

**KARNATAKA ACT NO. 19 OF 2016**

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**THE KARNATAKA CO-OPERATIVE SOCIETIES (AMENDMENT)  
ACT, 2016**

(Received the assent of the Governor on the Twenty sixth day of July, 2016)

An Act further to amend the Karnataka Cooperative Societies Act, 1959.

Whereas it is expedient further to amend the Karnataka Cooperative Societies Act, 1959 (Karnataka Act No 11 of 1959) for the purposes hereinafter appearing;

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

**1. Short title and commencement.**- (1) This Act may be called the Karnataka Cooperative Societies (Amendment) Act, 2016.

(2) It shall come into force at once.

**2. Amendment of section 12.**- In section 12 of the Karnataka Cooperative Societies Act, 1959 (Karnataka Act No. 11 of 1959) (hereinafter referred to as the principal Act), in sub-section (5), the words "in the interest of such society or" shall be omitted.

**3. Amendment of section 18.**- In section 18 of the Principal Act, in sub-section (1), for the proviso the following shall be substituted with effect from 6.9.2014, namely:-

"Provided that on or after the Karnataka Co-operative Societies (Amendment) Act, 2014 the number of associate members under clause (a) in any co-operative society except employees cooperative society shall not exceed fifteen percent of the total regular membership."

**4. Amendment of section 18B.**- In section 18B of the Principal Act, after clause(i) the following shall be inserted namely:-

"in case of amalgamation or re-organization or division of Co-operative Societies he may continue to represent such society until such amalgamated, reorganized or divided Society withdraws his representation by resolution."

**5. Amendment of section 28A.-** In section 28A of the Principal Act,-

(1) in sub-section (2),-

- (i) for the words, "not less than eleven", the word, " not less than thirteen" shall be substituted;
- (ii) in clause (i),-
  - (a) in item (a), for the word "eleven", the word "thirteen" shall be substituted;
  - (b) in item (b), for the words "thirteen ", the words "fifteen" shall be substituted; and
  - (c) in item (c), for the word "fifteen", the word "seventeen" shall be substituted.

(2) in sub-section (3), for clause (i) the following shall be substituted, namely:-

"(i) one seat to be filled by election, in favour of the person belonging to the Scheduled Castes and one seat to be filled by election, in favour of the person belonging to the Scheduled Tribes;

**6. Insertion of new section 29H.-** After section 29G of the Principal Act, the following shall be inserted, namely:-

**"29H. Motion of no-confidence against office-bearer.-** (1) A motion of no confidence against an office bearer may be moved only after two years of his assumption of office. In case, the motion of no confidence is once defeated, a fresh motion shall not be introduced within one year thereafter. No motion of no confidence shall be moved unless there is a request from not less than one-third of the elected members of the board of a Co-operative Society concerned.

(2) An office bearer of a Co-operative Society shall be deemed to have vacated his office forthwith if a resolution expressing want of confidence in him is passed by a majority of two third of the total number of elected directors of a Co-operative Society at a meeting specially convened for the purpose.

(3) The procedure for no confidence motion shall be as prescribed. "

**7. Amendment of section 63.-** In section 63 of the Principal Act,-

(i) in sub-section (13), the following shall be inserted at the end, namely:-

"The result of the re-audit shall be incorporated by the co-operative society in the next audit report to be issued."

(ii) in sub-section (13-A) for the words "three years" , the words "five years" shall be substituted.

**8. Amendment of section 70.-** In section 70 of the Principal Act, in sub-section (2), after clause (b), the following shall be inserted, namely:-

"(c) any dispute arising in connection with the election of a President, Vice-President or any office-bearer or Member of board of the society."

**9. Amendment of section 108.-** In section 108 of the Principal Act, for the words, "an appeal has been made to" the words "an appeal as been made and pending before" shall be substituted.

**10. Substitution of Section 132. -** For section 132 of the principal Act, the following shall be substituted, namely:-

"**132. Power to remove difficulties.-** If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by notification in official Gazette, make such provisions not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing of difficulty."

By Order and in the name of  
the Governor of Karnataka,

*K. Dwarakanath Babu*  
27/7

**(K. DWARAKANATH BABU)**  
Secretary to Government  
Department of Parliamentary Affairs