
REPORT OF THE SUBJECT COMMITTEE
ON
THE KERALA CO-OPERATIVE SOCIETIES
(THIRD AMENDMENT) BILL, 2013
AND
THE BILL AS REPORTED BY THE SUBJECT COMMITTEE

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2014

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SUBJECT COMMITTEE XI
(2013-2016)
FOOD, CIVIL SUPPLIES AND CO-OPERATION
Composition

Chairman :

Shri Anoop Jacob,
Minister for Food, Civil Supplies, Consumer Protection and Registration.

Ex-officio Members :

Shri C. N. Balakrishnan,
Minister for Co-operation, Khadi and Village Industries
Shri Adoor Prakash,
Minister for Revenue and Coir.

Members :

Smt. Geetha Gopi
Shri Koliakode N. Krishnan Nair
” Ludy Luiz
” K. K. Narayanan
” R. Selvaraj
” G. Sudhakaran
” V. M. Ummer Master.

Legislature Secretariat :

Shri P. D. Sarangadharan, Secretary
Smt. S. Jayanthi, Joint Secretary
Shri R. Sajeevan, Deputy Secretary
Shri Zacharia P. Samuel, Under Secretary.

THE KERALA CO-OPERATIVE SOCIETIES
(THIRD AMENDMENT) BILL, 2013

(Report of the Subject Committee)

Subject Committee XI—Food, Civil Supplies and Co-operation to which “The Kerala Co-operative Societies (Third Amendment) Bill, 2013” 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 (Third Amendment) Bill, 2013 was published as Gazette Extraordinary dated 1st January, 2014. The Bill was introduced in the Assembly on 22nd January, 2014 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 27th January, 2014. The Committee recommends to adopt the Bill with the following modifications :

Preamble

In the enacting formula, for the words ‘sixty-fourth’, the words “sixty-fifth” shall be substituted.

Clause 1

In the short title, for the words and figure ‘The Kerala Co-operative Societies (Third Amendment) Act, 2013’, the words and figure “The Kerala Co-operative Societies (Amendment) Act, 2014” shall be substituted.

Clause 3

In clause 3 for the words ‘after the third proviso’, the words “after the existing proviso” shall be substituted.

4. Minutes of dissent is appended.
5. All other changes are either verbal or consequential.

Thiruvananthapuram,
27th January, 2014.

ANOOP JACOB,
Chairman,
Subject Committee XI.

MINUTES OF DISSENT

As the statement of objects and reasons reveal the intention for the amendment is to achieve a minimum of 4% Capital Risk-Weighted Asset Ratio (CRAR) to comply the RBI directives. Evidently the proposed amendments are self defeating. Since the Associated Members are subjected to liabilities by way of shares etc. instead of attracting depositors, it may divert them to other scheduled commercial banks including new generation banks. On the other hand, nominal depositors and loanees get some privileges and rights of a member which may hamper the interest of the District Co-operative Banks. Government failed to include provisions to protect the Co-operative Societies from the unwanted intrusion of agencies like Income Tax Department and other departments of the Union Government in the name of Vaidyanathan Committee, Bakshi Committee etc.

We record our dissent for the above mentioned reasons.

- | | | |
|-----|----------------------------|-------|
| (1) | G. SUDHAKARAN | (Sd.) |
| (2) | K. K. NARAYANAN | (Sd.) |
| (3) | KOLIAKODE N. KRISHNAN NAIR | (Sd.) |
| (3) | GEETHA GOPI | (Sd.) |

Thiruvananthapuram,
27th January, 2014.

THE KERALA CO-OPERATIVE SOCIETIES
(THIRD AMENDMENT) BILL, 2013

(As reported by the Subject Committee)

[Words underlined indicates the modification suggested by the Subject Committee and omissions are marked by asterisks]

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-fifth 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, 2014.

(2) It shall be deemed to have come into force on the 23rd day of November, 2013.

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), 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 having as its members any type of Primary Societies, Federal Co-operative Societies and Central Societies, having headquarters in such revenue district, and having nominal or associate members as specified in the proviso to sub-section (1) of section 18;”.

3. *Amendment of section 18.*—In section 18 of the principal Act, after the existing proviso to sub-section (1), the following proviso shall be added, namely:—

“Provided further that a District Co-operative Bank may admit any individual depositor or any loanee residing within its area of operation as nominal or associate member.”.

4. *Amendment of section 80A.*—In sub-section (1) of section 80A of the principal Act,—

(i) after words “to the employees of the societies” the words “and to the employees of the Boards constituted under the provisions of this Act” shall be inserted;

(ii) the words “or Boards” shall be added at the end.

5. *Repeal and Saving.*—(1) The Kerala Co-operative Societies (Third Amendment) Ordinance, 2013 (55 of 2013) 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,
27th January, 2014.

P. D. SARANGADHARAN,
Secretary.