

Company: Sol Infotech Pvt. Ltd.

Website: www.courtkutchehry.com

Madhya Pradesh Society Registrikaran Adhiniyam, 1973

44 of 1973

CONTENTS

CHAPTER 1:- PRELIMINARY

- 1. Short Title, Extent And Commencement
- 2. Societies To Which Act Applies
- 3. Definitions
- 3A. Saving Of Existing Societies

CHAPTER 2:- REGISTRAR OF SOCIETIES AND OTHER OFFICERS

4. Registrar Of Societies And Other Officers

CHAPTER 3 :- REGISTRATION

- 5 . <u>Societies Formed By Memorandum Of Association And Registration</u>
- 6. Requirements With Respect To Memorandum Of Association
- 7. Registration
- 8. Evidence Of Registration
- 9. Regulations Of Society
- 10. <u>Amendments Of Memorandum Or Regulations Or Bye-Laws Etc.</u> <u>Of Registered Society</u>
- 11. <u>Power Of Registrar To Amend Memorandum Or Regulations Etc.</u> <u>Of A Society</u>
- 12. Change Of Name Of Society
- 13. Notice Of Change Of Name
- 14. Effect Of Change Of Name
- 15. Societies Enabled To Alter, Extend Or Abridge Their Purposes

CHAPTER 4:- MEMBERS, THEIR RIGHTS AND PRIVILEGES

- 16. Register Of Members
- 17. Members Liable To Be Sued As Strangers
- 18. Members Guilty Of Offences Punishable As Strangers
- 19. Recovery Of Penalty Accruing Under Bye-Law

CHAPTER 5:- PROPERTY AND FUNDS OF SOCIETIES

- 20. Property Of Society How Vested
- 21. <u>Society Not To Acquire Or Sell Or Transfer Immovable Property Without Prior Permission Of Registrar</u>
- 22. Suit By And Against Societies

- 23. Suit Not To Abate
- 24. Enforcement Of Judgment Against Society
- 25. Books Of Accounts To Be Kept By Society
- 26. Registrars Powers To Seize Records Etc.

CHAPTER 6 :-ANNUALRETURNS, AUDIT, INSPECTION AND SUPERVISION

- 27. Annual List Of Governing Body To Be Filed
- 28. Audit And Inspection
- 29. Inspection Of Documents
- 30. Power To Enforce Attendance Etc.

CHAPTER 7:- ENQUIRY AND SUPERSESSION

- 31. Power Of Registrar To Call For Information
- 31A. Section 31A
- 32. Enquiry And Settlement Of Disputes
- 33. Supersession Of Governing Body

CHAPTER 8 :- DISSOLUTION OF SOCIETIES

- 34. <u>Provision For Dissolution Of Societies And Adjustment Of Their</u> Affairs
- 35. <u>Upon Dissolution No Member To Receive Profit</u>
- 36. <u>Determination After Dissolution That Property Be Utilised By Government</u>

CHAPTER 9 :- OFFENCES AND PENALTIES

- 37. Cognizance Of Offences
- 38. <u>Penalty For Non-Compliance Of Section 30 Or Making False Entry</u>
- 39. Penalty For Contravention Of Sections 28 And 31

CHAPTER 10:- APPEAL

40. Appeal

CHAPTER 11:- MISCELLANEOUS

- 41. Registrar And Other Officers To Be Public Servants
- 42. <u>Indemnity For Acts Done In Good Faith</u>
- 43. Power To Make Rules
- 44. Repeal

Madhya Pradesh Society Registrikaran Adhiniyam, 1973

44 of 1973

An Act to consolidate and amend the law relating to the registration of literary, scientific, educational, religious, charitable or other societies in Madhya Pradesh. Be it enacted by the Madhya Pradesh Legislature in the Twenty-fourth Year of the Republic of India as follows: 1. Received the assent of the Governor on the 29-9-1973; assent first published in the Madhya Pradesh Gazette (Extraordinary), dated 11-10-1973.

CHAPTER 1 PRELIMINARY

1. Short Title, Extent And Commencement :-

- (1) This Act may be called the Madhya Pradesh Society Registrikaran Adhiniyam, 1973.
- (2) It extends to the whole of Madhya Pradesh.
- (3) It shall come into force on such date1 as the State Government may, by notification, appoint in this behalf.
- 1 W.e.f. 1-12-1973, vide Notification No. 16247-8035-XVI-A, dated 3-12-1973.

2. Societies To Which Act Applies :-

This Act applies to societies formed for all or any of the following purposes:-

- (i) promotion of science, education, literature or fine arts;
- (ii) diffusion of useful knowledge;
- (iii) diffusion of political education;
- (iv) foundation or maintenance of libraries or reading rooms for general use among the members or open to the public;
- (v) establishment and maintenance of galleries of Paintings and other works of art;
- (vi) establishment and maintenance of public museums;
- (vii) collection of natural history, mechanical and philosophical inventions, instruments or designs;
- (viii) promotion of social welfare;
- (ix) promotion of religious or charitable purpose including establishment of funds for welfare of military orphans, welfare of political sufferers and welfare of the like;
- (x) promotion of gymnastics.
- 1[(xi) promotion and implementation of the different schemes sponsored by the State Government or the Central Government; (xii) promotion of Commerce, Industries and Khadi.]
- 1. Inserted by MP. Act No. 29 of 1998.

3. Definitions :-

In this Act, unless the context otherwise requires,-

- (a) "Governing body of a society" means the Governors, Council, Directors, Committee, Trustees or other body, by whatever name called, to whom by the regulations of the society management of its affairs is entrusted;
- (b) "member of a society" means a person who have been admitted in the society according to the regulations thereof, continues for the time being, to be a member of the society:-
- (i) having paid subscription;
- (ii) having signed the roll or list of members; and
- (iii) having not resigned, in accordance with the regulations of the society.
- (c) "Registrar" means the Registrar of societies appointed under sub-section (1) of Section 4 and includes an Additional, Joint, Deputy and Assistant Registrars of Societies, appointed under subsection (2) of the said section when exercising or performing all or any of the powers or duties of the Registrar;
- (d) "Regulations of a society" means registered regulations of the society for the time being in force;
- (e) "Society" means a society registered or deemed to have been registered under this Act;
- 1[(f) "State Aided Society" means a society which receives or has received aid, grant or loan or has received land or building or both o n concessional rates and other facilities from the Central Government or State Government or any Statutory Body.]
- 1 Substituted by M.P. Act No. 29 of 1998.

3A. Saving Of Existing Societies :-

1[A society registered or deemed to be registered under the Act repealed under Section 44 shall be deemed to have been registered under this Act.]
1. Inserted by M.P. Act No. 27 of 1976.

CHAPTER 2

REGISTRAR OF SOCIETIES AND OTHER OFFICERS

4. Registrar Of Societies And Other Officers :-

(1) The State Government may, by notification, appoint a person to be called the Registrar of Societies who shall exercise such powers and shall perform such duties and functions as are conferred by or under the provisions of this Act and shall, subject to such general or special orders as the State Government may make, superintend the administration and carry out the provisions of this Act

throughout the State.

(2) The State Government may also by like notification appoint persons to be called Additional, Joint, Deputy and Assistant Registrar of Societies for such areas as may be specified in the notification and empower them to exercise powers and to perform duties under all or any of the provisions of this Act as may be specified in the notification.

CHAPTER 3
REGISTRATION

<u>5.</u> Societies Formed By Memorandum Of Association And Registration :-

Any seven or more persons associated, for any literary, scientific, educational, religious or charitable purpose, or for any such purpose as is described in Section 2 may, by subscribing their names to a memorandum of association and filing the same with the Registrar, form themselves into a society under this Act.

<u>6.</u> Requirements With Respect To Memorandum Of Association :-

- (1) The memorandum of association of every society shall state-
- (a) the name of the society;
- (b) the objects of the society;
- (c) the location of the head office of the society;
- (d) the names, addresses and occupations of the Governors, Council, Directors, Committee or other governing body to whom by the regulations of the society the management of its affairs is entrusted.
- (2) No name shall be proposed in the memorandum of association-
- (a) as is identical with or too nearly resembles the name by which a society in existence has been previously registered anywhere in the State; or
- (b) where has as its component-
- (i) such words as may suggest or may calculated to suggest the patronage of the Government of India or the Government of a State; or
- (ii) such words of National, International or Universal importance or such other words as the State Government may, from time to time, by notification, specify; or
- (iii) such words as is, in the opinion of Registrar likely to mislead the public.

- (3) A copy of the regulations of the society, certified to be a correct copy by not less than three of the members of the governing body shall be filed with the memorandum of association.
- (4) The persons by whom or on whose behalf such memorandum is submitted shall furnish such further information in regard to the society as the Registrar may require.

7. Registration :-

If the Registrar is satisfied that a society has complied with the provisions of this Act and the rules made thereunder and that its proposed regulations are not contrary to the said provisions, he shall register the society and its regulations on payment of such fee as may be prescribed and shall issue a certificate of registration.

8. Evidence Of Registration :-

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.

9. Regulations Of Society :-

The regulations of a society may provide for,-

- (i) the conditions of admission of members;
- (ii) the liability of members to fines and forfeitures under certain circumstances;
- (iii) the consequences of non-payment of any subscription or fine, the resignation and expulsion of members;
- (iv) the appointment and removal of trustees and their powers;
- (v) the manner of appointing and removing the governing body and the powers of such body;
- (vi) the time and place of annual meeting and other meetings of the society;
- (vii) the manner in which notice of such meetings may be given;
- (viii) the quorum necessary for the transaction of business at meetings of the society;
- (ix) the manner of making, altering and rescinding regulations;
- (x) the investment of funds, keeping of accounts and for an annual or periodical audit of accounts;
- (xi) the manner of dissolving the society;
- (xii) the determination after dissolution that property be utilised by

Government according to Section 36;

- (xiii) matters to be provided by bye-laws and the manner in which they shall be made; and
- (xiv) such other matters as may be thought expedient having regard to the nature and objects of the society.

10. Amendments Of Memorandum Or Regulations Or Bye-Laws Etc. Of Registered Society :-

- (1) No amendment of the memorandum of association or regulations of a registered society shall be valid until the amendment has been registered under this Act.
- (2) 1[Every proposal for such amendment shall be forwarded to the Registrar in such form together with such fee as may be prescribed] and if the Registrar is satisfied that the amendment is not contrary to this Act or the rules made thereunder, he may, if he thinks fit, register the amendment.
- (3) Where an amendment is registered under sub-section (2), the Registrar shall issue to the society on payment of a fee specified in Section 29 a copy of the amendment certified by him, which shall be conclusive evidence that the same is duly registered.
- 1. Substituted by M.P. Act No. 29 of 1998.

11. Power Of Registrar To Amend Memorandum Or Regulations Etc. Of A Society :-

- (1) Notwithstanding anything contained in this Act or the rules made thereunder, if the Registrar considers that an amendment of the memorandum of association or regulation or bye-laws of a society is necessary of desirable in the interest of the society, he may, by an order in writing, to be served on the society in the prescribed manner, require the society to make the amendment within such time as may be specified in such order.
- (2) If the society fails to make any such amendment within the time specified by the Registrar in his order under sub-section (1) the Registrar may, after giving the society an opportunity to state its objections, if any,-
- (a) register such amendment to the memorandum of association or regulations and send a certified copy thereof to the society; or
- (b) make such amendment to the bye-laws and send a certified copy thereof to the society, and thereupon such amendment to memorandum of association or regulations or bye-laws shall be binding on the society and its members.

12. Change Of Name Of Society :-

Subject to the provisions of Section 14 any registered society may, with the consent of not less than two-thirds of the total number of its members by a resolution at a general meeting convened for the purpose, change its name.

13. Notice Of Change Of Name :-

- (1) A copy of the resolution passed under Section 12 shall be sent to the Registrar.
- (2) If the Registrar is satisfied that the provisions of this Act in respect of change of name have been complied with and that the proposed name is in conformity with the provisions of sub-section
- (2) of Section 6, he shall enter the new name in the register in place of the former one and issue a certificate of registration with necessary alterations embodied therein, and the change of name shall be complete and effective only on issue of such a certificate.
- (3) The Registrar shall also make the necessary alteration in the memorandum of association of the society.
- (4) The Registrar shall charge a fee of rupees one for any copy of certificate issued under sub-section (2) and all fees so paid shall be accounted for to the State Government.

14. Effect Of Change Of Name :-

The change in the name of the society shall not affect any rights or obligations of either the members who were admitted prior to the change or of the society or render defective any legal proceeding by or against the society.

15. Societies Enabled To Alter, Extend Or Abridge Their Purposes:-

Whenever it shall appear to the governing body of any registered society which has been established for any particular purpose or purposes that it is advisable to alter, extend or abridge such purpose to or for other purposes within the meaning of this Act or to amalgamate such society either wholly or partially with any other society, such governing body may submit the proposition to the members of the society in a written or printed report and may convene a special meeting for the consideration thereof according to the regulations of the society:

Provided that no such proposition shall be carried into effect unless such report shall have been delivered or sent by post to every member of the society ten days previous to the special meeting convened by the governing body for the consideration thereof, and unless such proposition shall have been agreed to by the votes of three-fifths of the members delivered in person or by proxy and confirmed by the votes of three-fifth of the members present at a second special meeting convened by the governing body at an interval of one month after the former meeting.

CHAPTER 4

MEMBERS, THEIR RIGHTS AND PRIVILEGES

16. Register Of Members :-

- (1) The subscribers of the memorandum of association shall be the first members of the society.
- (2) Every society shall maintain at its head office a register of its members and shall enter therein, the following particulars, namely :-
- 1[(a) name, address and signature with date of each member;]
- (b) the date on which the members are admitted;
- (c) the date on which the members ceased to be members.
- (3) The register of members shall be prima facie evidence of the membership of the society and of all matters entered therein: Provided that no member whose subscription for the time being is in arrear for a period exceeding six months shall be entitled to vote in any proceedings of the society under this Act.
- (4) If entries are not made in the register of members within thirty days of the admission of a member or cessation of membership, 1[every office bearer in default shall be punishable with fine which may extend to five hundred rupees.]
- 1. Substituted by M.P. Act No. 29 of 1998.

17. Members Liable To Be Sued As Strangers :-

(1) Any member of a registered society who may be in arrear of a subscription which according to the regulations of the society he is bound to pay, or who shall possess himself of or detain any property of the society in a manner or for a time contrary to such regulations or shall injure or destroy any property of the society, may be sued for such arrear or for the damage accruing from such detention, injury or destruction of property in accordance with the provisions of this Act.

(2) If the defendant shall be successful in any suit or other proceeding brought against him at the instance of the society, and shall be adjudged to recover his costs, he may elect to proceed to recover the same from the officer in whose name the suit shall be brought, or from the society and in the latter case shall have process against the property of the said society in accordance with the provisions of this Act.

18. Members Guilty Of Offences Punishable As Strangers :-

Any member of the society, who shall steal, purloin or embezzle any money or other property, or willfully and maliciously destroy or injure any property of such society, or shall forge any deed, bond, security for money receipt or other instrument, whereby the funds of the society may be exposed to loss shall be subject to the same prosecution, and, if convicted shall be liable to be punished in like manner as any person other than a member would be subject and liable to in respect of the like offence.

19. Recovery Of Penalty Accruing Under Bye-Law :-

Whenever by any bye-law duly made in accordance with the regulations of the society any pecuniary penalty is imposed for the breach of any regulations or bye-laws of the society such penalty, when accrued, may be recovered in any Court, having jurisdiction where the defendant shall reside, or the society shall be situated, as the governing body thereof shall deem expedient.

<u>CHAPTER 5</u>
PROPERTY AND FUNDS OF SOCIETIES

20. Property Of Society How Vested :-

The property, movable and immovable, belonging to a society registered under this Act, if not vested in trustees, shall be deemed to be vested for the time being in the governing body of such society and in all proceedings civil and criminal, may be described as the property of the governing body of such society by their proper title.

21. Society Not To Acquire Or Sell Or Transfer Immovable Property Without Prior Permission Of Registrar :-

1[(1)] No immovable property shall be acquired or transferred by

sale, gift or otherwise by the society without the prior permission of the Registrar in writing.

- 2[(2) The property acquired or transferred shall not be utilised for any object other than the object of the society unless permission from the Registrar has been obtained and in case of gift written consent of the donor has also been obtained.
- (3) The application for permission under sub-sections (1) and (2) shall be in such form with such documents together with such fee as may be prescribed.
- (4) Where the society violates the provisions of sub-section (1) or (2), the society shall be liable to deposit such amount as may be prescribed within three months from the date of notice issued by the Registrar and if the society fails to deposit the amount within the aforesaid time, the society shall be treated as defunct under Section 34.]
- 1. Re-numbered by M.P. Act No. 29 of 1998.
- 2. Inserted by M.P. Act No. 29 of 1998.

22. Suit By And Against Societies :-

Every society may sue or be sued in the name of the President or Chairman or Principal Secretary or the trustees, as shall be determined by the regulations of the society and in default of such determination, in the name of such person as shall be appointed by the governing body for the occasion:

Provided that it shall be competent for any person having a claim or demand against the society to sue the President or Chairman or Principal Secretary or the trustee thereof, if on application to the governing body some other officer or person be not nominated to be the defendant.

23. Suit Not To Abate :-

No suit or proceeding in any Civil Court shall abate or discontinue by reason of the person by or against whom such suit or proceedings shall have been brought or continued, dying or ceasing to fill the character in the name whereof he shall have sued or been sued, but the same suit or proceeding shall be continued in the name of or against the successor of such person.

24. Enforcement Of Judgment Against Society :-

(1) If a judgment shall be obtained against the person or officer

named on behalf of the society, such judgment shall not be enforced against the property, movable or immovable, or against the body of such person or officer, but against the property of the society.

(2) The application for execution shall set forth the judgment, the fact of the party against whom it shall have been obtained, having sued or having been sued, as the case may be, on behalf of the society only, and shall require to have the judgment enforced against the property of the society.

25. Books Of Accounts To Be Kept By Society :-

- (1) Every society shall keep at its head office proper books of accounts with respect to-
- (a) all sums of money received and expended by the society and the matters in respect of which the receipt and expenditure take place; and
- (b) the assets and liabilities of the society.
- (2) The books of accounts shall be open to inspection by the officebearers or members of the society or the Registrar during the office hours of the society.
- (3) For the purpose of sub-section (1), proper books of accounts shall not be deemed to be kept with respect to the matters specified therein, if they do not give a true and fair view of the state of affairs of the society and explain its transactions.

26. Registrars Powers To Seize Records Etc. :-

- (1) Where the Registrar is satisfied that-
- (a) the records, register or the books of accounts of a society are likely to be tampered with or destroyed and the funds and the property of a society are likely to be misappropriated or misapplied; or
- (b) if the governing body of a society is reconstituted at a general meeting of the society and outgoing members of the governing body refuse to hand over charge of the records and property of the society to those having to or entitled to receive such charge, the Registrar may issue an order directing a person duly authorised by him in writing to seize and take possession of such books and records, funds and property of the society and the officer or officers of the society responsible for the custody of such books, records, funds and property shall give delivery thereof to the person so authorised.

(2) In order to secure compliance of the orders under sub-section (1), the Registrar may take or cause to be taken such steps and use or cause to be used such minimum force including Police Force as may be considered necessary.

<u>CHAPTER 6</u>
ANNUAL RETURNS, AUDIT, INSPECTION AND SUPERVISION

27. Annual List Of Governing Body To Be Filed :-

1[Once in every year, on or before the forty-fifth day succeeding the day on which according to the regulations of the society the annual general meeting of the society is held or if the regulations do not provide for an annual general meeting, then within forth-five days of the 31st day of January a list of the full names, permanent addresses and chief occupations and others if any, with signatures of the governing body shall be filed with the Registrar by the President or Secretary in such form with such documents together with such fee as may be prescribed:

Provided that the Registrar may, for reasons to be recorded in writing, grant further time not exceeding fifteen days for compliance;

Provided further that if the Society fails to file the list within the prescribed time limit or within the extended time, it may file the same within thirty days from the last day of the prescribed time or extended time, as the case may be, with such late fee as may be prescribed.]

1. Substituted by M.P. Act No. 29 of 1998.

28. Audit And Inspection :-

1[(1) Every Society shall send to the Registrar a statement of income and expenditure with full particulars duly audited by its Auditor, audit report and balance-sheet of the previous year alongwith details of all financial activities together with such fees as may be prescribed within ninety days from the date of annual general meeting of the society or from 30th day of April every year where the regulation do not provide for an annual general meeting. If the society fails to send the aforesaid statements within the stipulated time, the society shall be liable to pay late fee as may be prescribed. On receipt of such statements, the Registrar shall verify the statements and shall ensure that the funds have been utilised for the promotion of the society and its objects and he may also issue such instructions in respect of utilisation of funds as he may

think fit:

Provided that accounts of such society having annual transaction exceeding one lac rupees shall be submitted to the Registrar duly audited by Chartered Accountant.]

- (2) If the Registrar thinks necessary to undertake a special audit he may 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 any society.
- (3) 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 of accounts and other papers of a society and every officer of the society shall furnish such information in regard to the accounts and working of the society as the person making such inspection may require.
- 1. Substituted by M.P. Act No. 29 of 1998.

29. Inspection Of Documents :-

1[Any person may inspect all or any of the documents filed with the Registrar under this Act or require copy or extract of any such documents to be certified by the Registrar by filing an application together with such fee as may be prescribed and such certified copy shall be prima facie evidence of matters therein contained in all legal proceedings whatsoever.]

1. Substituted by M.P. Act No. 29 of 1998.

30. Power To Enforce Attendance Etc. :-

The Registrar shall have power to summon and enforce the attendance of witnesses including the parties interested or any of them and to compel them to give evidence and compel the production of documents by the same means and as far as possible in the same manner as is provided in the case of Civil Court by the Code of Civil Procedure, 1908 (No. 5 of 1908).

CHAPTER 7

ENQUIRY AND SUPERSESSION

31. Power Of Registrar To Call For Information :-

(1) Where on perusing any document which a society is required to submit to him under this Act, the Registrar is of opinion that any information or explanation is necessary in order that such document may afford full particulars of the matter to which it purports to

relate he may by written order call on the society submitting the documents to furnish in writing such information or explanation within such time as he may specify in the order.

(2) On receipt by the society of the order under sub-section (1) it shall be the duty of the society and of all persons who are officers of the society to furnish such information or explanation to the best of their power.

31A. Section 31A:-

1[In this Chapter "Registrar" shall mean Education Officer within the meaning of clause (c) of Section 2 of the Madhya Pradesh Ashaskiya Shikshan Sansthan (Adhyapakon Tatha Anya Karmachariyon Ke Vetano Ka Sandaya) Adhiniyam, 1978.]

1. Inserted by M.P. Act No. 20 of 1978.

32. Enquiry And Settlement Of Disputes :-

- (1) The Registrar may, on his own motion or on an application made under sub-section (2) either by himself or by a person authorised by him, by order in writing, hold an enquiry into the constitution, working and financial conditions of a society.
- (2) An enquiry of the nature referred to in sub-section (1) shall be held on 1[the application together with an affidavit in support of its contents] of-
- (a) a majority of the members of the governing body of the society; or
- (b) not less than one-third of the total number of members of the society.
- (3) The Registrar or the person authorised by him under subsection (1) shall for the purpose of an enquiry under this section have the following powers, namely:-
- (a) he shall at all times have free access to the books, accounts, documents, securities, cash and other properties belonging to, or in the custody of, the society and may summon any person in possession, or responsible for the custody of any such books, accounts, documents, securities, cash or other properties to produce the same, if they relate to the head office of the society at any place at the headquarter thereof and if they relate to any branch of the society, at any place in the town wherein such branch thereof is located or in his own office;
- (b) he may summon any person who he has reason to believe has knowledge of any of the affairs of the society to appear before him at any place at the headquarters of the society or any branch

thereof or in his own office and may examine such person on oath; and

- (c) (i) he may notwithstanding any regulation or bye-laws specifying the period of notice for a general meeting of the society, require the officers of the society to call a general meeting of the society at such time at the head office of the society or at any other place at the headquarter of the society and to determine such matters as may be directed by him and where the officers of the society refuse or fail to call such a meeting, he shall have power to call it himself;
- (ii) any meeting called under sub-clause (i) shall have all the powers of a general meeting called under the regulations or byelaws of the society and its proceedings shall be regulated by such bye-laws.
- 1[(4) When an enquiry is made under this section the Registrar shall communicate the result of the enquiry to the society and may issue appropriate directions to the society, which shall be binding on all parties concerned.]
- 1. Substituted by M.P. Act No. 29 of 1998.

33. Supersession Of Governing Body :-

- (1) If, in the opinion of the State Government, governing body of any State aided society :-
- (a) persistently makes default or is negligent in the performance of the duties imposed on it by or under this Act, regulations or byelaws of the society or by any lawful order passed by the State Government or Registrar, or is un-willing to perform such duties; or 1(a-1) Persistently makes default or is negligent in the performance of the duties imposed on it by or under this Act, regulation or byelaws of the society or by or under any other enactment for the time being in force or by any lawful order passed by the State Government or Registrar or is unwilling to perform such duties; or]
- (b) commits acts which are prejudicial to the interest of society or its members; or
- (c) is otherwise not functioning properly, the State Government may, by order in writing, remove the governing body and appoint a person or persons to manage the affairs of the society for a specified period not exceeding two years in the first instance :

Provided that where it is proposed to remove the governing body of the society exclusively on the ground that election to the governing body were not held in accordance with the provisions of this Act or the regulations or bye-laws made thereunder, no action shall be taken under this sub-section unless the Registrar or an officer authorised by him in this behalf has convened a meeting of the general body for conducting the election thereto in accordance with the provisions of this Act, or the regulations or bye-laws made thereunder but has failed to get the new governing body elected: Provided further that the Registrar or the Officer authorised by him shall, for the purpose of conducting election have all the necessary powers under the Act or the regulations or bye-laws made thereunder.

- (2) No order under sub-section (1) shall be made unless the governing body has been given a reasonable opportunity of showing cause against the proposed order and representation, if any, made by it, is considered.
- (3) The period specified in the order under sub-section (1) may, at the discretion of the State Government be extended from time to time :

Provided that no such order shall remain in force for more than three years in the aggregate.

- (4) The person or persons so appointed shall, subject to the control of the Registrar and to such instructions as he may from time to time give, have power to exercise all or any of the functions of the governing body or of any officer of the society, and to take all such actions as may be required in the interest of the society.
- (5) The State Government may fix the remuneration payable to the person or persons so appointed. The amount of such remuneration and other costs, if any, incurred in the management of the society shall be payable from its funds.
- (6) The person or persons so appointed shall at the expiry of the period of his or their appointment, arrange for the constitution of a new governing body in accordance with the regulations of the society.
- (7) If there is a difference of opinion between the general body of the society and person or persons appointed under sub-section (1) in respect of any matter it shall be referred to the Registrar for decision and his decision thereon shall be final.
- (8) During the period between the issuance of notice and the passing of an order removing the governing body, the governing body may be required by the State Government to function under the supervision and with the approval of such authority as the State Government may specify in this behalf and no order made or resolution passed or any other act performed by the governing

body, shall be effectual unless it is approved by such specified authority.

1. Substituted by M.P. Act 20 of 1978.

CHAPTER 8
DISSOLUTION OF SOCIETIES

34. Provision For Dissolution Of Societies And Adjustment Of Their Affairs :-

(1) Any number not less than three-fifths of the members of any society may determine that it shall be dissolved and thereupon it shall be dissolved forthwith, or at the time when agreed upon and all necessary steps shall be taken for the disposal and settlement of the property of the society, its claim and liabilities according to the regulations of the said society applicable thereto, if any, and if not, then as the governing body shall find expedient:

Provided that, in the event of any dispute arising among the said governing body or the members of the society, the adjustment of its affairs shall be referred to the Principal Court of original civil jurisdiction of the district in which the chief building of the society is situated, and the Court shall make such order in the matter as it shall deem fit:

Provided further that no society shall be dissolved unless threefifths of the members shall have expressed a wish for such dissolution by their votes delivered in person, or by proxy, at a general meeting convened for the purpose:

Provided also that whenever the Government is a member of, or a contributor to, or otherwise interested in any society, such society shall not be dissolved without the consent of the Government.

- (2) The Registrar may, if on information received by him or otherwise is of the opinion that a society has become defunct or has been persistently making default in the observance of the provisions of this Act, or the regulations or bye-laws made thereunder, by a notice served on the society, call upon the governing body within the period specified in the notice which shall not be less than thirty days, to show-cause as to why registration of the society should not be cancelled.
- (3) The Registrar may after considering the reply received, if any, after the expiry of the notice period on being satisfied that no useful purpose is likely to be served by continuing the society by an order in writing cancel the registration thereof as from the date specified in the order and thereon society shall be deemed to have

been dissolved for the purposes of the Act.

35. Upon Dissolution No Member To Receive Profit :-

If upon the dissolution of any society, there shall remain after the satisfaction of all its debt and liabilities any property whatsoever, the same shall not be paid to, or distributed among, the members of the said society or any of them but shall be given to some other society, to be determined by the votes of not less than three-fifths of the members present personally or by proxy at the time of the dissolution or in default thereof, by the Court specified in Section 34:

Provided that this section shall not apply to any society which shall have been founded or established by the contributions of shareholders in the nature of a Joint Stock Company.

36. Determination After Dissolution That Property Be Utilised By Government :-

- 1[(1)] Notwithstanding anything contained in Section 35 it shall be lawful for the members of any society dissolved under Section 34 to determine by majority of votes of the members present personally or by proxy at the time of dissolution of such society that any property whatsoever remaining after satisfaction of all its debts and liabilities shall be given to Government to be utilised for any of the purposes referred to in Section 2.
- 2[(2) In the event of cancellation of the Registration of Society under sub-section (3) of Section 34 the movable and immovable assets of the society or its institution or centres shall vest in the State Government to the extent of assistance, grant, aid or donation that the society may have received from Central or State Government or any of the Statutory bodies. It shall be the duty of the Collector of the District where the property is situated to take charge of the same on intimation of cancellation by the Registrar.]
- 1. Re-numbered by M.P. Act No. 29 of 1998.
- 2. Inserted by M.P. Act No. 29 of 1998.

<u>CHAPTER 9</u>
OFFENCES AND PENALTIES

37. Cognizance Of Offences :-

(1) No Court inferior to that of a Magistrate of the First Class shall try an offence punishable under this Act.

- (2) No Court shall take cognizance of an offence punishable under this Act except upon complaint made by the Registrar or any other person, authorised in writing by him, in this behalf.
- 1[Provided that no Court shall take cognizance of an offence punishable under sub-section (1) of Section 38, as substituted by Section 12 of the Madhya Pradesh Ashaskiya Shikshan Sansthan (Adhyapakon Tatha Anya Karmachariyon Ke Vetano Ka Sandaya) Adhiniyam, 1978 except upon a complaint made by such officer as the State Government may, by notification, specify in this behalf.]
- 1. Inserted by M.P. Act No. 20 of 1978.

38. Penalty For Non-Compliance Of Section 30 Or Making False Entry:

- (1) If the President, Secretary or any other person authorised in this behalf by a resolution of the governing body of the society fails to comply with the provisions of Section 27 he shall, on conviction be punishable with fine which may be extend to five hundred rupees and in case of continuing breach, shall also be punishable with fine not exceeding fifty rupees for each day during the period the breach continues after first conviction for such offence.
- 1[(1) If the President, Secretary or any other person authorised in this behalf by a resolution of the governing body of the society-
- (a) fails to comply with the provisions of Section 27; or
- (b) fails to comply with any direction given under Section 4 or with the Madhya Pradesh Ashaskiya Shikshan Sanstha (Adhyapakon Tatha Anya Karmachariyon Ke Vetano Ka Sandaya) Adhiniyam, 1978 he shall on conviction be punishable-
- (i) in the case of an offence falling under clause (a), with fine which may extend to five hundred rupees and in the case of a continuing breach with a further fine which may extend to fifty rupees for every day after the first during which the breach continues;
- (ii) in the case of an offence falling under clause (b) with imprisonment for a term which may extend to three months or with fine which may extend to one thousand rupees or with both and for the second and subsequent offence, with imprisonment for a term which may extend to five thousand rupees or with both.]
- (2) If any person wilfully makes or causes to be made any false entry in, or any omission from, the list required by Section 27 or in or from any statement or copy of regulation or alterations in regulation sent to the Registrar he shall, on conviction, be punishable with fine which may extend to two thousand rupees.

1. Inserted by M.P. Act No. 20 of 1978.

39. Penalty For Contravention Of Sections 28 And 31 :-

If any society or any person as is referred to in Section 28 and subsection (2) of Section 31 refuses or neglect to furnish the information or explanation required thereunder the society or such person shall on conviction be punished with fine which may extend to twenty rupees in respect of each such offence.

CHAPTER 10 APPEAL

40. Appeal :-

- 1[(1) An appeal shall lie,-
- (a) if the order is made by the Registrar appointed under subsection (1) of Section 4 either in original case or in appeal under clause (b) to the State Government;
- (b) if the order is made by the subordinate officers appointed under sub-section (2) of Section 4 or any other person to the Registrar appointed under sub-section (1) of Section 4.]
- (2) An appeal under sub-section (1) shall be filed within two months of the date of communication of the order :

Provided that the Appellate Authority may admit an appeal after the expiry of such period if the appellant satisfies the Appellate Authority that he had sufficient cause for not preferring the appeal within such period.

1. Substituted by M.P. Act No. 29 of 1998.

CHAPTER 11
MISCELLANEOUS

41. Registrar And Other Officers To Be Public Servants :-

Every Officer or person exercising or authorised to exercise powers under this Act or the rules made thereunder shall be deemed to be a public servant within the meaning of Section 21 of the Indian Penal Code, 1860 (No. 45 of 1860).

42. Indemnity For Acts Done In Good Faith :-

No suit, prosecution or other legal proceedings shall lie against the Registrar or any person subordinate to him or acting under his authority, in respect of anything done by or purporting to have been done by him in good faith under this Act.

43. Power To Make Rules :-

- (1) The State Government may make rules to carry-out the purposes of this Act.
- (2) All rules made under this section shall be laid on the Table of the Legislative Assembly.

44. Repeal :-

As from the commencement of this Act, the Madhya Pradesh Societies Registration Act, 1959 (No. 1 of 1960) shall stand repealed.