

such society enter into a contract of a partnership for carrying out any specific business permissible under the byelaws on such terms and conditions as may be mutually agreed upon. Where such partnership requires creation of a new organization, the participating society shall be its members.

(Section 16-C - Applicable in Chhattisgarh only)

16-C. Government's power to make scheme of reorganization in the public interest.-(1) Notwithstanding anything contained in this Act or the Rules made thereunder, if the State Government, on receipt of a report from the Registrar or otherwise, is satisfied that in the public interest it is necessary to reorganize any society or societies for the purpose of securing proper implementation of development programmers, the State Government, as it may deem necessary, may make such scheme of reorganization and issue orders to implement above scheme:

Provided that in case of a Co-operative Bank, prior sanction in writing of the Reserve Bank shall be necessary.

(2) There shall be the provisions in scheme of reorganization regarding :-

- (a) Method of reorganization;
- (b) Procedure for reorganization;
- (c) To the membership, registration, management, assets and liabilities, powers, rights, interests, duties, staff and conditions of employment of such society or societies which are made after reorganization;

(d) Such other consequential, incidental and supplementary provisions as may be necessary;

(e) Any other subject as may be deemed necessary by the State Government.

(3) The State Government may modify or cancel any reorganization scheme made or issued any orders under sub-section (1).

(4) The provisions regarding every reorganization scheme and the orders issued by the State Government shall be binding upon the interested parties.

(5) Every scheme of such reorganization shall be published in the official Gazette for general information.

17. Compromise or arrangement for repayment of liabilities and reconstruction of societies.-(1) Notwithstanding anything contained in this Act, or the rules made thereunder where a compromise or arrangement is proposed between (a) a society and its creditors or any class of them, and (b) a society and its members, the Registrar may on the application of the society or of any member or of any creditor of the society or, in the case of a society which is being wound up of the liquidator order a meeting of the members, or creditors or both, as the case may be, to be called, held and conducted in such manner as may be prescribed:

Provided that the Registrar may, on his own motion, order such a meeting to be called for the purpose of affecting a compromise or arrangement.

(2) If a majority in number representing three-fourths of the members or three-fourths of the total amount of valuation due to the creditors, as the case may be, present and voting in person at the meeting agree to any compromise or arrangement the compromise or arrangement shall, if confirmed by the Registrar, be binding on all members or all the creditors, as the case may