

Bihar Self-Supporting Co-Operative Societies (Amendment) Act, 2008

29 of 2008

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An Act to Amend the Bihar Self-Supporting Co-operative Societies Act, 1996 (Bihar Act 2, 1997) Be it enacted by the Legislature of the State of Bihar in the Fifty-Ninth Year of the Republic of India as follows.-- 1. Published in Bihar Gazette (Ex-ord), Dated 24.12.2008.

1. Short Title, Extent And Commencement :-

- (1) This Act may be called the Bihar Self-Supporting Co-operative Societies (Amendment) Act, 2008.
- (2) It shall extend to the whole of the State of Bihar.
- (3) It shall come into force at once.

2. Addition Of Section 2(Q) And (R) In The Bihar Self-Supporting Co-Operative Societies Act, 1996 :-

The following shall be added after Section 2(p)-

"(q) "Co-operative Bank" means a Co-operative Bank as defined in the Banking Regulation Act, 1949.

(r) "Insured Bank" means a Co-operative Bank as defined in the Deposit Insurance and Credit Guarantee Corporation Act, 1961."

3. Addition Of A New Chapter Vii-A After Chapter Vii Of The Bihar Self-Supporting Co-Operative Societies Act, 1996 :-

In the Bihar Self-Supporting Co-operative Societies Act, 1996 the following Chapter VII-A shall be inserted after Chapter VII.

38-A "Chapter the chapter to Co-operative Banks.--

(1) The provisions of this chapter shall apply to a Co-operative Bank registered under this Act. In addition to the provisions contained in other parts of this Act, where any question of apparent or implied inconsistency arises, the provisions of this chapter shall prevail over the provisions of the other parts of this Act.

(2) For the purposes of this chapter Deposit Insurance Corporation means the Deposit Insurance and Credit Guarantee Corporation established under the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961) and Reserve Bank means the Reserve Bank of India established under the Reserve Bank of India Act, 1934 (2 of 1934)

38-B. Certain orders to be passed by the Registrar if so required by the Reserve Bank.--

(1) In the case of a Co-operative Bank which is an insured bank, the Registrar shall have power-

(i) If so required by the Reserve Bank, in the circumstances mentioned in Section 13D of the Deposit Insurance and Credit Guarantee Corporation Act, 1961, to make an order for winding up of a Co-operative Bank,

(ii) 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 (10, 1949) to make an order sanctioning a scheme of compromise or arrangement or amalgamation or reconstruction including division or reorganisation of the Co-operative bank.

(iii) If so required 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 interest of depositor or for securing the proper management of the bank an order for supersession and removal of the Committee of the Management or other Managing body, by whatever name called, of the Co-operative Bank and the appointment of an Administrator thereof for such period or periods not exceeding five years in the aggregate as may from time to time be specified by the Reserve Bank and the Administrator so appointed, shall after the expiry of his term, continue in his office until the day proceeding the date of the first taking over by the new Board of such bank. The Administrator will have all powers of the Managing Committee and will discharge its function under the

general supervision and control of the Registrar.

(2) In the case of Co-operative Bank which is an insured bank, the General Body of a Co-operative Bank shall not decide the sanctioning of a scheme of compromise or arrangement or amalgamation or reconstruction of such bank under Section 11 of this Act, unless previous sanction in writing from the Reserve Bank is obtained.

(3) The Co-operative Bank on its own motion shall not authorise its own dissolution under Section 43 of this Act or the Co-operative Tribunal constituted under this Act shall not order for dissolution or liquidation and dissolution of any Co-operative Bank under Section 44 of this Act, unless previous sanction in writing from the Reserve Bank is obtained.

(4) No appeal, revision or review shall lie against an order made under sub-section (1), (2) and (3) on the requisition or previous sanction granted by the Reserve Bank and such order or sanction shall not be liable to be called in question in any manner.

38-C. Reimbursement to the Deposit Insurance Corporation by the Liquidators.--Where a Co-operative Bank being an insured bank is wound up or taken into liquidation and the Deposit Insurance Corporation has become liable to pay the depositors of the insured bank under sub-section (1) of Section 16 of that Act, the Deposit Insurance Corporation shall be reimbursed by the Liquidator or such other person in the circumstances, to the extent and in the manner provided in Section 21 of the Deposit Insurance Corporation Act, 1961."