Education Act, 1983

Section 67 - Taking over of Management of Educational Institutions in Public Interest

---

(1) Where the State Government is of opinion that the management of any educational institution should either in the public interest or in order to secure the proper management of the said educational institution be taken over, it may, after giving one month's notice to the person or body of persons incharge of the management of such educational institution to make any representation, direct by notification, that the management of the said educational institution shall with effect on and from the date specified therein vest in the State Government1[for a period of one year]:

Provided that no private educational institution under the management of a Religious Institution, Endowment or a Wakf shall be taken over without the prior consent of such management:

2[Provided further that if the State Government is of the opinion that in order to secure the proper management of the educational institution, it is expedient that such management should continue to vest in the State Government after the expiry of the said period of one year, it may issue direction for the continuance of such management for a further period not exceeding one year as it may think fit, so however, the total period for which such management shall continue to vest in the State Government shall not, in any case, exceed two years.]

(2) The educational institution referred to in sub-section (1) shall be deemed to include all assets, rights and lease holds, powers, authorities and privileges and all property, movable and immovable, including lands, buildings, stores instruments and vehicles, cash balances, revenue fund, investments and book debts and all other rights and interests arising out of such property as were immediately before the date of taking over of the management under sub-section (1) (hereinafter in this Chapter referred to as the date aforesaid) in the ownership, possession, power or control of the management of such educational institution and all books of account, registers and all other documents of whatever nature relating thereto.

(3) Any contract, whether express or implied, or other arrangement (not being a contract) or agreement specified in section 61 in so far as it relates to the management of the educational institution and in force immediately before the taking over, shall be deemed to have terminated on the date aforesaid.

(4) All persons, in whom the managment of the educational institution vested immediately before the taking over shall, as form the date aforesaid, cease to be so vested and shall be deemed to have vacated their offices as such on the date aforesaid.

(5) Notwithstanding anything in any other law for the time being in force, no person in respect of whom any contract of management or other arrangement is terminated by reason of the provisions contained in sub-section (3) or who ceases to hold any office by reason of the provisions contained in sub-section (4) shall be entitled to claim any compensation for the premature termination of the contract of management or other arrangement or for the cessation of management or for the loss of office, as the case may be.

(6) Notwithstanding any judgement, decree or order of any court, tribunal or other authority or anything contained in any other law for the time being in force, every person in whose possession or custody or under whose control the educational institution or any part thereof or any properties attached thereto vest shall transfer the same to the special officer appointed by the State Government for the purpose of carrying on the management of such educational institution for and on behalf of the State Government, or where no special officer is appointed, to such other person as the State Government may direct.

(7) For the removal of any doubt, it is hereby declared that any liability incurred by the private management in relation to the educational institution before the taking over shall be enforceable

against the said Governing Council and not against State Government or the Special Officer.

(8) The amount payable in respect of the vesting in the State Government or the Governing Council of an educational institution under sub-section (1) shall be an amount equal to the average net annual surplus income of such educational institution during the period of its existence, or the period of five consecutive accounting years immediately preceding the date of such vesting whichever is less:

Provided that no such amount shall be payable if the trusts or Governing Council under which the educational institution is founded makes provision for the running of such institution.

Explanation.- In this sub-section, the expression "accounting year" means the period beginning on the 1st day of July of any year and ending on the 30th day of June of the year next following.

(9) The amount payable under sub-section (8) shall subject to rules made under this Act, be paid by the competent authority to the person interested in the educational institution in such manner and within such time as may be prescribed.

---

1. Substituted by Act 8 of 1998 w.e.f. 11.4.1998.

2. Inserted by Act 8 of 1998 w.e.f. 11.4.1998.