

THE KERALA CO-OPERATIVE SOCIETIES

(AMENDMENT) BILL, 2017

(As Passed by the Assembly)

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*BILL*

*further to amend the Kerala Co-operative Societies Act, 1969.*

*Preamble.*—WHEREAS, it is expedient further to amend the Kerala Co-operative Societies Act, 1969 for the purposes hereinafter appearing;

BE it enacted in the Sixty-eighth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Co-operative Societies (Amendment) Act, 2017.

(2) It shall be deemed to have come into force on the 10<sup>th</sup> day of April, 2017.

2. *Amendment of section 2.*—In section 2 of the Kerala Co-operative Societies Act, 1969 (21 of 1969) (hereinafter referred to as the principal Act), for clause (ia), the following clause shall be substituted, namely:—

“(ia) “District Co-operative Bank” means a Central Society having jurisdiction over one revenue district and having as its members Primary Agricultural Credit Societies and Urban Co-operative Banks and the principal object of which is to raise funds to be lent to its members, including nominal or associate members;”.

3. *Omission of section 16 A.*—Section 16A of the principal Act shall be omitted.

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4. *Amendment of section 18.*—In section 18 of the principal Act, to sub-section (1), after the second proviso, the following proviso shall be added, namely:—

“Provided also that a District Co-operative Bank may admit any co-operative society registered under the provisions of this Act, other than Primary Agricultural Credit Societies and Urban Co-operative Banks, functioning within its area of operation as a nominal or associate member.”.

5. *Omission of section 19 A.*—Section 19 A of the principal Act shall be omitted.

6. *Amendment of section 28.*—In section 28 of the principal Act,—

“(a) in sub-section (1), for the third proviso, the following proviso shall be substituted, namely:—”

“Provided also that the election to the committees of the societies shall not be conducted on ward basis irrespective of any provisions to the contrary contained in the bye-laws of any society.”;

(b) in sub-section (1H), for the words “at least one”, the words “at least two” shall be substituted;

(c) sub-section (1I) shall be omitted.

7. *Amendment of section 32.*—In section 32 of the principal Act, in sub-section (1), after the third proviso, the existing Explanation shall be numbered as *Explanation II* and before *Explanation II* as so numbered, the following Explanation shall be inserted, namely:—

“*Explanation I.*—For the purposes of this proviso, financial assistance includes any financial assistance from the Kerala Co-operative Development and Welfare Fund Board, Deposit Guarantee Scheme implemented by the Kerala Co-operative Deposit Guarantee Fund Board, Kerala Co-operative Risk Fund Scheme implemented by the Kerala Co-operative Development and

Welfare Fund Board, National Bank for Agriculture and Rural Development, National Co-operative Development Corporation and any other financial institution under the control of the State or Central Government and also any financial assistance guaranteed by the said institutions.”.

8. *Special Provision in respect of the existing District Co-operative Banks.*—(1) Notwithstanding anything contained in the principal Act, or in any judgment, decree or order of any Court, tribunal or other authority, on the date of commencement of the Kerala Co-operative Societies (Amendment) Ordinance, 2017 (4 of 2017),—

(a) the members of a District Co-operative Bank, other than Primary Agricultural Credit Societies and Urban Co-operative Banks, shall become nominal or associate members of such District Co-operative Banks;

(b) the committees in office of the District Co-operative Banks shall cease to exist and the Registrar shall be competent to appoint a new committee or one or more administrator or administrators, who need not be members of the society, to manage the affairs of the Bank for a period not exceeding six months, as may be specified in the order, which period may, at the discretion of the Registrar, be extended from time to time, so however, that the aggregate period shall not exceed one year.

(2) The committee or the administrator or the administrators appointed under sub-section (1) shall, subject to the control of the Registrar and to such instructions as he may, from time to time give, have power to exercise the powers and perform the functions of the committee or of any officer of the society and take such action as may be required in the interest of the society.

(3) The committee or administrator or administrators shall, before the expiry of its or his or their term of office, arrange for the constitution of a new committee in accordance with the provisions contained in the principal Act and the bye-laws of the Bank.

9. *Repeal and saving.*—(1) The Kerala Co-operative Societies (Amendment) Ordinance, 2017 (17 of 2017) is hereby repealed.

(2) Notwithstanding such repeal, anything done or deemed to have been done or any action taken or deemed to have been taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

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