

Provided that the Registrar may in the case of any person or class of persons, for special reasons, to be recorded, dispense with the notice required by this sub-section.

16. Reorganization of Societies.-(1) In this section-

- (a) "affected society" means a society which decides to reorganize itself in any of the manners specified in sub-section (2); and
- (b) "resulting society" means a society-
 - (i) which is formed as a result of amalgamation under clause (a) of sub-section (2); or
 - (ii) to which the assets and liabilities of the affected societies are transferred in whole or in part under clause (b) sub-section(2); or
 - (iii) which is formed as a result of division under clause (c) of sub-section (2); or
 - (iv) which is the result of change of class as provided in clause (d) of sub-section (2).

(2) A society may, by resolution passed by two-thirds majority of the members present and voting at a special general meeting held for the purpose decide to reorganize itself by-

- (a) amalgamating itself with another society; or
- (b) transferring its assets and liabilities in whole or in part to any other society; or
- (c) dividing itself into two or more societies; or
- (d) converting itself into a class of society, the object of which is materially different from that under which it has been classified under this Act:

Provided that no such decisions shall take effect unless it is approved by the Registrar:

Provided further than in case of a Co-operative Bank, the Registrar shall not give his approval save with the previous sanction in writing of the Reserve Bank;

(3) Notwithstanding anything contained in sub-section (2) where the Registrar is satisfied that it is essential in the public interest or in the interest of the members of the affected societies or necessary to secure the proper management of any society, he may direct that any society or societies shall reorganize itself or themselves in any one or more of the modes indicated in sub-section (2):

Provided that, in the case of a Co-operative Bank, the Registrar shall not issue any direction save with the previous sanction in writing of the Reserve Bank:

Provided further that before a final order under this sub-section is passed by the Registrar every society concerned shall be given an opportunity of expressing its opinion on the reorganization proposals.

(4) The procedure for reorganization of a society in accordance with the decision under sub-section (2) or the direction of the Registrar under sub-section (3), as the case may be, shall be such as may be prescribed.

(5) If any such reorganization under sub-section (2) or (3) is likely to affect in any manner the interest of any person, notice thereof shall be given to all such persons and every such person shall be given an option, to be exercised within a month from the date of the issue of such notice, of either