

EXTRAORDINARY

REGD. NO. JK—33



**THE
JAMMU & KASHMIR GOVERNMENT GAZETTE**

Vol. 131] Jammu, Sun., the 16th Dec., 2018/25th Agra., 1940. [No. 37-12

Separate paging is given to this part in order that it may be filed as a separate compilation.

PART III

Laws, Regulations and Rules passed thereunder.

GOVERNMENT OF JAMMU AND KASHMIR
CIVIL SECRETARIAT—DEPARTMENT OF LAW,
JUSTICE AND PARLIAMETARY AFFAIRS
(Legislation Section)

Jammu, the 16th December, 2018.

The following Act has been assented to by the Governor on 16th December, 2018 and is hereby published for general information :—

**THE JAMMU AND KASHMIR SELF-RELIANT
COOPERATIVE (AMENDMENT) ACT, 2018**

(Governor Act No. LII of 2018)

[16th December, 2018.]

Enacted by the Governor in the Sixty-ninth Year of the Republic of India.

An Act to amend the Jammu and Kashmir Self-Reliant Cooperative Act, 1999.

In exercise of the powers vested under Proclamation No. P-1/18 of 2018 dated 20th of June, 2018, the Governor is pleased to enact as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Jammu and Kashmir Self-Reliant Cooperative (Amendment) Act, 2018.

(2) It shall come into force from the date of its publication in the Government Gazette.

2. *Amendment in section 2, Act No. X of 1999.*—In section 2 of the Jammu and Kashmir Self-Reliant Cooperative Act, 1999 (hereinafter referred to as ‘the principal Act’),—

I. for clause (1), the following clause shall be substituted, namely :—

“(1) **“arbitral tribunal”** means an arbitral tribunal to be headed by an officer of the cooperative not below the rank of Deputy Registrar of the concerned District and consisting of four members, elected by the general body of the cooperative from among its members or others, for settlement of disputes under the provisions of this Act.”

II. in clause (5), the following explanation shall be added, namely :—

“Explanation :— The expression “economic need which is common to all” shall not mean banking services like accepting of deposits, opening savings, recurring and Fixed Deposit Accounts and providing loans under short-term, medium term or long-term but includes thrift and credit business.”

III. after clause (41), the following clause shall be added, namely :—

“(42) **“thrift and credit cooperative”** means coming together of a group of people with common interest who have agreed to pool their resources together from which loan facilities are made available to the members.”

3. *Amendment in section 3, Act No. X of 1999.*—In section 3 of ‘the principal Act’, in sub-section (7) for the words, “that person may move the court for redressal” the words, “the Registrar shall assign the reasons for non-registration of the cooperative” shall be substituted.

4. *Amendment in section 7, Act No. X of 1999.*—In section 7 of ‘the principal Act’, sub-section (4) shall be substituted by the following sub-section, namely :—

“(4) The Registrar on being satisfied that the amendment is not in contravention of the provisions of this Act, shall register the amendment and shall provide a copy of registered amendment to the cooperative :

Provided that such action shall not preclude the Registrar from challenging the legal validity of the amendment before the Court, after giving the cooperative a fair opportunity to reconsider the amendment.”

5. *Amendment in section 39, Act No. X of 1999.*—In section 39 of ‘the principal Act’, in sub-section (1), after the words, “Articles of Association” the words, “but shall not include the bank services” shall be added.

6. *Amendment in section 50, Act No. X of 1999.*—In section 50 of ‘the principal Act’, sub-section (1) shall be substituted by the following sub-section, namely :—

“(1) The articles of association of each cooperative shall provide for the constitution of an arbitral tribunal to be headed by an officer of the cooperative not below the rank of Deputy Registrar of the

concerned District and consisting of four members, elected by the general body of the cooperative from among its members or others, whose term of office shall be not more than three years.”

7. Amendment in section 52, Act No. X of 1999.—In section 52 of ‘the principal Act’, after sub-section (7), the following sub-sections shall be added, namely :—

“(8) If the Registrar, after conduct of an enquiry or inspection, is satisfied that a cooperative,—

- (a) exists for an illegal purpose ; or
- (b) has violated any of the provisions of this Act, or its articles of association, or is no longer operating on a cooperative basis ; or
- (c) is conducting business without proper license of the competent authority as designated/notified by the Government ;
- (d) he may give a notice to the cooperative to state its objections. The cooperative shall reply the notice within one month and after considering the reply, the Registrar shall pass an order for dissolution or otherwise of such cooperative. In the event of dissolution, he shall strike off from the register of cooperatives the name of cooperative and to that effect shall also issue a certification of dissolution ;
- (e) The Registrar shall appoint a Liquidator for liquidation of assets and liabilities and the liquidation proceedings shall be conducted in accordance with the provisions of this Act.

(9) The Liquidator appointed under sub-section (8) shall have power, subject to the control of the Registrar :—

- (a) to institute and defend suits and legal proceedings on behalf of the cooperative by 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 an officer, to the assets of the society ;

- (c) to investigate all claims against the cooperative and subject to the provisions of this Act, to decide questions of priority arising between claimants ;
- (d) to pay *bona fide* claims against the cooperative ;
- (e) to determine which person and in what proportions the costs of 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 cooperative as may appear to him to be necessary for winding up the affairs of the cooperative ;
- (h) with the previous approval of the Registrar to make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging to have any claim, present or future, whereby the society may be rendered.

Upon completion of liquidation, the Liquidator shall submit his report to the Registrar.”

8. *Omission of section 53, Act No. X of 1999.*—Section 53 of ‘the principal Act’ shall be omitted.

9. *Amendment in section 54, Act No. X of 1999.*—In section 54 of ‘the principal Act’, the words, “or the court” shall be omitted.

SATYA PAL MALIK,

Governor.

(Sd.) ASHISH GUPTA,

Deputy Legal Remembrancer,
Department of Law, Justice and Parliamentary Affairs.