

**KARNATAKA ACT NO.16 OF 2005**

**THE KARNATAKA SOUHARDA SAHAKARI (AMENDMENT) ACT, 2005**

**Arrangement of Sections**

**Sections:**

1. Short title and commencement
2. Amendment of section 2
3. Amendment of section 10
4. Amendment of section 25
5. Amendment of section 53
6. Amendment of section 67A

**STATEMENT OF OBJECTS AND REASONS**

The Karnataka Souharda Sahakari Act, 1997 (Karnataka Act 17 of 2000) received the assent of the President of India on 28.03.2000 with certain observations to modify and include specific suggestions of Reserve Bank of India with regard to Banking Business. The Karnataka Souharda Sahakari Act, 1997 was amended as per Karnataka Act No.21 of 2004 covering the specific suggestion of the Reserve Bank of India. Now, the Reserve Bank of India has given some more suggestions to amend the Act.

Therefore, it is proposed to amend the Karnataka Souharda Sahakari Act, 1997 (Karnataka Act 17 of 2000), namely:-

1. to amend clause (e) of section 2 to state that a co-operative registered under the said Act shall be deemed to be a co-operative society for the purpose of Banking Regulation Act, 1949 and related laws.
2. to amend clause (ee) of section 2 to provide that the primary object of a Co-operative Bank shall be the Business of Banking.
3. to delete clause (ix) of sub-section (2) of section 10, in view of provision of section 26(1) which provides that the elections should be held in the prescribed manner and section 28 which provides for election of office bearers and section 29 which provides for filling up of casual vacancies.
4. to amend section 25 to provide for the Federal Co-operative to decide the disqualification of the director of a co-operative and the Registrar to decide the appeal against the order of the Federal Co-operative.

5. to amend section 53 by deleting clause (e) of sub-section (7) in view of the amendment proposed to section 25.
6. to amend sub-section (1) of section 67A to provide that the Registrar shall pass an order of supersession of a Board or Liquidation of a Co-operative Bank when so required by the Reserve Bank of India in writing.

Hence the Bill.

[L.C. Bill No. 6 of 2005]

[Entry 32 of list II of the Seventh Schedule to the Constitution of India]

## KARNATAKA ACT NO.16 OF 2005

(First Published in the Karnataka Gazette Extra-ordinary on the Twenty-fourth day of May 2005)

### THE KARNATAKA SOUHARDA SAHAKARI (AMENDMENT) ACT, 2005

(Received the assent of the Governor on the Twenty-first day of May, 2005)

An Act further to amend the Karnataka Souharda Sahakari Act, 1997.

Whereas it is expedient further to amend the Karnataka Souharda Sahakari Act, 1997 (Karnataka Act 17 of 2000) for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty sixth year of the Republic of the India as follows:-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Souharda Sahakari (Amendment) Act, 2005.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

**2. Amendment of section 2.-** In section 2 of the Karnataka Souharda Sahakari Act, 1997 (Karnataka Act 17 of 2000) (hereinafter referred to as the principal Act),-

(i) in clause (e), the following shall be inserted at the end, namely:-

“and for the purposes of the Banking Regulation Act, 1949 (Central Act 10 of 1949), the Reserve Bank of India Act, 1934 (Central Act 2 of 1934), the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (Central Act 47 of 1961) and the National Bank for Agriculture and Rural Development Act, 1981 (Central Act 67 of 1981)”, it shall be deemed to be a Co-operative Society.”

(ii) in clause (ee), for the words “one of its objects”, the words “its primary object” shall be substituted.

**3. Amendment of section 10.-** In section 10 of the principal Act, in sub-section (2), clause (ix) shall be omitted.

**4. Amendment of section 25.-** In section 25 of the principal Act, after sub-section (3), the following shall be inserted, namely:-

“(4) Any question as to whether a member of the board is or has become subject to any disqualification specified in this section shall be decided by the Federal Co-operative after giving the person concerned a reasonable opportunity of being heard.

(5) Any person aggrieved member may prefer an appeal against the order made under sub-section (4) to the Registrar within thirty days from the date of order.”

**5. Amendment of section 53.-** In section 53 of the principal Act, in sub-section (7), clause (e) shall be omitted.

**6. Amendment of section 67A.-** In section 67A of the principal Act, in sub-section (1),-

- (i) for the words “the Registrar shall have power”, the words “the Registrar shall” shall be substituted;
- (ii) in clause (i) and (ii), the word “to” shall be omitted;
- (iii) in clause (iii), for the words “to make an order” the words “make an order” shall be substituted.

The above translation of the ಕರ್ನಾಟಕ ಸೌಹಾರ್ದ ಸಹಕಾರಿ (ಶಿಕ್ಷಣ) ಅಧಿನಿಯಮ, 2005 (2005 ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ 16) be published in the official Gazette under clause (3) of Article 348 of the Constitution of India.

**T.N. Chaturvedi**  
Governor of Karnataka

By Order and in the name of the Governor of Karnataka

**G.K. BOREGOWDA**  
Secretary to Government  
Department of Parliamentary Affairs and Legislation