

58. Restriction on borrowings.-A society shall receive deposits and loans only to such extent and under such conditions as may be prescribed or as may be specified in the bye-laws.

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

^{51a}[Provided that District Co-operative Bank may make loan to its nominal or associate members:

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

(2)Notwithstanding anything contained in sub-section (1), a society may make a loan to a depositor on the security of his deposit.

⁵¹[(3) Granting of loans to members or to non-members under sub-section (2) and recovery thereof shall be in the manner as may be specified by the Registrar.]

60. Restrictions on other transactions with non-members.—

Save as is provided in sections 58 and 59, the transactions of a society with persons other than members shall be subjected to such restrictions, if any, as may be prescribed.

51 inserted by [Act 7/2010](#)

51a substituted by [Act 15/1997](#)