
REPORT OF THE SUBJECT COMMITTEE
ON
THE KERALA CO-OPERATIVE SOCIETIES
(SECOND AMENDMENT) BILL, 2021
AND
THE BILL AS REPORTED BY THE SUBJECT COMMITTEE

Presented on 25th October, 2021

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SUBJECT COMMITTEE XI
(FOOD, CIVIL SUPPLIES AND CO-OPERATION)
(2021-2023)

Composition

Chairman:

Shri V. N. Vasavan,
Minister for Co-operation and Registration.

Ex-officio Member:

Shri G. R. Anil,
Minister for Food and Civil Supplies.

Members :

Shri P. Abdul Hameed
Shri Antony John
Shri P. V. Anvar
Dr. Mathew Kuzhalsadan
Shri Sajeev Joseph
Shri Sebastian Kulathunkal
Smt. K. K. Shailaja Teacher
Shri G. Steephenn
Shri E. T. Taison Master.

Legislature Secretariat :

Shri S. V. Unnikrishnan Nair, Secretary
Shri Mathewkutty G, Additional Secretary.
Shri P. S. Selvarajan, Deputy Secretary.
Shri Abdul Nasar M, Under Secretary.

THE KERALA CO-OPERATIVE SOCIETIES (SECOND
AMENDMENT) BILL, 2021

(Report of the Subject Committee)

Subject Committee XI (Food, Civil Supplies and Co-operation) to which The Kerala Co-operative Societies (Second Amendment) Bill, 2021 was referred, considered the Bill (Bill No. 58) clause by clause and now submits this Report with the Bill as reported by the Subject Committee annexed there to.

2. The Kerala Co-operative Societies (Second Amendment) Bill, 2021 was published as a Gazette Extraordinary dated 28th September, 2021. The Bill was introduced in the Assembly on 13th October, 2021 and was referred to the Subject Committee on the same day.

3. The Committee considered the Bill clause by clause at the meeting held on 20th October, 2021 and recommends to adopt the Bill without modifications.

4. All other changes are either verbal or consequential.

5. The minutes of dissent and the Bill as reported by the Subject Committee are appended.

Thiruvananthapuram,
October 20, 2021.

V. N. Vasavan,
Chairman,
Subject Committee XI.

APPENDIX I

വിയോജനക്കുറിപ്പ്

മലപ്പുറം ജില്ലാ സഹകരണ ബാങ്കിനെ കേരള ബാങ്കുമായി സംയോജിപ്പിക്കുന്നതിനും മിൽമയുടെ മൂന്ന് മേഖല സഹകരണ ക്ഷീരോത്പാദക യൂണിയനുകളിൽ ഭരണസമിതിയിലേക്ക് മത്സരിക്കുന്നതിന് ഒരു ക്ഷീരകർഷകന് (അംഗസംഘം പ്രസിഡന്റ്) പരമാവധി മൂന്ന് തവണ അല്ലെങ്കിൽ 15 വർഷം എന്ന് കാലയളവ് നിജപ്പെടുത്തുന്നതിനും വ്യവസ്ഥ ചെയ്യുകൊണ്ടാണ് ബിൽ അവതരിപ്പിച്ചിരിക്കുന്നത്.

2020-ലെ ബാങ്കിംഗ് റെഗുലേഷൻ ഭേദഗതി ആക്ട് 1-4-2021 മുതൽ ഇന്ത്യയിലെ എല്ലാ സംസ്ഥാന, ജില്ലാ സഹകരണ ബാങ്കുകൾക്കും ബാധകമാക്കിയിട്ടുണ്ട്. പ്രസ്തുത ആക്ടിലെ 44 എ വകുപ്പ് അനുസരിച്ച് ഒരു ജില്ലാ ബാങ്കിന്റെ ഷെയർ ഹോൾഡർമാരുടെ യോഗത്തിന്റെ മൂന്നിൽ രണ്ട് ഭൂരിപക്ഷമുള്ള തീരുമാനപ്രകാരമാണ് ബാങ്കുകളുടെ ലയനം സാധ്യമാകുന്നത്. മലപ്പുറം ജില്ലാ സഹകരണ ബാങ്കിനെ കേരള ബാങ്കിൽ ലയിപ്പിക്കുവാനുള്ള വ്യവസ്ഥ മേൽപ്പറഞ്ഞ കേന്ദ്ര നിയമത്തിന് വിരുദ്ധമാണ്. ഓർഡിനൻസിലൂടെ ഇപ്രകാരം ഒരു നിയമനിർമ്മാണം നടത്തുന്ന വിഷയത്തിൽ ബഹുമാനപ്പെട്ട കേരള ഹൈക്കോടതി സ്റ്റേ പുറപ്പെടുവിച്ചിട്ടുള്ളതാണ്. കേരള ബാങ്ക് രൂപീകരണ വേളയിൽ സ്വതന്ത്രമായി നിലനിൽക്കുന്നതിന് ആവശ്യം ഉന്നയിച്ച് മലപ്പുറം ജില്ലാ ബാങ്ക് കേരള ഹൈക്കോടതിയെ സമീപിക്കുകയും ഹൈക്കോടതി അനുകൂലമായ വിധി നൽകുകയും, തുടർന്ന് തെരഞ്ഞെടുപ്പിലൂടെ പുതിയ ഭരണസമിതി നിലവിൽ വരികയും ചെയ്തിട്ടുള്ളതാണ്. ഇപ്രകാരം നിയമവിധേയമായി, സ്വതന്ത്രമായി പ്രവർത്തിക്കുന്ന മലപ്പുറം ജില്ലാ സഹകരണ ബാങ്കിനെ മേൽപ്പറഞ്ഞ പ്രകാരം കേന്ദ്രനിയമങ്ങൾക്ക് വിരുദ്ധമായ രീതിയിൽ കേരള ബാങ്കിൽ ലയിപ്പിക്കുവാൻ വ്യവസ്ഥ ചെയ്യുന്നതിനോട് യോജിക്കുവാൻ സാധിക്കുകയില്ല. ഇത് ജനാധിപത്യവിരുദ്ധവും ഭരണഘടനാവിരുദ്ധവുമായ നടപടിയാണ്.

കേരളത്തിൽ നിലവിലുള്ള മിൽമയുടെ മൂന്ന് മേഖല സഹകരണ ക്ഷീരോത്പാദക യൂണിയനുകളിൽ മാത്രം ഭരണസമിതിയിലേക്ക് മത്സരിക്കുന്നതിന് ഒരു ക്ഷീരകർഷകന് (അംഗസംഘം പ്രസിഡന്റ്) പരമാവധി മൂന്ന് തവണ അല്ലെങ്കിൽ 15 വർഷം എന്ന് ഭേദഗതിയിലൂടെ കാലയളവ് നിജപ്പെടുത്തുന്നത് ഭരണഘടനയുടെ ആർട്ടിക്കിൾ 14-ന് വിരുദ്ധവും ജനാധിപത്യവിരുദ്ധവുമായ നടപടിയാണ്. മിൽമയുടെ മൂന്ന് മേഖല യൂണിയനുകളിലും സംസ്ഥാന ഫെഡറേഷനിലും മാത്രം ഒരു കർഷകന് രണ്ടു ടേമിൽ കൂടുതൽ തുടർച്ചയായി ചെയർമാൻ/പ്രസിഡന്റ് പദവി വഹിക്കാൻ കഴിയില്ല എന്ന് ഭേദഗതി

വ്യവസ്ഥയും ജനാധിപത്യവിരുദ്ധമായതിനാൽ അംഗീകരിക്കാൻ സാധിക്കില്ല. ഇന്ത്യയിലെ ഇതര സംസ്ഥാനങ്ങളിലോ കേരളത്തിലോ പ്രവർത്തിക്കുന്ന ഒരു തരം സഹകരണ സംഘങ്ങളിലും ജനാധിപത്യഭരണം നടക്കുന്ന ത്രിതല പഞ്ചായത്തുകളുൾപ്പെടെയുള്ളവയിലും ഇത്തരത്തിൽ ഒരു നിയമവ്യവസ്ഥ നിലവിലില്ല.

മേൽപ്പറഞ്ഞ കാരണങ്ങളാൽ ബില്ലിലെ വ്യവസ്ഥകളോട് വിയോജിപ്പ് രേഖപ്പെടുത്തുന്നു.

പി. അബ്ദുൾ ഹമീദ് (ഒപ്പ്)

ഡോ. മാത്യു കുഴൽനാടൻ (ഒപ്പ്)

സജീവ് ജോസഫ് (ഒപ്പ്)

APPENDIX II

**THE KERALA CO-OPERATIVE SOCIETIES
(SECOND AMENDMENT) BILL, 2021**

(As reported by the Subject Committee)

A

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 (21 of 1969) for the purposes hereinafter appearing;

BE it enacted in the Seventy-second Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Co-operative Societies (Second Amendment) Act, 2021.

(2) Clause (ii) of section 2 and clause (i) of section 9 shall be deemed to have come into force on the 15th day of January, 2020, Clause (ii) of section 9 shall be deemed to have come into force on the 11th day of April, 2020 and the remaining provisions shall be deemed to have come into force on the 12th day of February, 2021.

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),—

(i) after clause (ab), the following clause shall be inserted, namely:—

“(ac) “Anand Pattern Milk Co-operative Society” means a Primary Dairy Co-operative Society, otherwise known as 'Ksheerolpadaka Sahakarana Sangham' registered in or after the year 1980, for the implementation of 'Operation Flood Project' in Kerala and is functioning as per the model bye-laws of Anand Pattern, with the principal objective of procurement, chilling and marketing of milk and milk products within the area of operation of the society and for providing inputs to the dairy farmers;”;

(ii) 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 Primary Agricultural Credit Societies and Urban Co-operative Banks as its members and the principal object of which is to raise funds to be lent to its members, including nominal or associate members, which existed under this Act immediately before the passing of the orders by the Registrar under sub-section (1) or sub-section (1)(a) of section 74H and has ceased to exist by virtue of such orders:

Provided that if the general body of a District Co-operative Bank has not passed the resolution under section 14A, it shall continue as such for a period of two years from the date of commencement of the Kerala Co-operative Societies (Amendment) Act, 2021 or till the Registrar completes the process under clauses (a), (b) and (c) of sub-section (1) of section 74H, whichever is earlier;”;

(iii) after clause (p), the following clauses shall be inserted, namely:—

(pa) “Recruitment Committees” means the committees constituted under section 80BB for the purpose of conducting the selection and recruitment process of all categories of employees of the Regional Co-operative Milk Producers' Union;

(pb) “Regional Co-operative Milk Producers' Union” is a central society having Anand Pattern Primary Dairy Co-operative Societies as their members with the principal objective of undertaking procurement, processing and marketing of milk and milk products and to provide technical, financial and production input assistance to their member societies and dairy farmers within the area of operation comprising two or more revenue districts;”.

3. *Amendment of section 8A.*—In section 8A of the principal Act, after sub-section (3) the following sub-section shall be added, namely:—

“(4) Notwithstanding anything contained in this Act or rules made thereunder or bye-laws of a Regional Co-operative Milk Producers' Union, the Anand Pattern Milk Co-operative Societies having a regular elected Managing

Committee and doing the business of milk procurement and sales within the area of operation of the Regional Co-operative Milk Producers' Union shall be admitted as members of the Regional Co-operative Milk Producers' Union.”.

4. *Amendment of section 16.*—In section 16 of the principal Act, to sub-section (1), after the fourth proviso, the following proviso shall be added, namely:—

“Provided also that in the case of Anand Pattern Milk Co-operative Societies, dairy farmers who own one or more milch cows or buffaloes and residing within the area of operation of the society or running dairy farms in own or leased land within the area of operation of the society and poured milk not less than five hundred litres for a period of one hundred and eighty days in a year to the society, shall be admitted as members.”.

5. *Insertion of new section 16B.*—In the principal Act, after section 16 the following section shall be inserted, namely:—

16B. Eligibility conditions to continue to be an active member of Anand Pattern Milk Co-operative Societies.—(1) No member shall be eligible to continue to be an active member of an Anand Pattern Milk Co-operative Society if he/she—

(a) is not pouring milk not less than five hundred litres to the society for one hundred and eighty days during the preceding twelve months; and

(b) is not owning at least one milch cow or buffalo by rearing them in a cattle shed near to his residence or rearing them in farms set up either in his own land or in leased land.

(2) Only those who satisfy the conditions provided in sub-section (1) can become a member of the managing committee of an Anand Pattern Milk Co-operative Society and continue to be the member of the managing committee.”.

6. *Amendment of section 28.*—In section 28 of the principal Act, after sub-section (5) the following sub-sections shall be added, namely:—

“(6) Notwithstanding anything contained in this Act or rules made thereunder or bye-laws of a Regional Co-operative Milk Producers' Union, no President of an Anand Pattern Milk Co-operative Society which is a member of a Regional Co-operative Milk Producers' Union, shall be eligible to hold office as a member of the committee of the Regional Co-operative Milk Producers' Union for more than three terms or fifteen years whichever is higher:

Provided that the provisions of this sub-section shall not apply to members of the committee of the Regional Co-operative Milk Producers' Union holding office as such on the date of commencement of the Kerala Co-operative Societies (Amendment) Act, 2021 till the completion of their original term of five years:

Provided further that the provisions in the above proviso shall not apply to the members of the committee whose tenure was extended beyond their original term of five years.

(7) The President of an Anand Pattern Milk Co-operative Society, which is a member of the Regional Co-operative Milk Producers' Union only shall be eligible to contest the elections to the committee of the Regional Co-operative Milk Producers' Union and hold office as a member of the committee of the Regional Co-operative Milk Producers' Union if the Anand Pattern Milk Co-operative Society to which he/she belongs, satisfies the following conditions, namely:—

(a) if the society is placed in audit classification A or B during the last audit conducted; and

(b) supply milk procured and pooled by the member society to the Regional Co-operative Milk Producers Union subject to a minimum quantity as fixed by the committee of the Regional Co-operative Milk Producers' Union:

Provided that the provisions of this sub-section shall not apply to those member societies for a period of two years which are revived after long duration of inactivity and those Primary Dairy Co-operative Societies whose bye-laws were amended to Anand Pattern, either from the date of restart of the society or from the date of registration of amendment of bye-laws to Anand Pattern model bye-laws.

(8) Notwithstanding anything contained in this Act or rules made thereunder, the delegate of the member Anand Pattern Milk Co-operative Society to attend the general body meetings and to contest the elections to the managing committee of the Regional Co-operative Milk Producers' Union shall be the President of member Anand Pattern Milk Co-operative Societies only.”.

7. *Amendment of Section 28AB.*—In section 28AB of the principal Act, after sub-section (2) the following sub-sections shall be added, namely:—

“(3) Notwithstanding anything contained in this Act or rules made thereunder or the bye-laws of a Regional Co-operative Milk Producers' Union, no President of an Anand Pattern Milk Co-operative Society shall be eligible to hold office as President or Chairman of a Regional Co-operative Milk Producers' Union and its apex society for more than two consecutive terms, whether in full or in part.

(4) Notwithstanding anything contained in this Act or the rules made thereunder or the bye-laws of an Anand Pattern Milk Co-operative Society, the post of the Vice President of Anand Pattern Milk Co-operative Societies shall be reserved for women members.”.

8. *Amendment of Section 64.*— In section 64 of the principal Act, after sub-section (12) the following sub-section shall be added, namely:—

“(13) Notwithstanding anything contained in this Act or rules made thereunder or bye-laws of a Regional Co-operative Milk Producers' Union, Annual Performance Audit shall be conducted for every financial year by engaging auditors from among the panel of auditors who have adequate experience in dairy industry recommended by the apex society and approved by the functional Registrar of Dairy Co-operatives.”.

9. *Amendment of section 74H.*— In section 74H of the principal Act.—

(i) in sub-section (1) the following clauses shall be added at the end, namely:—

“(a) if the general body of a District Co-operative Bank has not passed the resolution under section 14A, the Registrar may, after consulting Reserve Bank of India, order merger of such District Co-operative Bank with Kerala State Co-operative Bank, on public interest. No order shall be passed under this clause unless,—

(i) a copy of the proposed order of merger has been sent to the member society or member societies concerned by registered post and published the same in two vernacular dailies having wide circulation in the district in which the society situates, for their objections or suggestions;

(ii) the Registrar shall consider the objections/suggestions, if any, received from the society or societies concerned or from any member or creditor of such society or societies within such period, being not less than fifteen days from the date of posting of the proposed order of merger, as may be specified by the Registrar in this behalf;

(b) the Registrar may after considering the objections/suggestions referred to in sub-clause (ii) of clause (a), make such modifications, in the proposed order as he may deem fit and the order shall contain such incidental, consequential and supplemental provisions as the Registrar may deem necessary, to give effect to the same;

(c) a member or creditor who has objected the proposed order under clause (b) shall have the option of withdrawing his share and/or deposits or close loans, as the case may be, on application, which shall be made to the society, to which its share, deposit or outstanding loan stands allocated, within a period of thirty days from such order;

(d) on merger all other relevant provisions in this chapter shall apply *mutatis mutandis* to the entities merged under clause (a).”.

(ii) after sub-section (1) following sub-section shall be added, namely:—

“(1A) On and from the date of the passing of the order of merger by the Registrar under sub-section (1)(a), all the assets and liabilities of the District Co-operative Bank as it stood immediately before the order of merger shall, without any further act, instrument or deed, stand transferred to and vested in the Kerala State Co-operative Bank.”.

10. *Insertion of new section 80BB.*—After section 80B of the principal Act, the following section shall be inserted, namely :—

“*80BB. Recruitment Committees for appointments in Regional Co-operative Milk Producers’ Union.*—(1) Notwithstanding anything contained in this Act or rules made thereunder Government shall, by notification in the Gazette, constitute Recruitment Committees which shall be the competent committees for the entire selection and recruitment process of all permanent employees of the Regional Co-operative Milk Producers’ Union.

(2) The Recruitment Committee for undertaking the selection process of all employees other than the Managing Director shall consist of not more than eight members. The Secretary to Government in charge of Dairy Development Department shall be the Chairman of the Committee and the Managing Director of the apex body of the Regional Co-operative Milk Producers' Union, appointed by the Government, shall be the Convenor of the Committee. The other members shall be as follows,—

- (i) Registrar of Dairy (Co-operatives);
- (ii) Chairman of the Apex Society;
- (iii) Joint Director (General) or Joint Secretary to Government, Dairy Development Department;
- (iv) Southern Regional Head of the National Dairy Development Board;
- (v) Chairman, Regional Co-operative Milk Producers' Union;
- (vi) Managing Director, Regional Co-operative Milk Producers' Union.

(3) The Recruitment Committee for undertaking the selection process of the Chief Executive or the Managing Director of the Regional Co-operative Milk Producers' Union shall consist of not more than four members. The Secretary to Government in charge of Dairy Development Department shall be the Chairman of the Committee and the Chairman of Regional Co-operative Milk Producers' Union shall be the Convenor of the Committee. The other members shall be the Managing Director of the apex society and the Southern Regional Head of the National Dairy Development Board.”.

11. *Repeal and saving.*—(1) The Kerala Co-operative Societies (Amendment) Ordinance, 2021 (117 of 2021) 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.

Secretariat of the Kerala Legislature,
Thiruvananthapuram,
October 20, 2021.

S. V. UNNIKRIISHNAN NAIR,
Secretary.