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## EXTRAORDINARY

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CUTTACK, WEDNESDAY, MARCH 11, 1942.

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LAW DEPARTMENT.

NOTIFICATION.

*The 10th March 1942.*

**No. 1002-L.**—The following Bill, which it is proposed to introduce in the Orissa Legislative Assembly, is hereby published under rule 70 of the Orissa Legislative Assembly Rules, 1937, for general information.

**THE BIHAR AND ORISSA CO-OPERATIVE SOCIETIES (ORISSA AMENDING AND VALIDATING) BILL, 1942.**

**A**

**BILL**

TO AMEND THE BIHAR AND ORISSA CO-OPERATIVE SOCIETIES ACT, 1935, FOR CERTAIN PURPOSES AND TO REMOVE CERTAIN DOUBTS AND ESTABLISH THE VALIDITY OF CERTAIN APPOINTMENTS.

**W**HEREAS it is expedient to amend the Bihar and Orissa Co-operative Societies Act, 1935, in its application to the Province of Orissa for the purposes hereinafter appearing ;

AND WHEREAS doubts have arisen as to the validity of the appointment of Agents and Sub-Agents of the Registrar to manage the affairs of certain societies ;

AND WHEREAS it is expedient to remove these doubts and to establish the validity of these appointments ;

It is hereby enacted as follows :—

Short title.

**1.** This Act may be called the Bihar and Orissa Co-operative Societies (Orissa Amending and Validating) Act, 1942.

Amendment of section 2 of the Bihar and Orissa Act VI of 1935.

**2.** To clause (e) of section 2 of the Bihar and Orissa Co-operative Societies Act, 1935 (hereinafter referred to as the said Act), the following shall be added and shall be deemed always to have been added, namely :—

“and shall include, save in sections 35, 41, 41A and 66,

any person or persons appointed by the Registrar or deemed to be so appointed under section 41A”.

Amendment of section 14 of the Bihar and Orissa Act VI of 1935.

3. In sub-section (2) of section 14 of the said Act, the words “constituted in accordance with the rules” shall be omitted, and shall be deemed always to have been omitted.

Amendment of section 41 of the Bihar and Orissa Act VI of 1935.

4. In section 41 of the said Act—

(1) in sub-section (1) after the words “objections if any”, the words, figures and letter “if he does not proceed under section 41A” shall be inserted;

(2) in sub-section (4) after the words “in this section”, the words, figures and letter “or in section 41A” shall be inserted.

Insertion of section 41A in the Bihar and Orissa Act VI of 1935.

5. After section 41 of the said Act, the following section shall be inserted, namely :—

“41A. (1) If, in the opinion of the Registrar, the managing committee of any registered society is mismanaging the affairs of the society, or if any registered society at a general meeting resolves that the managing committee be superseded, the Registrar may by order in writing, after giving the managing committee an opportunity to state its objections, if any, dissolve the managing committee and appoint a suitable person or persons to manage the affairs of the society for a specified period not exceeding three years. The period specified in such order may at the discretion of the Registrar be extended from time to time, provided that such order shall not remain in force for more than six years in the aggregate.

(2) The person or persons 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 managing committee or of any officer of the society, and to take such action as may be required in the interests of the society.

(3) The Registrar may fix the remuneration payable to the person or persons so appointed. The amount of such remuneration and the other costs, if any, incurred in the management of the society, shall be payable from its funds.

(4) The person or persons so appointed shall, at the expiry of the period of his or their appointment, arrange for the constitution of a new managing committee in accordance with the by-laws of the society :

Provided that the Registrar may order that any member of the managing committee dissolved under sub-section (1) shall be disqualified from being elected to the managing committee of the society for a period to be specified in the order not exceeding three years.

(5) Before taking any action under sub-section (1) in respect of any registered society the Registrar shall consult its financing body, if any, regarding such action."

Validation of  
appointments of  
Agents and  
Sub-Agents.

6. The Agents and Sub-Agents appointed by the Registrar to manage the affairs of the societies specified in the Schedule annexed to this Act in pursuance of the resolutions passed by the general meetings of the said societies on the dates specified in the second column of the said Schedule, shall be deemed to be, and always to have been, persons validly appointed by the Registrar under

sub-section (1) of section 41A of the Act, and the provisions of sub-sections (2), (3) and (4) of the said section shall be deemed to apply, and always to have applied, to such Agents and Sub-Agents:

Provided that the period specified for the management of the said societies by the persons appointed by the Registrar shall be deemed to be three years from the date of the resolution in each case, but without prejudice to the Registrar's power to extend the period as provided in sub-section (1) of section 41A.

## SCHEDULE.

Name of the society.	Date of passing resolution about transfer of management.
(1)	(2)
Cuttack Central Bank ...	13th August 1939.
Jajpur Central Bank ...	23rd July 1939.
Banki Central Bank ...	19th July 1939.
Khurda Central Bank ...	5th August 1939.
Puri Central Bank ...	11th August 1939.
Nimapara Central Bank...	27th July 1939.
Kendrapara Central Bank	16th July 1939.
Kujang Central Bank ...	19th July 1939.
Angul Central Bank ...	9th July 1939.
Balasore Central Bank ...	3rd July 1939.
Bhadrak Central Bank ...	4th August 1939.
Sambalpur Central Bank	9th July 1939.
Baragarh Central Bank ..	2nd July 1939.

## STATEMENT OF OBJECTS AND REASONS.

In 1939 the management of the Central Banks of North Orissa was voluntarily surrendered by their general bodies in favour of the Registrar of Co-operative Societies who appointed Agents and Sub-Agents to remain in charge of these banks. The validity of this action has, however, been questioned in certain quarters as the Bihar and Orissa Co-operative Societies Act (Bihar and Orissa Act VI of 1935) which regulates the business of the banks does not specifically provide for it. It is, therefore, desirable in order to remove any doubt that may have arisen to amend the Act as in the draft Bill.

Provision has been made in the Bill for appointment of suitable officers to manage the affairs of a society when any is superseded or dissolved due to mismanagement.

G. MISRA,

*The 28th February 1942.*

*Member-in-charge.*

W. W. DALZIEL,

*Secretary to Government.*

Published by order of His Excellency the Governor.

W. W. DALZIEL,

*Secretary, Law, Commerce and Labour Department.*