

Class nos. A IV a/45

GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

THE INDIAN EXPLOSIVES ACT, 1884
(IV OF 1884),

AS MODIFIED UP TO THE 1ST SEPTEMBER, 1908.

A.R. 58:976

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STATEMENT OF REPEALS.

REPEALED IN PART Act X of 1889;
Act XII of 1891.

The following changes have been made in reprinting the Act :—

- (1) repealed matter has been omitted, explanatory notes being inserted ;
- (2) some footnotes have been added for convenience of reference ; and
- (3) the headings to the pages have been amplified.

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ACT No. IV OF 1884.¹

[26th February, 1884.]

An Act to regulate the manufacture, possession, use, sale, transport and importation of Explosives.

[As modified up to the 1st September, 1908.]

WHEREAS it is expedient to regulate the manufacture, possession, use, sale, transport and importation of explosives ; It is hereby enacted as follows :—

1. (1) This Act may be called the Indian Explosives Act, 1884 ; and Short title.
 - (2) It extends to the whole of British India. Local extent.
 2. (1) This Act shall come into force on ²such day as the Governor General in Council, by notification in the Gazette of India, appoints : Commencement.
- * * * * *
3. [*Repeal of portions of Act XII of 1875.*]
Rep. by ⁴Act X of 1889.

4. In

¹ For Statement of Objects and Reasons, see Gazette of India, 1883, Pt. V, p. 22 ; for Proceedings in Council, see *ibid*, 1882, p. 1856, and *ibid*, 1883, Supplement, p. 43, and *ibid*, 1884, Supplement, p. 377.

This Act has been declared, under s. 3 (a) of the Scheduled Districts Act, 1874 (14 of 1874), General Acts, Vol. I, p. 467, to be in force in the Districts of Hazaribagh, Lohardaga, Palaman and Manbhum and in Pargana Dhalbhum and the Kolhan in the Singbhum District of the Chota Nagpur Division—see Gazette of India, 1896, Pt. I, p. 972.

It has been applied to the Santhal Parganas under s. 3 of the Santhal Parganas Settlement Regulation (3 of 1872), as amended by the Santhal Parganas Laws Regulation, 1886 (3 of 1886)—see Calcutta Gazette, 1891, Pt. I, p. 222. For Regulation 3 of 1872, see Bengal Code, Vol. I, p. 293.

The Act has been declared in force in Upper Burma (except the Shan States), by the Burma Laws Act, 1898 (13 of 1898). It had previously been extended there under s. 5 of Act XIV of 1874—see Gazette of India, 1888, Pt. I, p. 539, and was declared to come into force on 19th February, 1889—see Burma Rules Manual, Ed. 1897, p. 126.

As to law relating to the unlawful use of explosive substances, see also the Explosive Substances Act, 1908 (4 of 1908).

² The 1st July, 1887—see Gazette of India, 1887, Pt. I, p. 307.

³ Sub-section (2) of section 2 was repealed by the Repealing and Amending Act, 1891 (12 of 1891), General Acts, Vol. VI.

⁴ General Acts, Vol. V, p. 297.

Definitions.

4. In this Act, unless there is something repugnant in the subject or context,—

(1) "explosive"¹—

(a) means gunpowder, nitro-glycerine, dynamite, gun-cotton, blasting powders, fulminate of mercury or of other metals, coloured fires and every other substance, whether similar to those above mentioned or not, used or manufactured with a view to produce a practical effect by explosion, or a pyrotechnic effect; and

(b) includes fog-signals, fireworks, fuzes, rockets, percussion-caps, detonators, cartridges, ammunition of all descriptions, and every adaptation or preparation of an explosive as above defined:

(2) "manufacture" includes the process of dividing into its component parts, or otherwise breaking up or unmaking, any explosive, or making fit for use any damaged explosive, and the process of re-making, altering or repairing any explosive:

(3) "vessel" includes every ship, boat and other vessel used in navigation, whether propelled by oars or otherwise:

(4) "carriage" includes any carriage, wagon, cart, truck, vehicle or other means of conveying goods or passengers by land, in whatever manner the same may be propelled:

(5) "master" includes every person (except a pilot or harbour-master) having for the time being command or charge of a vessel: provided that, in reference to any boat belonging to a ship, "master" shall mean the master of the ship:

(6) "import" means to bring into British India by sea or land.

5. (1) The Governor General in Council may for any part of British India, and each Local Government

¹ For a list of authorized explosives, as defined in rule 9 (1) of the rules by the Government of India under section 5 (1), see Gazette of India, 1908, Pt. II, p. 413.

Power to make rules

ment, with the previous sanction of the Governor General in Council, may for any part of the territories under its administration, make rules consistent with this Act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use; sale, transport and importation of explosives, or any specified class of explosives.

(2) Rules under this section may provide for all or any of the following, among other matters, that is to say:—

(a) the authority by which licenses may be granted;

(b) the

¹ (1) For rules made by the Governor General in Council under this section to regulate the transport and importation of explosives, see General Statutory Rules and Orders, Vol. II, p. 913 (2).

For rules made with reference to rule 22 of the foregoing rules as to the test which certain explosives shall be required to pass before importation, see General Statutory Rules and Orders, Vol. II, p. 942.

(2) For rules as to the transport of explosives in—

(a) the Port of Bombay, see Bombay Government Gazette, 1898, Pt. I, p. 2009; and *ibid.*, 1901, p. 608.

(b) the Port of Aden, see Bombay Local Rules and Orders, Vol. I, pp. 446 and 448.

(c) the Port of Karachi, see *ibid.*, p. 1123.

(d) the Port of Madras, see Madras Local Rules and Orders, Vol. I, p. 70.

(e) the Port of Calcutta, supplementary to the rules by the Governor General in Council, see Calcutta Gazette, 1903, Pt. I, p. 1105.

(3) For rules to regulate the manufacture, possession and sale of explosives made under this section for—

(a) Assam, see Assam Gazette, 1897, Pt. II, p. 625; 1898, Pt. II, pp. 1049 and 1055; 1899, Pt. II, p. 518;

(b) Bengal, see Calcutta Gazette, 1897, Pt. I, p. 1322; 1898, Pt. I, p. 1080; 1899, Pt. I, p. 1082; 1900, Pt. I, p. 691; 1901, Pt. I, pp. 375, 482 and 1006; 1902, Pt. I, p. 360; 1903, Pt. I, p. 651;

(c) Bombay, see Bombay Government Gazette, 1897, Pt. I, p. 1365; 1898, Pt. I, p. 300; 1899, Pt. I, p. 949; 1900, Pt. I, p. 146; 1901, Pt. I, p. 993;

(d) Burma, see Burma Rules Manual, Vol. I, p. 46;

(e) Central Provinces, see Central Provinces Local Rules and Orders, p. 63;

(f) Coorg, see Gazette of India, 1906, Pt. I, p. 827;

(g) Madras, see Madras Local Rules and Orders, Vol. I, p. 70;

(h) United Provinces, see United Provinces List of Local Rules and Orders, Ed. 1904, p. 122;

(i) Punjab, see the Punjab List of Local Rules and Orders, Ed. 1901, p. 142, and Punjab Gazette, 1902, Pt. I, p. 66; 1902, Pt. I, p. 422; 1903, Pt. I, p. 856.

as to licensing of the manufacture, possession, use, sale, transport and importation of explosives.

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- (b) the fees to be charged for licenses, and the other sums (if any) to be paid for expenses by applicants for licenses;
- (c) the manner in which applications for licenses must be made, and the matters to be specified in such applications;
- (d) the form in which, and the conditions on and subject to which, licenses must be granted;
- (e) the period for which licenses are to remain in force; and
- (f) the exemption absolutely or subject to conditions of any explosives from the operation of the rules.

(3) The authority making rules under this section may by the rules impose penalties on all persons manufacturing, possessing, using, selling, transporting or importing explosives in breach of the rules, or otherwise contravening the rules:

Provided that the maximum penalty which may be imposed by any such rules shall not exceed—

- (a) in the case of a person so importing or manufacturing an explosive, a fine which may extend to three thousand rupees;
- (b) in the case of a person so possessing, using or transporting an explosive, a fine which may extend to one thousand rupees;
- (c) in the case of a person so selling an explosive, a fine which may extend to five hundred rupees; and

(d) in

¹ For notification declaring that no fee shall be charged for licenses to possess explosives in reasonable quantities for blasting, see General Statutory Rules and Orders, Vol. II, p. 913.

For notification as to fee to be charged under clause (b) in (1) the Presidency of Bombay, see Bombay List of Local Rules and Orders, Ed. 1896, Vol. I, p. 448; (2) Bengal, see Calcutta Gazette, 1888, Pt. IA, p. 90.

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(Sections 6-7.)

(d) in any other case, two hundred rupees.

6. (1) Notwithstanding anything in the rules under the last foregoing section, the Governor General in Council may, from time to time, by notification in the Gazette of India,—

Power for Governor General in Council to prohibit the manufacture, possession or importation of specially dangerous explosives.

(a) ¹ prohibit, either absolutely or subject to conditions, the manufacture, possession or importation of any explosive which is of so dangerous a character that, in the opinion of the Governor General in Council, it is expedient for the public safety to issue the notification; and

(b) cancel any notification under this section.

(2) The officers of sea customs at every port shall have the same power in respect of any explosive with regard to the importation of which a notification has been issued under this section and the vessel containing the explosive as they have for the time being in respect of any article the importation of which is prohibited or regulated by the law relating to sea customs² and the vessel containing the same; and the enactments for the time being in force relating to sea customs or any such article or vessel shall apply accordingly.

(3) Any person manufacturing, possessing or importing an explosive in contravention of a notification issued under this section shall be punished with fine which may extend to three thousand rupees, and, in the case of importation by water, the owner and master of the vessel in which the explosive is imported shall, in the absence of reasonable excuse, each be punished with fine which may extend to three thousand rupees.

7. (1) The Governor General in Council, or the Local

Power to make rules conferring

¹ For notification under this clause in respect of such acetylene as is declared to be an explosive (by Home Department Notification No. 1747, dated September 1st, 1899, General Statutory Rules and Orders, Vol. II, p. 955), see General Statutory Rules and Orders, Vol. II, p. 953.

² See Chapter IV of the Sea Customs Act, 1878 (8 of 1878), as modified up to 1st June, 1908.

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powers of
inspection,
search,
seizure,
detention
and removal.

Local Government with the previous sanction of the Governor General in Council, may make rules consistent with this Act authorising any officer, either by name or in virtue of his office—

- (a) to enter, inspect and examine any place, carriage or vessel in which an explosive is being manufactured, possessed, used, sold, transported or imported under a license granted under this Act, or in which he has reason to believe that an explosive has been or is being manufactured, possessed, used, sold, transported or imported in contravention of this Act or of the rules made under this Act;
- (b) to search for explosives therein;
- (c) to take samples of any explosive found therein on payment of the value thereof; and
- (d) to seize, detain, remove and, if necessary, destroy any explosive found therein.

(2) The provisions of the Code of Criminal Procedure relating to searches under that Code shall, so far as the same are applicable, apply to searches by officers authorized by rules under this section. X of 1882.

Notice of
accidents.

8. Whenever there occurs in or about, or in connection with, any place in which an explosive is manufactured, possessed or used, or any carriage or vessel either conveying an explosive or on or from which an explosive is being loaded or unloaded, any accident by explosion or by fire attended with loss of human life or serious injury to person or property, or of a description

¹ For rules appointing officers or giving power to appoint officers for the purposes of this section, see General Statutory Rules and Orders, Vol. II, p. 937.

For rules conferring certain powers on the Chief Inspector of Explosives with the Government of India, see General Statutory Rules and Orders, Vol. II, p. 953.

For rules made by the Lieutenant-Governor of Burma, see Burma Gazette, 1902, Pt. I, p. 177.

For rules for Bombay, see Bombay Local Rules and Orders, Vol. I, p. 448.

² For rules for Madras, see Madras Local Rules and Orders, p. 71.

³ See now Act V of 1898 as modified up to 1st April, 1903.

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(Sections 9-11.)

tion usually attended with such loss or injury, the occupier of the place, or the master of the vessel, or the person in charge of the carriage, as the case may be, shall forthwith give notice thereof to the officer in charge of the nearest police-station.

9. (1) Whenever, in the opinion of a District Magistrate, Sub-divisional Magistrate or any other Magistrate specially empowered by the Local Government in this behalf, an inquiry is necessary into the cause of any accident of the description mentioned in section 8, he may either himself make the inquiry or direct a Magistrate subordinate to himself to make the inquiry. Inquiry into accidents.

(2) Any Magistrate making an inquiry under this section shall, for the purposes of conducting the inquiry, have all the powers which he would have in holding an inquiry into an offence under the Code of Criminal Procedure. X of 1882.

(3) The powers conferred on a Magistrate by this section may in a Presidency-town be exercised by the Commissioner of Police as well as by any Magistrate specially empowered in this behalf under sub-section (1).

10. When a person is convicted of an offence punishable under this Act or the rules made under this Act, the Court before which he is convicted may direct that the explosive, or ingredient of the explosive, or the substance (if any) in respect of which the offence has been committed, or any part of that explosive, ingredient or substance, shall, with the receptacles containing the same, be forfeited. Forfeiture of explosives.

11. Where the owner or master of a vessel is adjudged under this Act to pay a fine for an offence committed with, or in relation to, that vessel, the Court may, in addition to any other power it may have for the purpose of compelling payment of the fine, Distress of vessel.

See now Act V of 1898 as modified up to 1st April, 1903.

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(Sections 12-14.)

fine, direct it to be levied by distress and sale of the vessel, and the tackle, apparel and furniture thereof, or so much thereof as is necessary.

Abetment and attempts

12. Whoever abets, within the meaning of the Indian Penal Code¹, the commission of an offence punishable under this Act, or the rules made under this Act, or attempts to commit any such offence and in such attempt does any act towards the commission of the same, shall be punished as if he had committed the offence.

XLV of 1860.

Power to arrest without warrant persons committing dangerous offences.

13. Whoever is found committing any act for which he is punishable under this Act or the rules under this Act, and which tends to cause explosion or fire in or about any place where an explosive is manufactured or stored, or any railway or port, or any carriage, ship or boat, may be apprehended without a warrant by a Police-officer, or by the occupier of, or the agent or servant of, or other person authorized by the occupier of, that place, or by any agent or servant of, or other person authorized by, the railway administration or conservator of the port, and be removed from the place where he is arrested and conveyed as soon as conveniently may be before a Magistrate.

Saving for manufacture, possession, use, sale, transport or importation by Government.

14. Nothing in this Act shall apply to the manufacture, possession, use, sale, transport or importation of any explosive—

(a) by order of the Government, or

(b) by any person employed under the Government in the execution of this Act, or as a keeper of a magazine, artizan, soldier, sailor, policeman or otherwise, or enrolled as a volunteer under the ²Indian Volunteers Act, 1869, in the course of his employment or duty as such.

XX of 1869.

15. Nothing

¹ See Act 45 of 1860 as modified up to 1st April, 1903.
² General Acts, Vol. II, p. 112.

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(Sections 15-18.)

15. Nothing in this Act shall affect the provisions of the ¹Indian Arms Act, 1878:

Saving of Indian Arms Act, 1878.

Provided that an authority granting a license under this Act for the manufacture, possession, sale, transport or importation of an explosive may, if empowered in this behalf by the rules under which the license is granted, direct by an order written on the license that it shall have the effect of a like license granted under the said Indian Arms Act¹.

XI of 1878.

16. Nothing in this Act or the rules under this Act shall prevent any person from being prosecuted under any other law for any act or omission which constitutes an offence against this Act or those rules, or from being liable under that other law to any other or higher punishment or penalty than that provided by this Act or those rules:

Saving as to liability under other law.

Provided that a person shall not be punished twice for the same offence.

17. The Governor General in Council may, from time to time, by notification in the Gazette of India, declare that any substance which appears to the Governor General in Council to be specially dangerous to life or property, by reason either of its explosive properties or of any process in the manufacture thereof being liable to explosion, shall be deemed to be an ²explosive within the meaning of this Act; and the provisions of this Act (subject to such exceptions, limitations and restrictions as may be specified in the notification) shall accordingly extend to that substance in like manner as if it were included in the definition of the term "explosive" in this Act.

Extension of definition of "explosive" to other explosive substances.

³18. (1) An authority making rules under this Act shall, before making the rules, publish a draft of the proposed

Procedure for making publication

¹ See Act 11 of 1878 as modified up to 1st May, 1904.

² Liquid acetylene and picric acid, with certain exceptions, have been declared to be explosives within the meaning of this Act—see General Statutory Rules and Orders, Vol. II, pp. 955 and 956.

³ See also s. 23 of the General Clauses Act, 1897 (10 of 1897), General Acts, Vol. VI, p. 316 (327).

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(Section 18.)

and con-
firmation
of rules.

proposed rules for the information of persons likely to be affected thereby.

(2) The publication shall be made in such manner as the Governor General in Council, from time to time, by notification in the ¹Gazette of India, prescribes.

(3) There shall be published with the draft a notice specifying a date at or after which the draft will be taken into consideration.

(4) The authority making the rules shall receive and consider any objection or suggestion which may be made by any person with respect to the draft before the date so specified.

(5) A rule made under this Act shall not take effect if it is made by the Governor General in Council until it has been published in the Gazette of India, and if it is made by the Local Government until it has been published in the local official Gazette.

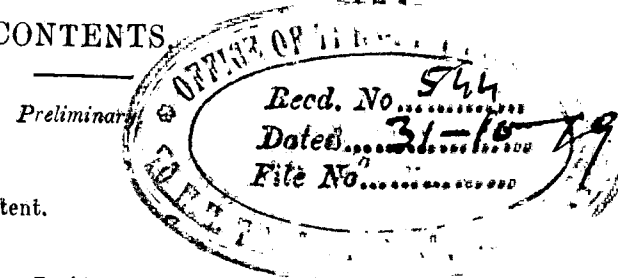
(6) The publication in the Gazette of a rule purporting to be made under this Act shall be conclusive evidence that it has been duly made, and, if it requires sanction, that it has been duly sanctioned.

(7) All powers to make rules conferred by this Act may be exercised from time to time as occasion requires.

¹ For mode prescribed, see General Statutory Rules and Orders, Vol. II, p. 958.

THE CO-OPERATIVE SOCIETIES ACT,
SAMBAT 1970.
JAMMU AND KASHMIR STATE.

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THE KASHMIR STATE CO-OPERATIVE SOCIETIES ACT, S. 1970.

Passed by His Highness the Maharaja Sahib Bahadur
on the 23rd January 1914 under order No. 1811.

WHEREAS it is expedient to facilitate the formation of Co-operative Societies for the promotion of thrift and self-help among agriculturists, artisans and persons of limited means, it is hereby enacted as follows:—

Preliminary.

Short title and extent.

1. (i) This Act may be called the Co-operative Societies Act, Sambat 1970; and

(ii) It extends to the whole of Jammu and Kashmir State.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(a) "by-laws" means the registered by-laws for the time being in force and includes a registered amendment of the by-laws:

(b) "committee" means the governing body of a registered society to whom the management of its affairs is entrusted:

(c) "member" includes a person joining in the application for the registration of a society and a person admitted to membership after registration in accordance with the by-laws and any rules:

(d) "officer" includes a chairman, secretary, treasurer, member of committee, or other person empowered under the rules or the by-laws to give directions in regard to the business of the society:

- (e) "registered society" means a society registered or deemed to be registered under this Act;
- (f) "Registrar" means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Act; and
- (g) "rules" means rules made under this Act.

Registration.

3. His Highness the Maharaja Sahib Bahadur may appoint a person to be Registrar of Co-operative Societies for the whole State or any portion of it, and may appoint persons to assist such Registrar, and may, by general or special order, confer on any such persons all or any of the powers of a Registrar under this Act.

The Registrar.

4. Subject to the provisions hereinafter contained, a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Act with or without limited liability.

Societies which may be registered.

Provided that unless His Highness the Maharaja Sahib Bahadur by general or special order otherwise directs—

- (1) the liability of a society of which a member is a registered society shall be limited;
- (2) the liability of a society of which the object is the creation of funds to be lent to its members, and of which the majority of the members are agriculturists and of which no member is a registered society, shall be unlimited.

5. Where the liability of the members of a society is limited by shares, no member other than a registered society shall—

Restrictions on interest of member of society with limited liability and a share capital.

- (a) hold more than such portion of the share capital of the society, subject to a maximum of one-fifth, as may be prescribed by the rules; or
- (b) have or claim any interest in the shares of the society exceeding one thousand rupees.

Conditions of registration.

6. (1) No society, other than a society of which a member is a registered society, shall be registered under this Act which does not consist of at least ten persons above the age of eighteen years and where the object of the society is the creation of funds to be lent to its members, unless such persons—

- (a) reside in the same town or village or in the same group of villages; or,
- (b) save where the Registrar otherwise directs, are members of the same tribe, class, caste or occupation.

(2) The word "limited" shall be the last word in the name of every society with limited liability registered under this Act.

Power of Registrar to decide certain questions.

7. When any question arises whether for the purposes of this Act a person is an agriculturist, or a non-agriculturist, or whether any person is a resident in a town or village or group of villages, or whether two or more villages shall be considered to form a group, or whether any person belongs to any particular tribe, class, caste or occupation, the question shall be decided by the Registrar, whose decision shall be final.

Application for registration.

8. (1) For purposes of registration, an application to register shall be made to the Registrar.

(2) The application shall be signed—

- (a) in the case of a society of which no member is a registered society, by at least ten persons, qualified in accordance with the requirements of section 6, sub-section (1); and

(b) in the case of a society of which a member is a registered society, by a duly authorised person on behalf of every such registered society, and where all the members of the society are not registered societies, by ten other members, or, when there are less than ten other members, by all of them.

(3) The application shall be accompanied by a copy of the proposed by-laws of the society, and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Registrar may require.

9. If the Registrar is satisfied that a society has complied with the provisions of this Act and the rules and that its proposed by-laws are not contrary to the Act or to the rules, he may, if he thinks fit, register the society and its bye-laws.

Registration.

10. A certificate of registration signed by the Registrar shall be conclusive evidence that the society therein mentioned is duly registered unless it is proved that the registration of the society has been cancelled.

Evidence of registration.

11. (1) No amendment of the by-laws of a registered society shall be valid until the same has been registered under this Act, for which purpose a copy of the amendment shall be forwarded to the Registrar.

Amendment of the by-laws of a registered society.

(2) If the Registrar is satisfied that any amendment of the by-laws is not contrary to this Act or to the rules, he may, if he thinks fit, register the amendment.

(3) When the Registrar registers an amendment of the by-laws of a registered society, he shall issue to the society a copy of the amendment certified by him, which shall be conclusive evidence that the same is duly registered.

Rights and liabilities of members.

Member not to exercise rights till due Payment made. 12. No member of a registered society shall exercise the rights of a member unless or until he has made such payment to the society in respect of membership or acquired such interest in the society, as may be prescribed by the rules or by-laws.

Votes of Members.

13. (1) Where the liability of the members of a registered society is not limited by shares, each member shall, notwithstanding the amount of his interest in the capital, have one vote only as a member in the affairs of the society.

(2) Where the liability of the members of a registered society is limited by shares, each member shall have as many votes as may be prescribed by the by-laws.

(3) A registered society which has invested any part of its funds in the shares of any other registered society may appoint as its proxy, for the purpose of voting in the affairs of such other registered society, any one of its members.

Restrictions on transfer of share or interest.

14. (1) The transfer or charge of the share or interest of a member in the capital of a registered society, shall be subject to such conditions as to maximum holding as may be prescribed by this Act or by the rules.

(2) In case of a society registered with unlimited liability, a member shall not transfer any share held by him or his interest in the capital of the society or any part thereof unless—

(a) he has held such share or interest for not less than one year; and

(b) the transfer or charge is made to the society or to a member of the society.

Duties of registered societies.

Address of societies.

15. Every registered society shall have an address, registered in accordance with the rules, to which all notices and communications may be sent, and shall send to the Registrar notice of every change thereof.

16. Every registered society shall keep a copy of this Act and of the rules governing such society, and of its by-laws, open to inspection free of charge at all reasonable times at the registered address of the society.

Copy of Act, rules and by-laws to be open to inspection.

17. (1) The Registrar shall audit or cause to be audited by some person authorised by him by general or special order in writing in this behalf the accounts of every registered society once at least in every year.

Audit.

(2) The audit under sub-section (1) shall include an examination of overdue debts, if any, and a valuation of the assets and liabilities of the society.

(3) The Registrar, the Wazir-Wazarat or any person authorised by general or special order in writing in this behalf by the Registrar shall at all times have access to all the books, accounts, papers and securities of a society, and every officer of the society shall furnish such information in regard to the transactions and working of the society as the person making such inspection may require.

Privileges of registered societies.

18. The registration of a society shall render it a body corporate by the name under which it is registered, with perpetual succession and a common seal, and with power to hold property, to enter into contracts, to institute and defend suits and other legal proceedings and to do all things necessary for the purposes of its constitution.

Societies to be bodies corporate.

19. Subject to any prior claim of the Government in respect of land-revenue or any money recoverable as land-revenue or of a landlord in respect of rent or any money recoverable as rent, a registered society shall be entitled in priority to other creditors to enforce any outstanding demand due to the society from a member or past member—

Prior claim of society.

(a) in respect of the supply of seed or manure or of the loan of money for the purchase of seed or manure—upon the crops or other agricultural produce of such member or

person at any time within eighteen months from the date of such supply or loan;

(b) in respect of the supply of cattle, fodder for cattle, agricultural or industrial implements, or machinery, or raw materials for manufacture, or of the loan of money for the purchase of any of the foregoing things—upon any such things so supplied, or purchased in whole or in part from any such loan, or on any articles manufactured from raw materials so supplied or purchased.

Charge and set-off in respect of shares or interest of member.

20. A registered society shall have a charge upon the share or interest in the capital and on the deposits of a member or past member and upon any dividend, bonus or profits payable to a member or past member in respect of any debt due from such member or past member to the society, and may set off any sum credited or payable to a member or past member in or towards payment of any such debt.

Shares or interest not liable to attachment.

21. Subject to the provisions of section 20, the share or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any decree or order of a Court of Justice in respect of any debt or liability incurred by such member.

Transfer of interest on death of member.

22. (1) On the death of a member a registered society may transfer the share or interest of the deceased member to the person nominated in accordance with the rules made in this behalf, or, if there is no person so nominated, to such person as may appear to the committee to be the heir or legal representative of the deceased member, or pay to such nominee, heir or legal representative, as the case may be, a sum representing the value of such member's share or interest, as ascertained in accordance with the rules or by-laws:

Provided that:—

(i) in the case of a society with unlimited liability, such nominee, heir or legal representative, as the case may be, may require payment by the society of the value of the share

or interest of the deceased member ascertained as aforesaid;

- (ii) in the case of a society with limited liability, the society shall transfer the share or interest of the deceased member to such nominee, heir or legal representative, as the case may be, being qualified in accordance with the rules and by-laws for membership of the society, or on his application within one month of the death of the deceased member to any person specified in the application who is so qualified.

(2). A registered society may pay all other moneys due to the deceased member from the society to such nominee, heir or legal representative, as the case may be.

(3) All transfers and payments made by a registered society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by any other person.

23. The liability of a past member for the debts of a registered society as they existed at the time when he ceased to be a member shall continue for a period of two years from the date of his ceasing to be a member.

Liability of past member.

24. The estate of a deceased member shall be liable for a period of one year from the time of his decease for the debts of a registered society as they existed at the time of his decease.

Liability of the estates of deceased members.

25. Any register or list of members or shares kept by any registered society shall be *prima facie* evidence of any of the following particulars entered therein:—

Register of members.

- (a) the date at which the name of any person was entered in such register or list as a member;
- (b) the date at which any such person ceased to be a member.

Proof of entries in societies' books.

26. A copy of any entry in a book of a registered society regularly kept in the course of business, shall, if certified in such manner as may be prescribed by the rules, be received, in any suit or legal proceeding, as *prima facie* evidence of the existence of such entry, and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

Exemption from compulsory registration of instruments relating to shares and debentures of registered society.

27. Nothing in section 4 of the State Registration Act, 1945 shall apply to—

- (1) any instrument relating to shares in a registered society, notwithstanding that the assets of such society consist in whole or in part of immovable property; or
- (2) any debenture issued by any such society and not creating, declaring, assigning, limiting or extinguishing any right, title or interest to or in immovable property except in so far as it entitles the holder to the security afforded by a registered instrument whereby the society has mortgaged, conveyed or otherwise transferred the whole or part of its immovable property or any interest therein to trustees upon trust for the benefit of the holders of such debentures; or
- (3) any endorsement upon or transfer of any debenture issued by any such society.

Power to exempt from income-tax stamp-duty and registration-fees.

28. His Highness the Maharaja Sahib Bahadur, by notification in the State Gazette may, in the case of any registered society or class of registered society, remit—

- (a) the income tax payable in respect of the profits of the society, or of the dividends or other payments received by the members of the society on accounts of profits;
- (b) the stamp duty with which, under any law for the time being in force, instruments executed by or on behalf of a registered society

or by an officer or member and relating to the business of such society, or any class of such instruments, are respectively chargeable;

- (c) any fee payable under the law of registration for the time being in force.

Property and funds of registered societies.

29. (1) A registered society shall not make a loan to any person other than a member : Restrictions on loans.

Provided that, with the general or special sanction of the Registrar, a registered society may make loans to another registered society.

(2) Save with the sanction of the Registrar, a society with unlimited liability shall not lend money on the security of movable property.

(3) His Highness the Maharaja Sahib Bahadur may, by general or special order, prohibit or restrict the lending of money on mortgage of immovable property by any registered society or class of registered societies.

30. A registered society shall receive deposits and loans from persons who are not members only to such extent and under such conditions as may be prescribed by the rules or by-laws. Restrictions on borrowing.

31. Save as provided in sections 29 and 30, the transactions of a registered society with persons other than members shall be subject to such prohibitions and restrictions, if any, as His Highness the Maharaja Sahib Bahadur may, by rules, prescribe. Restrictions on other transactions with non-members.

32. A registered society may invest or deposit its funds— Investment of funds.

- (a) in the Government Savings Bank, or
 (b) in the shares or on the security of any other registered society, or
 (c) with any bank or person carrying on the business of banking, approved for this purpose by the Registrar, or

(d) in any other mode permitted by the rules.

Funds not to be divided by way of profit. 33. No part of the funds of a registered society shall be divided by way of bonus or dividend or otherwise among its members:

Provided that after at least one-fourth of the net profits in any year have been carried to a reserve fund, payments from the remainder of such profits and from any profits of past years available for distribution may be made among the members to such extent and under such conditions as may be prescribed by the rules or by-laws:

Provided also that in the case of a society with unlimited liability no distribution of profits shall be made without the general or special order of His Highness the Maharaja Sahib Bahadur in this behalf.

Contribution to charitable purpose. 34. Any registered society may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding 10 per cent. of the remaining net profits to any charitable purpose.

Inspection of affairs.

Inquiry by Registrar. 35. (1) The Registrar may of his own motion, and shall on the request of the Wazir Wazarat, or on the application of a majority of the committee, or of not less than one-third of the members, hold an inquiry or direct some person authorized by him by order in writing in this behalf to hold an inquiry into the constitution, working and financial condition of a registered society.

(2) All officers and members of the society shall furnish such information in regard to the affairs of the society as the Registrar or the person authorized by the Registrar may require.

Inspection of books of indebted society. 36. (1) The Registrar shall, on the application of a creditor of a registered society, inspect or direct some person authorized by him by order in writing in

this behalf to inspect the books of the society:

Provided that—

- (a) the applicant satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and
- (b) the applicant deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar may require.

(2) The Registrar shall communicate the results of any such inspection to the creditor.

37. Where an inquiry is held under section 35, or an inspection is made under section 36, the Registrar may apportion the costs or such part of the costs as he may think right, between the society, the members or creditor demanding an inquiry or inspection, and the officers or former officers of the society.

Costs of inquiry.

38. Any sum awarded by way of costs under section 37 may be recovered, on application to a Magistrate having jurisdiction in the place where the person from whom the money is claimable actually and voluntarily resides or carries on business, by the distress and sale of any movable property within the limits of the jurisdiction of such Magistrate belonging to such person.

Recovery of costs.

Dissolution of society.

39. (1) If the Registrar, after an inquiry has been held under section 35 or after an inspection has been made under section 36 or on receipt of an application made by three-fourths of the members of a registered society, is of opinion that the society ought to be dissolved, he may cancel the registration of the society.

Dissolution.

(2) Any member of a society may, within two months from the date of an order made under sub-section (1), appeal from such order.

(3) Where no appeal is presented within two months from the making of an order cancelling the registration of a society, the order shall take effect on the expiry of that period.

(4) Where an appeal is presented within two months, the order shall not take effect until it is confirmed by the appellate authority.

(5) The authority to which appeals under this section shall lie, shall be His Highness the Maharaja Sahib Bahadur:

Provided that His Highness the Maharaja Sahib Bahadur may, by notification in the State Gazette, direct that appeals shall lie to such Revenue authority as may be specified in the notification.

Cancellation of registration of society.

40. Where it is a condition of the registration of a society that it should consist of at least ten members, the Registrar may, by order in writing, cancel the registration of the society if at any time it is proved to his satisfaction that the number of the members has been reduced to less than ten.

Effect of cancellation of registration.

41. Where the registration of a society is cancelled, the society shall cease to exist as a corporate body—

- (a) in the case of cancellation in accordance with the provisions of section 39, from the date the order of cancellation takes effect;
- (b) in the case of cancellation in accordance with the provisions of section 40, from the date of the order.

Winding up.

42. (1) Where the registration of a society is cancelled under section 39 or section 40, the Registrar may appoint a competent person to be liquidator of the society.

(2) A liquidator appointed under sub-section (1) shall have power—

- (a) to institute and defend suits and other legal proceedings on behalf of the society by his name of office;
- (b) to determine the contribution to be made by the members and past members of the society respectively to the assets of the society;
- (c) to investigate all claims against the society and, subject to the provisions of this Act, to decide questions of priority arising between claimants;
- (d) to determine by what persons and in what proportions the costs of the liquidation are to be borne; and
- (e) to give such directions in regard to the collection and distribution of the assets of the society, as may appear to him to be necessary for winding up the affairs of the society.

(3) Subject to any rules, a liquidator appointed under this section shall, in so far as such powers are necessary for carrying out the purposes of this section, have power to summon and enforce the attendance of witnesses and to compel the production of documents by the same means and (so far as may be) in the same manner as is provided in the case of a Civil Court under the State Civil Procedure Code,

(4) Where an appeal from any order made by a liquidator under this section is provided for by the rules, it shall lie to the Court of the Chief Judge.

(5) Orders made under this section shall, on application, be enforced as follows:—

- (a) when made by a liquidator, by any Civil Court having local jurisdiction in the same manner as a decree of such Court;

- (b) when made by the Court of the Chief Judge on appeal, in the same manner as a decree of such Court made in any suit pending therein.

(6) Save in so far as is hereinbefore expressly provided, no Civil Court shall have any jurisdiction in respect of any matter connected with the dissolution of a registered society under this Act.

Rules.

Rules.

43. (1) His Highness the Maharaja Sahib Bahadur may for the whole or any part of the State and for any registered society or class of such societies, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

- (a) subject to the provisions of section 5, prescribe the maximum number of shares or portion of the capital of a society which may be held by a member;
- (b) prescribe the forms to be used and the conditions to be complied with in the making of applications for the registration of a society and the procedure in the matter of such applications;
- (c) prescribe the matters in respect of which a society may or shall make by-laws and for the procedure to be followed in making, altering and abrogating by-laws, and the conditions to be satisfied prior to such making, alteration or abrogation;
- (d) prescribe the conditions to be complied with by persons applying for admission or admitted as members, and provide for the election and admission of members, and

the payment to be made and the interests to be acquired before the exercise of the right of membership;

- (e) regulate the manner in which funds may be raised by means of shares or debentures or otherwise;
- (f) provide for general meetings of the members and for the procedure at such meetings and the powers to be exercised by such meetings;
- (g) provide for the appointment, suspension and removal of the members of the committee and other officers, and for the procedure at meetings of the committee, and for the powers to be exercised and the duties to be performed by the committee and other officers;
- (h) prescribe the accounts and books to be kept by a society and provide for the audit of such accounts and the charges, if any, to be made for such audit, and for the periodical publication of a balance sheet showing the assets and liabilities of a society;
- (i) prescribe the returns to be submitted by a society to the Registrar and provide for persons by whom and the form in which such returns shall be submitted;
- (j) provide for the persons by whom and the form in which copies of entries in books of societies may be certified;
- (k) provide for the formation and maintenance of a register of members and, where the liability of the members is limited by shares of a register of shares;

- (l) provide that any dispute touching the business of a society between members or past members of the society, or persons claiming through a member or past member, or between a member or past member or persons so claiming and the committee or any officer, shall be referred to the Registrar for decision or, if he so directs, to arbitration, and prescribe the mode of appointing an arbitrator or arbitrators and the procedure to be followed in proceedings before the Registrar or such arbitrator or arbitrators, and the enforcement of the decisions of the Registrar or the awards of arbitrators;
- (m) provide for the withdrawal and expulsion of members and for the payments, if any, to be made to members who withdraw or are expelled and for the liabilities of past members;
- (n) provide for the mode in which the value of a deceased member's interest shall be ascertained, and for the nomination of a person to whom such interest may be paid or transferred;
- (o) prescribe the payments to be made and the conditions to be complied with by members applying for loans, the period for which loans may be made, and the amount which may be lent, to an individual member;
- (p) provide for the formation and maintenance of reserve funds, and the objects to which such funds may be applied, and for the investment of any funds under the control of the society;
- (q) prescribe the extent to which a society may limit the number of its members;
- (r) prescribe the conditions under which profits may be distributed to the members of a

society with unlimited liability and the maximum rate of dividend which may be paid by societies;

- (s) subject to the provisions of section 39, determine in what cases an appeal shall lie from the orders of the Registrar, and prescribe the procedure to be followed in presenting and disposing of such appeals; and
- (t) prescribe the procedure to be followed by a liquidator appointed under section 42, and the cases in which an appeal shall lie from the order of such liquidator.
- (3) His Highness the Maharaja Sahib Bahadur may delegate, subject to such conditions, if any, as he thinks fit, all or any of his powers to make rules under this section, to any authority specified in the order of delegation.
- (4) The power to make rules conferred by this section is subject to the condition of the rules being made after previous publication.
- (5) All rules made under this section shall be published in the State Gazette, and on such publication, shall have effect as if enacted in this Act.

Miscellaneous.

44. (1) All sums due from a registered society or from an officer or member or past member of a registered society as such to the Government, including any costs awarded to the Government under section 37, may be recovered in the same manner as arrears of land-revenue.

Recovery of sums due to Government.

(2) Sums due from a registered society to Government and recoverable under sub-section (1) may be recovered, firstly, from the property of the society; secondly, in the case of a society of which the liability of the members is limited, from the members subject to the limit of their liability; and, thirdly, in the case of other societies, from the members.

Power to exempt societies from conditions as to registration.

45. Notwithstanding anything contained in this Act, His Highness the Maharaja Sahib Bahadur may, by special order in each case and subject to such conditions, if any, as he may impose, exempt any society from any of the requirements of this Act as to registration.

Power to exempt registered societies from provisions of the Act.

46. His Highness the Maharaja Sahib Bahadur may, by general or special order, exempt any registered society from any of the provisions of this Act or may direct that such provisions shall apply to such society with such modifications as may be specified in the order.

Prohibition of the use of the word "co-operative."

47. (1) No person other than a registered society shall trade or carry on business under any name or title of which the word "co-operative" is part without the sanction of His Highness the Maharaja Sahib Bahadur :

Provided that nothing in this section shall apply to the use by any person or his successor in interest of any name or title under which he traded or carried on business at the date on which this Act comes into operation.

(2) Whoever contravenes the provisions of this section shall be punishable with fine which may extend to fifty rupees and in the case of a continuing offence with further fine of five rupees for each day on which the offence is continued after conviction therefor.