

Fourteenth Kerala Legislative Assembly

Bill No. 169

---

---

**THE KERALA CO-OPERATIVE SOCIETIES (SECOND  
AMENDMENT) BILL, 2018**

---

---

©

Kerala Legislature Secretariat

2018

KERALA NIYAMASABHA PRINTING PRESS.

Published on 23-11-2018

Fourteenth Kerala Legislative Assembly

Bill No. 169

**THE KERALA CO-OPERATIVE SOCIETIES  
(SECOND AMENDMENT) BILL, 2018**

THE KERALA CO-OPERATIVE SOCIETIES  
(SECOND AMENDMENT) BILL, 2018

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 Sixty-ninth 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, 2018.

(2) Section 2 and clause (i) of section 3 shall be deemed to have come into force on 5th day of July, 2018 and clause (ii) of section 3 shall be deemed to have come into force on 5th day of October, 2018.

2. **Amendment of Section 2.**—In section 2, of the Kerala Co-operative Societies Act, 1969 (21 of 1969) (hereinafter referred to the principal Act), after clause (od), the following clause shall be inserted, namely:—

“(oe) “Primary Tourism Co-operative Society” means a society having its area of operation confined to a taluk and the principal object of which is to promote, organise and assist tourism activities:

Provided that, those societies in existence on the 5th day of July, 2018 having more than one taluk as its area of operation shall restrict such area of operation to the taluk where the headquarters of the society is situated, within a period of six months from that date.”

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

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

“(1DA) Notwithstanding anything contained in this Act or in any judgment, decree or order of any Court, the registration of any Primary Tourism Co-operative Society without 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 a Special Officer for each of such societies .”;

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

“(1K) Notwithstanding anything contained in this Act or Rules made thereunder or Bye-laws, in a Regional Milk Producers Union having jurisdiction over more than one revenue district, the members of the Committee representing each revenue district shall be elected by the member societies of that particular revenue district itself from among themselves.”.

4. *Repeal and saving.*—The Kerala Co-operative Societies (Second Amendment) Ordinance, 2018 (46 of 2018) and the Kerala Co-operative Societies (Third Amendment) Ordinance, 2018 (51 of 2018) are hereby repealed.

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 Ordinances shall be deemed to have been done or taken under the principal Act as amended by this Act.

#### STATEMENT OF OBJECTS AND REASONS

The Primary Tourism Co-operative Societies within the State are functioning without any limitation of its area of operation or definite objects. Certain societies are registered with its area of operation in more than one revenue district and even the entire State. Some others are registered with its area of operation spread over a village or taluk. The apex body is having its area of operation all over the State. This situation is against the object and structure of the Kerala Co-operative Societies Act, 1969 (21 of 1969). Further Government intends to interfere in the tourism field of the State through the co-operative sector, so as to promote inter-state and global tourism. Hence the Government intends to streamline the area of operation of Primary Tourism Co-operative Societies and its objects, by incorporating the definition of Primary Tourism Co-operative Societies in section 2 of the Kerala Co-operative Societies Act, 1969 (21 of 1969).

2. As the Legislative Assembly was not in session and the said proposal had to be given effect to immediately, the Kerala Co-operative Societies (Second Amendment) Ordinance, 2018 was promulgated by the Governor of Kerala on 5th day of July, 2018 and published in the Kerala Gazette Extraordinary No. 1806 dated 5th July, 2018 as Ordinance No. 38 of 2018.

3. A Bill to replace the said ordinance by an Act of the State Legislature could not be introduced in, and passed by the Legislative Assembly of the State of Kerala during its session which commenced on the 30th August, 2018 and ended on the same day. In order to keep alive the provisions of the said Ordinance, the Kerala Co-operative Societies (Second Amendment) Ordinance, 2018 was promulgated by the Governor of Kerala on 12th day of September, 2018 and published in the Kerala, Gazette Extraordinary No. 2310 dated 12th September, 2018 as Ordinance No. 46 of 2018.

4. In Kerala, Milk Co-operative Societies function as a three tier organisation. The Primary Societies, which are at the grass root level, three Regional Co-operative Milk Producers Union at the middle level and these three regional unions constitute the Apex Society ie. Kerala Co-operative Milk Marketing Federation (MILMA) at State level.

5. The Governing Body of the Apex Society is elected by the members of the governing body of three regional unions. The voters lists of the Regional Unions are prepared by including all the member societies of the districts coming under that Region. It will be more acceptable if the representatives of each district is elected exclusively by the members of that district, so that the voters will be able to identify the candidates to whom they cast their votes.

6. At present members elected from different electoral college are included in the governing body of the Regional union. This manner of election needs to be changed and a uniform manner of election is to be implemented in the three regional unions. The Government have appointed a committee to study about the three tier system in Milk Producers Co-operative sector. One of the recommendations of the Committee is that "the election of representatives of each district shall be done by the members of that particular district itself thus making it truly democratic". For implementing the recommendation, an amendment in the Kerala Co-operative Societies Act, 1969 is required.

7. As the Legislative Assembly of the State of Kerala was not in session and the said proposals had to be given effect immediately, the Kerala Co-operative Societies (Third Amendment) Ordinance, 2018 was promulgated by the Governor of Kerala on 5th October, 2018 and the same was published as Ordinance No. 51 of 2018 in the Kerala Gazette Extraordinary No. 2506 dated on the 5th day of October, 2018.

8. The Bill intended to replace the Kerala Co-operative Societies (Second amendment) Ordinance (46 of 2018) and the Kerala Co-operative Societies (Third amendment) Ordinance (51 of 2018) by an Act of the State Legislature.

**FINANCIAL MEMORANDUM**

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

**KADAKAMPALLY SURENDRAN.**

EXTRACT FROM THE RELEVANT PORTION OF THE  
CO-OPERATIVE SOCIETIES ACT, (21 OF 1969)

\*\* \*\* \*

2. *Definitions.*—In this Act, unless the context otherwise requires,—

\*\* \*\* \*

(od) "Primary Co-operative Society" means a society having jurisdiction over a revenue district as a whole or over any specified area within such revenue district and having individual or individuals and other Co-operative Societies as its member.

\*\* \*\* \*

28. *Appointment of Committee.*— (1) The general body of a society shall constitute a committee, for a period of five years, in accordance with the bye-laws and entrust the management of the affairs of the society to such committee:

\*\* \*\* \*

(ID) 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.

\*\* \*\* \*

(1J) Notwithstanding anything contained in the bye-laws of the society, casual vacancy of an elected member of the committee shall be filled up by nomination by the Committee out of the same class of members, if the term of office of the board is less than half of its original term.

\*\* \*\* \*

---