



**TWELFTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
SUBORDINATE LEGISLATION  
(2006-2008)**

**FOURTH REPORT**

**(Based on SROs issued during 2004 under the Kerala  
Co-operative Societies Act, 1969)**

**(Presented on 28th February, 2008)**

**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2008**

TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE  
ON  
SUBORDINATE LEGISLATION  
(2006-2008)**

**FOURTH REPORT**

(Presented on 28-2-2008)

**(Based on SROs issued during 2004 under the Kerala  
Co-operative Societies Act, 1969)**

## CONTENTS

	<i>Page</i>
1. Composition of the Committee ..	v
2. Introduction ..	vii
3. Report ..	1
4. Annexure ..	9

COMPOSITION OF THE COMMITTEE ON  
SUBORDINATE LEGISLATION (2006-2008)

*Chairman :*

Shri Jose Thettayil

*Members :*

Shri P. Krishnaprasad  
,, Murali Perunelly  
,, V. Sasikumar  
,, Simon Britto Rodrigues  
,, K. Sivadasan Nair  
,, P. Thilothaman  
,, Thomas Unniyadan  
,, M. Ummer

*Legislature Secretariat :*

DR. N. K. Jayakumar, Secretary  
Smt. R. Prasannakumari, Joint Secretary  
,, J. Sarala Devi, Deputy Secretary  
,, P. Jayalekshmi, Under Secretary

## INTRODUCTION

I, the Chairman, Committee on Subordinate Legislation, having been authorised by the Committee to present the Report on its behalf, present this, the Fourth Report of the Committee.

This Report contains the observations, comments and recommendations of the Committee on the SROs issued during the year 2004 by the Government, under the provisions of the Co-operative Societies Act, 1969. The list of SROs issued by the Government during the year 2004 under the provisions of this Act considered and approved by the Committee without remarks, is given as Annexure.

This Report was finalised by the Committee at its meeting held on 6th February, 2008.

Thiruvananthapuram,  
28th February, 2008.

JOSE THETTAYIL,  
*Chairman,*  
*Committee on Subordinate Legislation.*

## REPORT

### THE KERALA CO-OPERATIVE SOCIETIES ACT, 1969 (21 of 1969)

1. The Kerala Co-operative Societies Act, 1969 was enacted for consolidating, amending and unifying the laws relating to Co-operative Societies in the State of Kerala.

2. Section 33 of the Act deals with the appointment of new committee or administrator on failure to constitute committee etc. As per Section 33(1a) a new committee cannot be constituted before the expiry of the term of office of the existing committee.

3. Section 101 states the power to exempt societies as “ The Government may, if they are satisfied that it is necessary to do so in the public interest, by general or special order for reasons to be recorded, exempt any society or any class of societies from any of the provisions of this Act or direct that such provisions shall apply to such society or class of societies subject to such modifications as may be specified in the order”.

4. The purpose of this enactment is to provide for the development of the co-operative sector in the state, by organizing the co-operative societies as self-governing, democratic institutions to achieve the objects of equity, social justice and economic development, as envisaged in the directive principles of state policy of the Constitution of India.

5. For achieving the above purpose it is important that notifications should be issued in proper time for conducting election to co-operative societies. Second important factor is that when extension is required, notifications shall be published in advance and the reason for not conducting election should invariably be recorded in the explanatory note.

6. The Committee on Subordinate Legislation examined the SROs issued during the year 2004 under Sections 33(1a) and 101 of the Act. The Committee found so many irregularities, mistakes and delay in the publication of SROs. The Committee approved some of them without any remarks. In the case of some other SROs the committee approved them with certain remarks.

7. The committee's remarks and recommendations on the basis of the scrutiny of SROs issued in 2004 are noted below.

8. The SROs of 2004 issued under The Co-operative Societies Act, 1969 and considered and approved by the committee are given in the Annexure.

*S.R.O. No. 4/2004 [Notification G.O.(P) No. 289/2003/Co-op. dated 27-12-2003.]*

9. By this notification Govt. have in exercise of powers conferred by sub-section (1a) of section 33 of the Co-operative Societies Act, 1969 permitted the Registrar of Co-operative Societies to extend the term of the administrator appointed to manage the affairs of Erathu Scheduled Caste/Scheduled Tribe Service Co-operative Society Ltd. No. Q 847 for a further period of six months from 27-5-2003 to 26-11-2003.

10. The Committee noticed that the term of the said society had expired on 26-5-2003 and had requested to extend the term of the administrator of the said society for a period of six months i.e. from 27-5-2003 to 26-11-2003. But the notification was issued only on 27-12-2003. i.e. after the lapse of one month.

11. The Committee recommend that such delay in publishing notification should be avoided in future. The Committee observe that according to Section 33(1a) of the Co-operative Societies Act, 1969 the period of the term of the society can be extended for a further period of six months over and above the extension of six months by the Administrator. Thus the aggregate period that can be extended by the Registrar is one year. According to Section 101 of the Act, Government can modify any provisions of the Act . The Committee express its dissatisfaction regarding the arbitrary application of section 101 without taking into account the intention of the legislation, i.e. to have democratic process in co-operative societies. The Committee opine that Government have been exercising unlimited power by this provision as it enables the Government to extend the term of societies for any period of time without conducting election within the time frame. The department should take serious note of this type of excessive abuse of power. Therefore, the committee recommend that the Government should consider this aspect in detail while amending the Co-operative Societies Act. The Committee offer the same remarks in the case of the following SROs which were also issued for the purpose of granting extension to the co-operative societies and for conducting election.

SRO No. 23/2004 [G.O.(P) No. 281/03/Co-op. dated 22-12-2003] Extension was granted from 14-6-2003 to 13-12-2003.

SRO No. 103/2004 [G.O.(P) No. 30/03/Co-op. dated 27-1-2004] Extension was granted from 26-7-2003 to 25-1-2004.

SRO No. 107/2004 [G.O.(P) No. 34/04/Co-op. dated 27-1-2004] Extension was granted from 4-7-2003 to 3-1-2004.

SRO No. 108/2004 [G.O.(P) No. 35/04/Co-op. dated 27-1-2004] Extension was granted from 1-4-2003 to 1-6-2003.

SRO No. 139/2004 [G.O.(P) No. 272/03/Co-op. dated 15-12-2003] Extension was granted from 8-11-2002 to 25-6-2003.

SRO No. 140/2004 [G.O.(P) No. 44/04/Co-op. dated 30-1-2004] Extension was granted from 1-1-2003 to 31-12-2003.

SRO No. 141/2004 [G.O.(P) No. 43/04/Co-op. dated 30-1-2004] Extension was granted from 3-7-2003 to 2-1-2004.

SRO No. 150/2004 [G.O.(P) No. 50/04/Co-op. dated 4-2-2004] Extension was granted from 2-7-2003 to 1-1-2004.

SRO No. 175/2004 [G.O.(P) No. 54/04/Co-op. dated 7-2-2004] Extension was granted from 7-8-2002 to 27-10-2002.

SRO No. 269/2004 [G.O.(P) No. 256/04/Co-op. dated 8-3-2004] Extension was granted from 24-1-2003 to 23-1-2004.

*SRO No. 16/04 [Notification G.O.(P) No. 6/04/Co-op. dated 3-1-2004]*

12. By this notification Govt. have extended the term of the administrator appointed to manage the affairs of the Vettikavala Pattikajathi Service Co-operative Society Ltd. No. Q 983 for a further period of one year from 12-9-2003 to 11-9-2004.

13. The Committee notice that in the explanatory note of the said notification in the last sentence instead of 'or' the word 'for' has been wrongly printed. Though it does not form part of the notification, the committee recommend that for the word 'for' the word 'or' should be substituted.

*SRO No. 21/04 [Notification G.O.(P) 268/03/Co-op. dated 9-12-2003]*

14. By this notification Govt. have extended the term of the administrator appointed to manage the affairs of Pandalam NES Block Vanitha Co-operative Society Ltd. No. PT-8 for a further period of six months from 14-6-2003 to 13-12-2003.

15. The Committee notice that the specific reason for not conducting election to the said society is not mentioned either in the operative part or in the explanatory note. The Committee also notice that SRO No. 21/04 was issued as G.O.(P) No. 268/03/Co-op. dated 9-12-2003, but the SRO number related to this G.O. was originated only in 2004.

16. The Committee would like to seek reason for publishing the SRO very late and recommend that the Co-operative Department should publish the SROs in the respective month itself except in unavoidable circumstances and also to

seek the reason for not mentioning specific reason for the delay in conducting the election. The Committee also recommend that permission to grant extension for continuance of the Administrator or Administrative Committee of a Co-operative Society can be granted only on specific, genuine and convincing grounds in future and not on flimsy grounds viz. 'various reasons' etc.

*SRO No. 46/04 [Notification G.O.(P) No. 4/04/Co-op. dated 2-1-2004]*

17. By this notification Govt. have extended the term of the administrator appointed to manage the affairs of the Chenganoor Taluk Employees Consumer Co-operative Society Ltd. No. A-905 for a period of one year from 29-5-2003 to 28-5-2004.

18. The Committee notice the difference of dates in the operative part (29-5-2003) and in the explanatory note (28-5-2003) and the omission of the wordings "or till a newly elected committee enters upon office, whichever is earlier", in the explanatory note.

19. The Committee direct the Co-operation Department to take utmost care and constant vigil to avoid printing mistakes and factual errors while issuing the SROs.

20. The Committee offer the same remarks to the following SROs also regarding the omission of the wordings "or till, ..... earlier" in the last part of the explanatory note.

1. SRO No. 114/04 dated 6-2-2004 [Notification G.O.(P) 40/04/Co-op. dated 27-1-2004].
2. SRO No. 173/04 dated 23-2-2004 [Notification G.O.(P) 42/04/Co-op. dated 29-1-2004].

*SRO No. 52/04 [Notification G.O.(P) No.117/03/Co-op. dated 28-5-2003].*

21. By this notification the Govt. have extended the term of the administrator appointed to manage the affairs of the Ramanattukara Rural Housing Co-operative Society Ltd. No. D 2300 for a further period of one year from 5-2-2003 to 4-2-2004.

22. The Committee notice that the administrator has not taken any steps to conduct election during his tenure. Instead he had requested to extend the term of the said society. The Committee observe that the serious lapse on the part of the administrator has resulted in issuing such a notification and he should have acted in time.

*SRO No. 110/04 [Notification G.O.(P) No. 37/04/Co-op. dated 27-1-2004].*

23. By this SRO the Govt. have extended the term of the administrator appointed to manage the affairs of the Nedumangad Gramodharana Sahakarana Sangham Ltd. No. T-2512 for a further period of two months and four days from 27-6-2003 to 30-8-2003.

24. The Committee opine that there is no necessity to extend the term of the administrator from 27-6-2003 to 30-8-2003 as the notification was issued on 27-1-2004 i.e. after the newly elected committee assumed office. The Committee observe that instead of resorting to the timely extension of the term of the administrator, the department have issued the SRO on a later date in order to cover up the lapse on the part of the administrator. The Committee recommend to avoid such instances in future.

25. The Committee notice that the newly elected committee assumed office on 30-8-2003 and the term of the administrator was extended from 27-6-2003 to 30-8-2003. The Committee opine that the term should have been extended upto 29-8-2003. i.e. the previous date of assuming office of the new committee and also that it is not appreciable to exercise the powers after the expiry of the term and such practices should not be repeated in future.

*SRO No. 138/04 [Notification G.O. (P) No. 272/03/Co.op. dated 15-12-2003].*

26. By this notification the Government have extended the term of the Administrative Committee appointed to manage the affairs of the Pathanapuram Taluk Marketing Co-operative Society Ltd. No. 2635 for a further period of six months from 1-7-2003 to 31-12-2003.

27. The Committee offer the same remarks mentioned above with regard to this SRO also and recommend that the practice of extending the term of administrators with retrospective effect should not be resorted to in future. When an extension is required, the notification should be published well in advance and also the reasons for not conducting election should invariably be recorded in the explanatory note as well as in the operative part of the notification.

*SRO No. 211/04 [Notification G.O. (P) No. 67/04/Co.op. dated 23-2-2004].*

28. By this notification the Government have extended the term of the administrator appointed to manage the affairs of the Arattupuzha SNDP Multipurpose Co-operative Society No. 481 for a further period of six months from 24-8-2003 to 23-2-2004.

29. The Committee observe that the election to the said society could not be held within the period of one year due to the absence of employees. The Committee notice that the financial transactions carried out by the administrator during the period from the date of expiry of his tenure to the date of extension would have been without proper authority. The Committee therefore recommend that such practice is not appreciable and should not be repeated in future.

*SRO No. 435/04 [Notification G.O. (P) No. 118/04/Co.op. dated 28-4-2004].*

30. By this notification the Government have extended the term of the administrative committee of Kumaramputhur Service Co-operative Bank Ltd. No. P.373 from 28-12-2003 to 27-6-2004. The term of the said society expired on 27-12-2003.

31. The Committee notice that the election to the Managing Committee of the said society was not conducted before the expiry of the present Committee and also the reason for not conducting election before the expiry of the term of the society is not seen included in the Explanatory note of the notification. Therefore the committee recommend that the Law Department should be more cautious in bringing this to the notice of the concerned departments when the SROs are submitted for scrutiny.

32. The committee offer the same remarks and recommendations mentioned above to the following SROs.

1. SRO No. 393/04 G.O. (P) No. 113/04/Co.op. dated 13-4-2004. Extension was granted from 11-12-2003 to 10-12-2004.
2. SRO No. 433/04 G.O. (P) No. 109/04/co.op. dated 6-4-2004. Extension was granted from 11-10-2003 to 10-4-2004.
3. SRO No. 541/04 G.O.(P) No. 51/04/ Co-op. dated 11-5-2004. Extension was granted for one year from 30-7-2003.
4. SRO No. 767/04 G.O.(P) No. 273/03 Co-op . dated 15-12-2003. Extension was granted from 19-8-2003 to 18-8-2004.
5. SRO No. 822/04 G.O.(P) 729/04/Co-op. dated 29-4-2004. Extension was granted from 1-7-2004 to 30-6-2005.

*SRO No. 1076/04 G.O.(P) No. 253/04/Co-Op. dated 1-10-2004.*

33. By this notification the Government have issued an errata to SRO No. 264/04 dated 17-3-2004. But explanatory note has not been appended in the

errata notification. The committee are of the view that when an errata notification is issued explanatory note, should definitely be attached for reasons of completeness and clarity.

34. The committee recommend that errata notifications should invariably be supported by explanatory note so as to explain the reasons for omission.

*SRO No. 1077/04 [Notification G.O(P) No. 225/04/ Co-op. dated 24-8-2004].*

35. By this notification the Government have extended the term of the administrator appointed to manage the affairs of CMFRI Employees Co-operative Society Ltd. No. 832.

36. The Committee notice that the term of the administrator had expired on 6-12-2002 and the Government have permitted to extend the term of the administrator for a period of one year, one month and seven days from 7-12-2002 to 13-1-2004. But in the explanatory note the period of extension is wrongly stated as 7-12-2003 to 13-1-2004. The Committee recommend to rectify the above mistake and to avoid such type of errors in future.

*SRO No. 1194/04 [Notification G.O. (Rt) No. 980/04/Co.op. dated 11-10-2004].*

37. By this notification the Government have extended the term of the administrator appointed to manage the affairs of the Prayar South Coir Vyavasaya Co-Operative Society Ltd No. Q. 547 for a further period of one year from 17-7-2004.

38. The Committee notice that the term of the said society expired on 17-7-2004 and the term has been extended for one year from 17-7-2004. As the term of the Committee expired on 17-7-2004, the extension has to be granted only from 18-7-2004.

39. The Committee also notice that the reason for not conducting election before the expiry date of the present committee is not seen included either in the operative part or in the explanatory note of the Notification. Hence the committee recommend that in cases of extension, the date of effect of the new committee should not be the last date of the former committee and also that the reason for not conducting election within the time frame should be included in the operative part as well as in the explanatory note of the Notification.

*SRO No. 1314/04 [Notification G.O. (P) No. 341/04/ Co-op. dated 10-12-2004]*

40. By this notification the Government have extended the term of the administrator appointed to manage the affairs of the Calicut University Central Co-Operative Store Ltd. No. 4347 for a further period of one year from 12-1-2004 to 11-1-2005.

41. The Committee reiterate its earlier recommendation that the practice of extending the term of administrators with retrospective effect should be avoided in future and also whenever extension is required, the notification shall be published in advance and the reason for not conducting election within the time frame should invariably be recorded in the explanatory note of the Notification.

42. While scrutinizing the SROs the committee notice that Section 101 of the Co-operative Societies Act, 1969 is largely misinterpreted for not conducting elections in time which is against the spirit of democratic process and public interest. Therefore the committee recommend that Section 101 of the said Act should be invoked only on the basis of public interest. The public interest is to conduct election from time to time without extending the term of the societies despite having specific provision in section 33 (1A) for extending the term of administrative committee of co-operative societies, excessive misuse of section 101 has been often resorted to by the Registrars according to their own whims and fancies.

43. The Committee recommend that while exercising powers rules should be framed strictly in conformity with the Parent Act and without exceeding the limit, especially in matters of public interest.

JOSE THETTAYIL,

Thiruvananthapuram,  
28-02-2008.

*Chairman,  
Committee on Subordinate Legislation.*

## ANNEXURE

**List of SROs issued during 2004 under the Co-operative Societies Act, 1969.**

1, 2, 3, 4, 14, 15, 16, 17, 18, 19, 20, 21, 23, 43, 46, 47, 48, 52, 53, 54, 55, 56, 57, 58, 61, 70, 71, 72, 73, 74, 79, 81, 82, 84, 85, 86, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 137, 138, 139, 140, 141, 142, 148, 149, 150, 173, 174, 175, 176, 177, 178, 184, 185, 186, 187, 206, 207, 208, 209, 210, 211, 212, 220, 221, 222, 226, 245, 264, 265, 269, 272, 273, 274, 275, 279, 283, 284, 285, 305, 331, 368, 369, 372, 373, 374, 375, 376, 377, 378, 390, 391, 392, 393, 433, 434, 435, 436, 437, 449, 450, 541, 546, 582, 601, 602, 603, 604, 605, 607, 608, 609, 618, 653, 692, 693, 694, 699, 700, 701, 702, 703, 704, 706, 707, 708, 709, 710, 711, 712, 716, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 798, 819, 820, 821, 822, 828, 829, 830, 848, 849, 852, 853, 885, 886, 887, 942, 945, 946, 962, 980, 984, 985, 986, 987, 998, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1038, 1049, 1057, 1059, 1067, 1068, 1077, 1082, 1083, 1118, 1121, 1122, 1123, 1129, 1140, 1141, 1147, 1150, 1161, 1162, 1163, 1164, 1165, 1189, 1190, 1191, 1194, 1196, 1197, 1198, 1200, 1201, 1202, 1203, 1226, 1232, 1241, 1247, 1250, 1251, 1252, 1253, 1254, 1255, 1297, 1298, 1299, 1300, 1301, 1302, 1312, 1313, 1314, 1315, 1316, 1318, 1335, 1336, 1337, 1338, 1339, 1340, 1341, 1342, 1343, 1344, 1345, 1346, 1347, 1349, 1356, 1364, 1365, 1372, 1373, 1374, 1375, 1376, 1377, 1378, 1379, 1381, 1386.