

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

(As passed by the Assembly)

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 (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 Sangam', registered on or after the 1st day of January 1980, and functioning as per the model bye-laws of Anand Pattern, with the principal objectives of procurement and marketing of milk and milk products and pouring marketable surplus of milk to the Regional Co-operative Milk Producers' Union and for providing inputs to the dairy farmers, within the area of operation of the society ;”;

(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 of this Act;

(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 the rules made thereunder or the 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, no dairy farmers other than those who own one or more milch cows or buffaloes and residing within the area of operation of the society or running dairy farms in their own land or in leased land within the area of operation of the society and pouring milk not less than ninety days within a period of one hundred and twenty 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 or in a farm set up either in his /her own land or in a leased land, within the area of coperation of the society.

(2) Only an active member referred to in sub-section (1) shall be eligible to become a member of the committee of an Anand Pattern Milk Co-operative Society and to continue as a member of such 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 the rules made thereunder or the bye-laws of a Regional Co-operative Milk Producers' Union or in any other law, judgement or Decree or Orders of any court or Tribunal for the time being in force, 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) Notwithstanding anything contained in this Act or the rules made thereunder or the bye-laws of a Regional Co-operative Milk Producers' Union or in any other law, judgement or Decree or Orders of any court or Tribunal, for the time being in force, the President of an Anand Pattern Milk Co-operative Society, which is a member of the Regional Co-operative Milk Producers' Union 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, only if the Anand Pattern Milk co-operative Society to which he/she belongs, satisfies the following conditions, namely:-

(a) the society is placed in audit classification A or B, as prescribed, 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 the rules made there under or the bye-laws of a Regional Co-operative Milk Producers' Union or in any other law, judgement or Decree or Orders of any court or Tribunal, for the time being in force, 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:—

“Notwithstanding anything contained in this Act or the rules made there under or the bye- laws of a Regional Co-operative Milk Producers' Union or in any other law, judgement or Decree or Orders of any court or Tribunal, for the time being in force, 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 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 or in any other law, Judgement or Decree or Orders of any court or Tribunal, for the time being in force, either the President or the Vice President of Anand Pattern Milk Co-operative Societies shall be 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 the rules made thereunder or the bye-laws of a Regional Co-operative Milk Producers' Union and its apex society, Annual Performance Audit in Regional Co-operative Milk Producers' Union and its apex society shall be conducted for every financial year, in the prescribed manner, by engaging person/s from among the panel of experienced person/s in dairy industry, recommended by the apex society and approved by the Functional registrar of Diary 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 the 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, namely:—

- (i) Registrar of Dairy (Co-operatives);
- (ii) Chairman of the Apex Society;
- (iii) Joint Director (General), Dairy Development Department or Joint Secretary to Government, Dairy Development Department, Government of Kerala;
- (iv) An expert from Dairy Industry, nominated by the Government;
- (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 an expert from dairy Industry, nominated by the Government.”.

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.
