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**REPORT OF THE SUBJECT COMMITTEE  
ON  
THE KERALA CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 2012  
AND  
THE BILL AS REPORTED BY THE SUBJECT COMMITTEE**

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THE KERALA CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 2012

(Report of the Subject Committee)

Subject Committee XI—Food, Civil Supplies and Co-operation to which the “Kerala Co-operative Societies (Amendment) Bill, 2012” was referred, considered the Bill clause by clause and now submits this report with the Bill as reported by the Committee annexed thereto.

2. The Kerala Co-operative Societies (Amendment) Bill, 2012 was published as a Gazette Extraordinary dated 2nd June, 2012. The Bill was introduced in the Assembly on 13th June, 2012 and was referred to the Subject Committee XI on the same day.

3. The Committee considered the Bill clause by clause at its meeting held on June 14, 2012. The Committee recommends to adopt the Bill without any modifications.

4. Minutes of dissent is appended.

5. All other changes are consequential.

Thiruvananthapuram,  
June 14, 2012.

ANOOP JACOB,  
*Chairman,*  
*Subject Committee XI.*

## വിയോജനക്കുറിപ്പ്

സംസ്ഥാന സഹകരണമേഖലയെ അരക്ഷിതാവസ്ഥയിലേക്കും അരാജകത്വത്തിലേക്കും പിടിച്ചുതള്ളാനിടയാക്കുന്നതും

വ്യാജസംഘങ്ങൾക്ക് ജില്ലാസഹകരണ ബാങ്കുകളിൽ അംഗത്വം നൽകുന്നതിനും, അതുവഴി യഥാർത്ഥ ബാങ്കുകളുടെ പ്രവർത്തനം നടത്താത്ത, കാർഷിക വായ്പ നൽകാത്ത സംഘങ്ങളിലൂടെ സംസ്ഥാന-ജില്ലാ സഹകരണ ബാങ്കുകളുടെ പണം ചോർത്താനിടയാക്കുന്നതും സഹകരണ ജനാധിപത്യത്തെ അട്ടിമറിക്കുന്നതുമായ വ്യവസ്ഥകൾ.

കെ. കെ. നാരായണൻ, എം.എൽ.എ. (ഒപ്പ്)

കോലിയക്കോട്

എൻ. കൃഷ്ണൻ നായർ, എം.എൽ.എ. (ഒപ്പ്)

THE KERALA CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 2012

(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 for the purposes hereinafter appearing ;

BE it enacted in the Sixty-third 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, 2012.

(2) Clauses (ii) and (iii) of section 2 and clause (i) of section 4 shall be deemed to have come into force on the 12th day of August, 2011, clause (i) of section 2, section 3, clause (ii) of section 4 and section 5 shall be deemed to have come into force on the 11th day of February, 2012 and the remaining provisions of this Act shall be deemed to have come into force on the 11th day of April, 2012.

2. *Amendment of section 2.*—In the Kerala Co-operative Societies Act, 1969 (21 of 1969) (hereinafter referred to as the principal Act), in section 2,—

(i) for clause (ia), the following clause shall be substituted, namely:—

“(ia) “District Co-operative Bank” means a central society, the principal object of which is to raise funds to be lent to its members and individuals, with jurisdiction over one revenue district and having as its members any type of primary societies and Federal and Central societies having headquarters in such district.”.

(ii) in clause (oc), for the existing proviso, the following proviso shall be substituted, namely:—

“Provided that no Primary Co-operative Agricultural and Rural Development Bank shall be registered without the bifurcation of assets and liabilities of the existing societies having the area of operation in more than one Taluk and the societies shall restrict their operation in the area of the respective society on such bifurcation.”.

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

“(qc) “Special Officer” means an officer, not below the rank of an Assistant Registrar, appointed by the Registrar to take into custody the assets and liabilities of the society which secured registration without bifurcating the area of operation of an existing society and to register new societies and to constitute committees as provided in section 28 of the Act.”.

3. *Amendment of section 18.*—In section 18 of the principal Act, in sub-section (1), the first and the second provisos shall be omitted.

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

(i) after sub-section (1C), the following sub-sections shall be inserted, namely:—

“(1D) Notwithstanding anything contained in this Act or in any judgment, decree or order of any court, the registration of any Primary Co-operative Agricultural and Rural Development Bank without the bifurcation of area, assets and liabilities of the society and the constitution of the committee pursuant to any such registration without such bifurcation shall be void and the Registrar shall appoint Special Officer for each of such societies which were registered without bifurcation of area, assets and liabilities.

(1E) The Special Officer so appointed shall,—

(i) take into custody or bring under his control, the property, effects and actionable claims to which the erstwhile society is or appears to be entitled to and shall take steps as may be necessary or expedient to prevent loss or deterioration of or damage to, such property, effects and claims;

(ii) take such steps for the bifurcation of area, assets and liabilities of the society and also shall take all steps to register new society with the members of the society so bifurcated and constitute the committee;

(iii) such bifurcation shall be completed within a period of one year from the date of commencement of the Kerala Co-operative Societies (Amendment) Ordinance, 2012 (9 of 2012).”;

(ii) after sub-section (1E) as so inserted, the following sub-sections shall be inserted, namely:—

“(1F) Notwithstanding anything contained in the bye-laws of the District Co-operative Bank, two seats in the committee of each District Co-operative Bank shall be reserved for depositors in the Bank.

(IG) Notwithstanding anything contained in the bye-laws of the District Co-operative Bank, two seats in the committee of each District Co-operative Bank shall be reserved for representatives who possess experience in Banking or professional qualification:

Provided that, if no person is elected to the committee from the above, the Registrar can co-opt the members to the committee, for the time being, from among the members of the society or who are otherwise qualified.

(IH) Notwithstanding anything contained in the bye-laws of the District Co-operative Bank, at least one seat in respect of each taluk shall be reserved for the representatives of Primary Agricultural Credit Societies in the committee of the District Co-operative Bank.

(I I) Notwithstanding anything contained in the bye-laws of the District Co-operative Bank, at least four seats in the committee of the District Co-operative Bank shall be reserved for other types of co-operative societies as members in the District Co-operative Bank.”.

5. *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 commencement of the Kerala Co-operative Societies (Second Amendment) Ordinance, 2012 (18 of 2012),—

(a) any primary society which had ceased to be a member of the District Co-operative Bank as on the commencement of the Kerala Co-operative Societies (Amendment) Act, 2008 (9 of 2009) shall be deemed to have become members of such District Co-operative Bank and the share amount, if any, of such society transferred to suspense account shall be deemed to be the share amount in respect of the said society;

(b) the nominal or associate member admitted after the commencement of the Kerala Co-operative Societies (Amendment) Act, 2008 (9 of 2009) shall cease to be the members of the District Co-operative Bank and shall apply for membership in the District Co-operative Bank afresh;

(c) the committee in office of the District Co-operative Bank at such commencement 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 does 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 the 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 the administrator or the 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.

6. *Repeal and saving.*—(1) The Kerala Co-operative Societies (Amendment) Ordinance, 2012 (26 of 2012 ) 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,  
June 14, 2012.

P. K. MURALEEDHARAN,  
*Secretary-in-charge.*