

be, and also on the society, or in the case of a society which is being wound up, on the liquidator:

Provided that the Registrar shall not confirm a compromise or arrangement unless he is satisfied that all the members or creditors, as the case may be, whose interests are affected by such compromise or arrangement, had notice of such meeting:

Provided further that in case of a Co-operative Bank the Registrar shall not confirm the compromise, or arrangement, save with the previous sanction in writing of the Reserve Bank or National Bank for Agriculture and Rural Development.

(3) When an order canceling a meeting is passed under sub-section (1) or the proviso thereof for considering any compromise or arrangement between a society and its creditors or any class of them, the Registrar may give notice of such order to a Civil Court in which proceedings, whether instituted before or after the order, in respect of any liability of the society due to a creditor to whom a copy of the order is posted, are pending and on receipt of such notice the Civil Court shall stay the proceedings. If no such compromise or arrangement is confirmed under sub-section (2), the Registrar shall inform the Civil Court accordingly and the proceedings which may have been stayed, shall be resumed.

(4) If a compromise or arrangement between a society and its creditors or any class of them is confirmed under sub-section (2) the proceedings, if any, stayed under sub-section (3) shall abate and no proceedings shall lie in a Civil Court in respect of any liability of the society to which the compromise or arrangement relates.

(5) The Registrar may, with the previous approval of the State Government, exempt any class of creditors from the operation of this section or any provisions thereof.

(6) A compromise or arrangement confirmed by the Registrar shall not be called in question in any Civil Court.

(7) If a creditor in respect of whom a compromise or arrangement has been confirmed by the Registrar under sub-section (2), fails to receive the amount payable to him under such compromise or arrangement after due notice to do so within the period specified in such notice, the society or the liquidator, as the case may be, shall deposit the amount in such manner as may be directed by the Registrar. On the making of such deposit the amount payable to the creditor under the compromise or arrangement shall be deemed to have been paid to the extent of the deposit.

(8) A compromise or an arrangement between a society and its creditors or any class of them confirmed by the Registrar under sub-section (2) shall cease to be in force as soon as the whole amount of the liability determined thereunder has been or is deemed to have been paid whether under the provisions of this section or otherwise notwithstanding that the period originally stipulated for the discharge of such liability has not expired.

(9) After such compromise or arrangement has ceased to be in force no further claim shall remain against the society, or against any property, movable or immovable which it may acquire thereafter, in respect of the liability which had been the subject of the compromise or arrangement, and the society shall be free to conduct its normal business.