

Part – IVA	BENGALURU, TUESDAY, 09, MARCH, 2021 (PHALGUNA , 18, SHAKAVARSHA, 1942)	No. 238
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KARNATAKA LEGISLATIVE ASSEMBLY

FIFTEENTH LEGISLATIVE ASSEMBLY

NINTH SESSION

(Adjourned Meeting)

THE KARNATAKA SOCIETIES REGISTRATION (AMENDMENT) BILL, 2021 (LA Bill No. 13 of 2021)

A Bill further to amend the Karnataka Societies Registration Act, 1960.

Whereas, it is expedient further to amend the Karnataka Societies Registration Act, 1960 (Karnataka Act 17 of 1960) for the purposes hereinafter appearing.

Be it enacted by the Karnataka State Legislature in the seventy second year of the Republic of India, as follows:-

1. Short title and commencement.-(1) This Act may be called the Karnataka Societies Registration (Amendment) Act, 2021.

(2) It shall come into force at once.

2. Substitution of section-27A.-For section 27A of the Karnataka Societies Registration Act, 1960 (Karnataka Act No. 17 of 1960), the following shall be substituted, namely:-

"27A.-Appointment of an Administrator:-Not withstanding anything contained in this Act,-

- (a) Where any society belonging to minority or otherwise on account of pendency of the litigation or otherwise has not held or is unable to hold annual general meeting; or
 - (b) Where the term of office of the members of the governing body of a society belonging to minority or otherwise has expired and a new governing body has not for any reason been constituted; or
 - (c) where on a report made by the Registrar or otherwise, on enquiry, the State Government considers it necessary in public interest so to do,

the State Government may, by order published in the official Gazette, appoint an Administrator for such society for such period, not exceeding six months, as may be specified in the order, to manage the affairs of the society:

Provided that for reasons to be recorded in writing, the State Government may, by like order, extend either prospectively or retrospectively, the said period by any further period not exceeding six months at a time, so however subject to the provisions of sub-section (5) the aggregate period shall not extend beyond four years.

(2) The expenditure incurred by the State Government towards the salary and allowances of the Administrator shall be paid to the State Government from out of the funds of the society.

(3) On the appointment of the Administrator under sub-section (1) and during the period of such appointment, the governing body of the society shall cease to exercise any powers and perform and discharge any functions or duties conferred or imposed on it by this Act, or its memorandum of association or the rules and regulations or any other law and subject to any directions which the State Government, may from time to time issue, all such functions or duties shall be performed or discharged by the Administrator.

(4) The Administrator shall, before the expiry of the period of his appointment take necessary action to convene the general body meeting of the society and hold elections for the constitution of the governing body. (5) If the Administrator is not, for reasons beyond his control, able to convene the general body meeting or inspite of such meeting being convened, the general body fails to elect the governing body, the Administrator shall forthwith send a report to the State Government, who shall pass such orders as are considered necessary, either extending the period of appointment of the Administrator for a further period or if satisfied that public interest so requires, for the dissolution of the society.

(6) The State Government may, if it thinks fit, appoint an advisory Council to advise and assist the administrator appointed under sub-section (1) in the exercise of the powers and performance and discharge of the duties and functions conferred or imposed on him under this Act. The members of the Advisory Council shall hold office during the pleasure of the State Government.

(7) It shall be competent of the State Government, by order and for reasons to be recorded in writing, to dissolve a society with effect from such date as may be specified in the order.

Provided that, the State Government shall before issuing an order dissolving a society, communication to the governing body of the society the proposal to dissolve, fix a reasonable time for the governing body for making a representation against the proposal and consider its representation, if any.

Provided further that, the State Government may, after settling the liabilities, if any, of the dissolved society, make over its properties, whether movable or immovable, to any other society having identical or similar objects to be determined by the votes of not less than three fifth of members present personally or by proxy and where there is no such society, the property shall vest in such officer or authority, as may be specified by the State Government in this behalf, until a society having identical or similar object is formed where after the properties shall stand transferred to such society.

(8) On the date fixed for the dissolution of a society under sub-section (1), the registration, of the society shall stand cancelled and the society shall cease to exist as a corporate body.

STATEMENT OF OBJECTS AND REASONS

It is considered necessary further to amend the Karnataka Societies Registration Act, 1960 (Karnataka Act No. 17 of 1960) in view of the decision of the Hon'ble High Court of Karnataka in Writ Petition No. 15753/1986 dated: 03-02-1987 where in section 27A of the Karnataka Societies Registration Act, 1960 was struck down being violative of Article 30(1) of the Constitution of India and further Writ Appeal No. 357/1987 was also dismissed on 7-3-1991,-

- (1) to avoid further litigations and safeguard the interest of the Government, members of the society and the general public; and
- (2) to remove discrimination between general societies and minority societies.

Hence the Bill.

FINANCIAL MEMORANDUM

There is no extra expenditure involved in the proposed legislative measure.

S.T. SOMASHEKAR

Minister for Co-Operation

M.K. VISHALAKSHI

Secretary (I/c) Karnataka Legislative Assembly

ANNEXURE

EXTRACT FROM THE KARNATAKA SOCIETIES REGISTRATION ACT, 1960. (KARNATAKA ACT 17 OF 1960)

xxxxxx27A. Appointment of Administrator.-Notwithstanding anything in this Act,—(1)(a) where any society on account of the pendency of litigation or otherwise hasnot held or is unable to hold the annual general meeting; or

(b) where the term of office of the members of the governing body of a society has expired and a new governing body has not for any reason been constituted; or

(c) where on a report made by the Registrar or otherwise, on enquiry, the State Government considers it necessary in public interest so to do,

-the State Government may, by order published in the official Gazette, appoint an Administrator for such society for such period, not exceeding six months, as may be specified in the order, to manage the affairs of the society:

Provided that for reasons to be recorded in writing, the State Government may, by like order, extend either prospectively or retrospectively, the said period by any further periods not exceeding six months at a time, so however subject to the provisions of clause (5), the aggregate period shall not extend beyond four years.

(2) the expenditure incurred by the State Government towards the salary and allowances of the Administrator shall be paid to the State Government from out of the funds of the society;

(3) on the appointment of the Administrator under clause (1) and during the period of such appointment the governing body of the society shall cease to exercise any powers and perform and discharge any functions or duties conferred or imposed on it by this Act, or its memorandum of association or the rules and

regulations or any other law and subject to any directions which the State Government, may from time to time issue, all such functions or duties shall be performed or discharged by the Administrator;

(4) the Administrator shall, before the expiry of the period of his appointment take necessary action to convene the general body meeting of the society and hold elections for the constitution of the governing body;

(5) if the Administrator is not, for reasons beyond his control, able to convene the general body meeting or inspite of such meeting being convened, the general body fails to elect the governing body, the Administrator shall forthwith send a report to the State Government, who may pass such orders as are considered necessary, either extending the period of appointment of the Administrator for a further period or if satisfied that public interest so requires, for the dissolution of the society;

(5A) the State Government may, if it thinks fit, appoint an Advisory Council to advise and assist the administrator appointed under sub-section (1) in the exercise of the powers and performance and discharge of the duties and functions conferred or imposed on him under this Act. The members of the Advisory Council shall hold office during the pleasure of the State Government.

(6) where an order of dissolution is passed under sub-section (5) the assets of the society shall vest in and the liabilities shall devolve on the State Government.

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