any Indian language is part:

Provided that nothing in this section shall apply to the use by any person or his successor-in-interest of any name or title under which he carried on business at the date on which the Co-operative Societies Act, Samvat 1993, came into operation.

110. Address of a Co-operative Society.—Every co-operative society shall have an address registered in accordance with the rules to which all notices and communications may be sent and shall send to the Registrar notice of any change thereof within thirty days of the change.

111. Copy of Act, Rules and Bye-Laws open to inspection.—Every co-operative society shall keep a copy of this Act, the rules and its bye-laws open to inspection free of charge at all reasonable times at the registered address of the society.

112. Power of Civil Court.—(1) In exercising the function conferred on it by or under this Act, the Government, the Tribunal, the Registrar, the Arbitrator or any other person deciding a dispute and the liquidator of a co-operative society shall have all the powers of a Civil Court, while trying a suit under the Code of Civil Procedure, Samvat 1977, in respect of the following matters, namely:

(a) summoning and enforcing the attendance of any person and examining him on oath;

1. Substituted by Act XL of 1966 for 'Magistrate'.
(b) requiring the discovery and production of any document;
(c) proof of facts by affidavits; and
(d) issuing commission for examination of a witness.

(2) In the case of any affidavit, any Magistrate of the first class or any officer appointed by the Government, the Tribunal, Registrar, the arbitrator or any other person deciding a dispute or the liquidator, as the case may be, in this behalf may administer the oath to the deponent.

113. Bar of jurisdiction of Courts.—(1) Save as provided in this Act, no Civil or Revenue Court shall have any jurisdiction in respect of—

(a) the registration of a co-operative society or bye-laws or of an amendment of a bye-law;

(b) the removal of a committee;

(c) any dispute required under section 64 to be referred to the Registrar;

(d) any matter concerning the winding up and the dissolution of a co-operative society.

(2) While a co-operative society is being wound up, no suit or other legal proceedings relating to the business of such society shall be proceeded with, or instituted against, the liquidator as such or against the society or any member thereof, except by leave of the Registrar and subject to such terms as he may impose.

(3) Save as provided in this Act, no order, decision or award made under this Act shall be questioned in any Court on any ground whatsoever.

114. Power to exempt societies from conditions of registration.—Notwithstanding anything contained in this Act, the Government may, by special order in each case and subject to such conditions, if any, as it may impose, exempt any co-operative society from any of the requirements of this Act as to registration.

115. Power to exempt class of societies.—The Government may, by general or special order, exempt any co-operative society or any class of societies from any of the provisions of this Act or may direct that such provisions shall apply to such society or class of societies with such modifications as may be specified in the order.
116. **Register of members.**—Any register or list of members or shares kept by any co-operative society shall be *prima facie* evidence of any of the following entered therein—

(a) the date on which the name of any person was entered in such register as a member;

(b) the date on which any such person ceased to be a member.

117. **Proof of entries in co-operative society's books.**—(1) A copy of any entry in a book of a co-operative society regularly kept in the course of its business, shall, if certified in such manner as may be prescribed, be received in any suit or legal proceedings as *prima facie* evidence of such entry and shall be admitted as evidence of the matters, transactions and accounts therein recorded in the same manner and to the same extent as the original entry itself is admissible.

(2) A co-operative society may grant copies of any document obtained and kept by it in the course of its business, or of any entries in such document; and any copy so granted shall, when certified in such manner as may be prescribed, be admissible in evidence for any purpose in the same manner and to the same extent as the original document, or the entries therein, as the case may be.

(3) No officer of a co-operative society and no officer in whose office the books of a co-operative society are deposited after liquidation shall, in any legal proceedings to which the society or the liquidator is not a party, be compelled to produce any of the society's books or documents the contents of which can be proved under this section, or to appear as a witness to prove the matters, transactions and accounts therein recorded, except under order of the Government, Court, Tribunal or the arbitrator made for the special cause.

118. **Service of notice under the Act.**—Every notice or order issued or made under this Act may be served on any person, by properly addressing it to the last known place of residence or business of such person prepaying and posting by registered post a letter containing the notice or order and unless the contrary is proved, such service shall be deemed to have been effected at the time at which the letter would be delivered in the ordinary course.

119. **Notice necessary in suits.**—No suit shall be instituted against a co-operative society or any of its officers in respect of any act touching the constitution, management of the business of the society until the expiration of two months next after notice in writing has been delivered to the Registrar or left at his office, stating the cause of action, the name, description and place of residence of the plaintiff and the relief which he claims; and the plaint shall contain a statement that such notice has been so delivered or left.

1[119-A. No member of the Committee of any society shall be entitled to receive, from the society the travelling allowance, the daily allowance/such

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1 Sections 119-A and 119-B added by Act XVIII of 1970.
other allowances or fees for attending meetings of its Committee, or for performing any other functions as such members at a rate higher than the maximum rate prescribed in this behalf, and different maximum rates may be prescribed for different societies or class of societies or for different purposes by the Registrar.

119-B. The Registrar shall prescribe the amount and nature of the securities to be furnished by an officer or employee of any society or class of societies, who are required to handle cash, securities or property belonging to the society and the maximum amount of cash which may be handled or kept by any officer or employee.

120. *Acts of Co-operative Societies not to be invalidated by certain defects.*—No act of a co-operative society or any committee or of any officer shall be deemed to be invalid by reason of the existence of any defect in the constitution of the society or the committee or in the appointment or election of an officer or on the ground that such officer was disqualified for his appointment.

121. *Indemnity.*—No suit, prosecution or other legal proceedings shall lie against the Registrar or any person subordinate to him or acting under authority in respect of anything in good faith done or purporting to have been done under this Act.

122. *Companies Act not to apply.*—The provisions of Companies Act, 1956 (Central Act No. I of 1956) shall not apply to co-operative societies.

123. *Savings of existing societies.*—(1) Any co-operative society now existing which has been registered under the Co-operative Societies Act, Svt. 1970 or the Co-operative Societies Act, Svt. 1993 or under any other law relating to Co-operative Societies in force in the State shall be deemed to be registered under this Act, and its bye-laws shall, so far as the same are not inconsistent with the express provisions of this Act, continue in force until altered or rescinded.

(2) All appointments, rules and orders made, notifications and notices issued and suits and other proceedings instituted under any of the said Acts or laws shall, so far as may be, be deemed to have been respectively made, issued and instituted under this Act.

124. *Power to make rules.*—(1) The Government may, for the whole or any part of the State and for any class of co-operative societies after previous publication make rules to carry out the purposes of the Act.
(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:

(a) the applicant to whom the order refusing the registration of a co-operative society may be sent by the Registrar;

(b) the procedure and conditions for change in the form and extent of the liability of a co-operative society;

(c) the matters in respect of which a co-operative society shall or may make bye-laws;

(d) the procedure to be followed for amendment of bye-laws by a co-operative society;

(e) the qualifications or disqualifications of individuals who may be admitted as members of co-operative societies;

(f) the provision for a second or casting vote by the Chairman of a meeting of a co-operative society;

(g) the appointment by a co-operative society of one of its members to represent and vote on its behalf at a meeting of another co-operative society of which it is a member;

(h) the maximum number of shares or portion of the share capital of a co-operative society which may be held by an individual member;

(i) the procedure for the nomination of a person to whom the share or interest of a member on his death may be transferred or the value thereof may be paid;

(j) the mode in which the value of a deceased member's share shall be ascertained;

(k) the election of members of Committee by the general body of a co-operative society;

(l) the requisitioning of a general meeting of a co-operative society;

(m) the remuneration payable to a new committee or administrators, a person or persons appointed in place of a Committee removed by the Registrar;

(n) the qualifications or disqualifications for membership of committee of a co-operative society;
1[(o-1) the constitution of a common service or services comprising of officers and other employees of different classes of co-operative societies and for determining the number and designation of such officers and other employees;

(o-2) the qualifications, remuneration, allowances, recruitment and other conditions of service of such officers and other employees of co-operative societies;

(o-3) the constitution of boards at State and District level for the recruitment of officers and other employees of different classes of co-operative societies;

(o-4) the constitution and maintenance by any apex or central society of a common cadre of personnel to work as officers or as other employees in affiliated societies.]

(p) the prohibition against officers of a co-operative society being interested in contracts with the society;

(q) the matters connected with the direct and indirect partnership of the Government in co-operative societies;

(r) the rate at which dividend may be paid by co-operative societies;

(s) the payment to be made to the “Co-operative Education Fund” by a co-operative society out of its net profits and the mode of its investment;

(t) the mode of investment of funds of a co-operative society;

(u) the objects of the reserve fund of a co-operative society and mode of its investment;

(v) the mode of disposal of reserve fund of a co-operative society on its winding up;

(w) the extent and conditions, subject to which a co-operative society may receive deposits and loans;

(x) the restrictions on transactions by a co-operative society with non-members;

(y) the restrictions on grant of loans by a co-operative society against its shares;]

1. Substituted for clause (o) by Act XXII of 1972, s. 5.
(e) the form and standards of fluid resources to be maintained by co-operative societies accepting deposits and granting cash credits;

(aa) the levy of audit fees on co-operative societies;

(bb) the procedure to be followed in proceedings before the Registrar, arbitrator or other person deciding disputes;

(cc) the conditions subject to which assets of a co-operative society shall vest in a liquidator and the procedure to be adopted in winding up of a co-operative society;

(dd) the procedure of recovery of amounts due or payable to a co-operative society;

(ee) the mode of making attachment before judgement;

(ff) the procedure for the restraint and sale of property mortgaged to a Land Development Bank;

(gg) the qualifications of members of the Tribunal;

(hh) the manner for registering the address of a co-operative society;

(ii) the account books and registers to be kept by a co-operative society and power of Registrar to direct the accounts and books to be written up;

(jj) the manner of certification of entries in the books of a co-operative society and of copies of documents kept by it in the course of its business;

(kk) the statements and returns to be furnished by co-operative societies to the Registrar;

(ll) the restrictions on persons appearing as legal practitioners;

(mm) the inspection of documents and the levy of fees for granting certified copies thereof; and

(nn) the matters expressly required or allowed by the Act to be prescribed.

125. Repeal.—The Co-operative Societies Act, Svt. 1993 (VI of 1993) is hereby repealed.