

ORISSA ACT 1 OF 1995

***THE ORISSA CO-OPERATIVE SOCIETIES (SECOND AMENDMENT)
ACT, 1994**

[Received the assent of the Governor on the 9th January, 1995 first published in an extraordinary issue of the *Orissa Gazette*, dated the 11th January 1995]

AN ACT FURTHER TO AMEND THE ORISSA CO-OPERATIVE SOCIETIES ACT, 1962.

BE it enacted by the legislature of the State of Orissa in the Forty-fifth Year of the Republic of India as follows :—

Short title.

1. This Act may be called the Orissa Co-operative Societies (Second Amendment) Act, 1994.

Insertion of new section 14-B.

2. After section 14-A of the Orissa Co-operative Societies Act, 1962, the following section shall be inserted, namely :—

Orissa Act
2 of 1963.

Special provision in respect of certain sick Societies.

“14-B. (1) (a) Subject to the provisions of section 123, and notwithstanding anything to the contrary contained in any other provisions of this Act and the Rules or Bye-laws framed thereunder, or any other law for the time being in force, where the Registrar, for reasons to be recorded, is of the opinion that a Co-operative Society in which majority of the shares have been subscribed or liabilities by way of guarantee for borrowing exceeding fifty per centum of the working capital of the Society have been undertaken by the State Government, has become sick and there is no possibility of rehabilitating it, the Registrar may, in the public interest, after consulting the State Government and the financing Banks, if any, to which such Society is indebted, by notice in writing, call upon the Committee of the Society to transfer, within such time as may be specified therein, its assets and liabilities, to any other Society or person, or a Company, firm or body, whether incorporated or not, on such terms and conditions as may be formulated by him.

(b) If, within the time specified in the notice referred to in clause (a), the Committee fails to make the transfer directed therein, the Registrar shall, by order, published in the Gazette, make such transfer, and with effect from the date of publication of the order, the assets and liabilities of the Society shall stand so transferred:

Provided that no order under this clause shall be made, unless the Registrar has given an opportunity to the General Body, creditors, depositors, employees of the Society and any other persons concerned to state their objections, or make representations, if any, within such time, from the date of receipt of the proposed order, as may be specified by the Registrar in his notice containing the said order to such persons, and has considered the objections and representations, if any, so made.

(2) An order issued under sub-section (1) shall, notwithstanding anything contained in this Act, the rules or bye-laws framed thereunder, or in any other law or in any contract, award or instrument for the time being in force, be binding on all members, depositors, creditors, employees of the Society and other persons concerned having any right, assets or liabilities in relation to the Society.

(3) The order under sub-section (1) may provide for:—

(a) reduction of the interest or right which the members, depositors, creditors, employees and other persons concerned may have in or against the Society, to such extent as the Registrar considers necessary, having due regard to the proportion of the assets of the Society to its liabilities; and

(b) such incidental, consequential and supplemental matters as may, in the opinion of the Registrar, be necessary to give effect to the said transfer,

(4) For the purpose of this section, it shall be competent for the State Government to give such direction to the Registrar, as it may deem proper in the facts and circumstances of every case.

Explanation—For the purposes of this section ‘Company’ shall mean a company as defined in the Companies Act, 1956”.

1 of 1956.

*For the Bill see *Orissa Gazette*, Extraordinary, dated the 14th December, 1994 (No. 1498).