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GOVERNMENT OF KERALA

Co-operation (B) Department

NOTIFICATION

G.O.(P)No.232/2024/Co-op.

Dated, Thiruvananthapuram, 31st December, 2024.
16th Dhanu, 1200.

S. R. O. No. 1203/2024

In exercise of the powers conferred by section 109 of the Kerala Co-operative Societies Act, 1969 (21 of 1969), the Government of Kerala hereby make the following rules further to amend the Kerala Co-operative Societies Rules, 1969, the same having been previously published under Notifications No. Co-op-



B1/459/2019/Co-op dated 06th April, 2022 in the Kerala Gazette Extra Ordinary No.1226 dated 13th April, 2022 and No. Co-op-B1/258/2019/Co-op dated 27th July, 2024 in the Kerala Gazette Extra Ordinary No.2430 dated 28th July, 2024 as required by sub-section (1) of Section 109 of the said Act, namely:-

RULES

1. *Short title and commencement.*- (1) These rules may be called the Kerala Co-operative Societies (second Amendment) Rules, 2024.

(2) They shall come into force at once.

2. *Amendment to the Rules.*- In the Kerala Co-operative Societies Rules,1969,-

(1) in rule 2,-

(a) after clause (a), the following clause shall be inserted, namely:-

“(ai) “Audit Team” means a team of auditors appointed by the Director of Co-operative Audit as stipulated under sub-section (9) of section 63 of the Act.” ;

(b) after clause (aa), the following clause shall be inserted, namely:-

“(ab) “Co-operative Revival Fund Scheme” means the Co-operative Revival Fund Scheme constituted under section 57E of the Act.”;

(c) for clause (h), the following clause shall be substituted, namely:-

“(h) “Person” includes the Government, the Local Self Government Institutions and the Co-operative Societies registered under this Act.”.

(2) in rule 3,-

(a) clause (b) of sub-rule (1) shall be omitted;

(b) in sub-rule (6),-



(i) for the entries against item (i) in column (2), for the words "Two thousand" the words "Two Thousand Five hundred" shall be substituted;

(ii) for the entries against item (ii) in column (2), for the words "Four thousand" the words "Five Thousand" shall be substituted;

(iii) for the entries against item (iii) in column (2), for the words "Five thousand" the words "Six Thousand Two Hundred and Fifty" shall be substituted;

(iv) for the entries against item (iv) in column (2), for the words "Ten thousand" the words "Twelve Thousand Five Hundred" shall be substituted;

(c) after sub-rule (6), the following sub-rule shall be added, namely:-

“(7) Every application for the registration of a co-operative society shall be submitted and processed through online or on physical mode.”.

(3) in rule 4,-

(a) in clause (ii), for the words, brackets, letters and symbol “in clauses (a) to (e),” the words, brackets, letters and symbol “in clauses (a) to (f),” shall be substituted;

(b) in clause (iv), after the words “ the above requirements” the symbol and words “, he may request the chief promoter to submit a certificate from the financing bank stating the credit balance by way of depositing the initial share capital collected from the promoting members in favour of the proposed society as per section 7 and” shall be inserted;

(c) in clause (vi), for the words “ninety days” the words “sixty days” shall be substituted;

(d) after clause (vii), the following clause shall be added, namely:-



“(viii) In societies where online system has been implemented, the submission of application for registration and the remittance of fee and all other transactions relating to it shall be processed through such online system.”.

(4) after rule 4A, the following rule shall be added, namely:-

“4B *Manner of issuing Certificate in the event of change of name of Society.*

– In the event of change of name of a society, the certificate to be issued by the Registrar under sub-section (2) of section 10 shall be in Form No. 3B of Appendix II to this Rules.”.

(5) After clause (vii) of sub-rule (2) of rule 5, the following clause shall be added, namely:-

“ (viii) income and liability of borrower and his repaying capacity.”.

(6) in rule 9,-

(a) For clause (ii) the following clause shall be substituted, namely:-

“(ii) No such resolution shall be valid in the case of a society having not more than one thousand members, unless intimation of the amendment proposed has been given to the members of the society in person and their full signature in token of having received the same has been obtained or by registered post or speed post or such courier services approved by the High Court of Kerala or the Government of Kerala and in other cases, it shall be sufficient if the date, time, place and agenda of such General Body Meeting are published in two vernacular dailies having wide circulation within the area of operation of the society, and the date, time, place and agenda of such General Body Meeting with details of amendment proposed in the notice board of the society at the head office and branches of the society, in the



branches of the Kerala State Co-operative Bank within the area of operation of the society, in the Panchayat office or the Municipal office or the Regional Office or the Head Quarter of the Municipal Corporation or Village Office, as the case may be, and also in the notice board of the offices of the Assistant Registrar (General) and the village, block, taluk level office of the Functional Registrars concerned to whom the supervision is vested and the office of the Assistant Director (Audit) and the office of the Circle Co-operative Union, within which the area of operation of the society falls and the society may also inform the date of meeting by Short Message Service of cellular phones or other computer devices or e-mails or local television channels or by exhibiting banners in prominent places within the area of operation of the society.”;

(b) in sub-clause (c) of clause (iv), for the words "five hundred" the words "one thousand" shall be substituted.

(7) in rule 13,-

(a) in the marginal heading after the word and symbol “Amalgamation,” the word and symbol “ Merger,” shall be inserted;

(b) in sub-rule (1),

(i) after the word and symbol “amalgamation,” the word and symbol “merger,” shall be inserted;

(ii) after the words and symbol “for amalgamation,” the word and symbol “merger,” shall be inserted;

(iii) for the words “two third majority” the words “simple majority” shall be substituted;

(iv) in the proviso, after the word “amalgamation,” the symbol and word “merger,” shall be inserted;



(c) after sub-rule (2), the following sub-rule shall be added, namely:-

“(2A) Every Co-operative Society which intend to merge with another society shall prepare a scheme of merger and submit the same and pass such a resolution with simple majority at the General Body Meeting, of each such merging society, convened for the purpose of such merger of the societies. The scheme shall contain the details of each merging societies as well as the other details such as objectives, functions, area of operation, structure and detailed scheme of transfer of assets and liabilities of the merged society.”;

(d) in sub-rule (3), after the word “amalgamated” the symbol and word “, merged” shall be inserted,

(8) after rule 13, the following rules shall be added, namely:-

“13A. *Promotion of Subsidiary Institutions for the Economic Welfare of Members.*- (1) More than half in nominal value of equity shares of the subsidiary institution shall be held by the promoting society and it shall be maintained throughout the existence of such subsidiary institution.

(2) The subsidiary institution shall convene Annual General Body meeting as per the provisions by which it is registered and the annual reports and audit report shall be placed before the General Body Meeting of the promoting society in each year, along with the audit findings of the auditors of the Co-operative Department conducted in the subsidiary institutions as per sub-section (2C) of Section 14AA of the Act.

(3) Any financial assistance to the subsidiary institution by way of share capital contribution or financial assistance by the promoting society shall be met from the balance net profit of the society as provided under sub-section (2) of Section 56



of the Act. A promoting society may grant further financial assistance to the subsidiary institution only by way of loans with the prior approval from the Registrar and the terms and conditions which include rate of interest and tenure of loan fixed by the Registrar. No promoting society shall contribute more than ten percent of its working capital as loan to the subsidiary institution.

(4) The Government may appoint its nominees in the Board of Directors or in the Governing Body of the subsidiary institutions, formed by a co-operative society or a Bank which had availed any financial assistance or any portion of the financial assistance from Government or where Government stood as guarantor for such societies or Banks.

(5) The Registrar shall conduct periodical inspection and verification of records and accounts in the subsidiary institutions and give necessary instruction for the proper working of the subsidiary institutions, if necessary. The auditor or team of auditors of the promoting society shall audit the accounts of the subsidiary institutions to the extent of the financial assistance granted to such subsidiary institution by the promoting society. The audit findings by the auditor or team of auditors shall be submitted to the promoting society as enclosure along with the statutory audit report of the promoting society and the same shall be submitted before the General Body Meeting of the promoting society.

(6) The Director of Co-operative Audit shall, in consultation with Registrar, prepare scheme of audit and audit proforma for the auditing of subsidiary institutions.

(7) A co-operative society, based on a resolution passed with simple majority at the General Body Meeting, may wind up a subsidiary institution formed under Section 14 AA of the Act.



13B. *Partnership of Co-operative Societies.*- (1) The Registrar shall verify the feasibility and practicability of the detailed project report and application submitted by the societies for the approval of the Partnership.

(2) The annual accounts of partnership of societies shall be audited by a team of auditors appointed by the Director of Co-operative Audit. The audit team shall be constituted from among the team of auditors appointed for the audit of each societies of the partnership. The inspection and verification of records of the partnership shall be conducted by the inspection team constituted under sub-section (2A) of section 66 of the Act, at least once in a year or, as and when required, as per the direction of the Registrar.

(3) Funds required for the formation and functioning of partnership shall be mobilized from the partner societies without affecting the financial stability of the societies. The partnership shall submit the application for raising of funds in accordance with project report and shall submit the same to the Registrar and the Registrar may, in turn, forward such application to the Government with his suggestions and recommendations after considering the detailed project report and financial position of each partner societies.”.

(9) in rule 15 ,-

(a) under the heading ‘Type’, under the sub-heading “A. Short Term/Medium Term”,-

(i) item 2 and the entries against it shall be omitted;

(ii) in the entries against item “3. Primary”, the bracket and letter “(a)” shall be omitted;

(b) under the sub-heading “ 5 Producers Society”, in the entries against “(2). Central”,-

(i) the words and symbol “ Central Coir Marketing Society,” shall be omitted;



(ii) for the words “Regional Milk Producers Union” the words “Regional Co-operative Milk Producers’ Unions.” shall be substituted;

(c) under the sub-heading, “12 Miscellaneous society” after the existing entry “(iii) Producers’ cum Consumers Societies” against item “3. Others”, the following entries shall be added, namely:-

“ (iv) Social Co-operative Societies

(v) Youth Co-operative Societies”;

(d) for sub-heading “13. Multipurpose Co-operative Societies”, the following sub-heading and the entry shall be substituted, namely:-

“ 13. Multipurpose Co-operative Societies

“Primary Multipurpose Co-operative Societies undertaking multi functional activities.”.

(10) in rule 16,-

(a) after clause (a) of sub-rule (2), the following clause shall be added, namely:-

“(aa) in the case of youth co-operative societies has attained the age of forty-five years;”;

(b) after sub-rule (4), the following sub-rule shall be added, namely:-

“(5) The enrollment of members made by the Administrator or the Administrative Committee, appointed by the Registrar as per Sections 32 or 33 of the Act, as the case may be, may either ratify or deny any such membership and in the event of not ratifying such membership by the elected committee it shall specify the reason thereof and inform the applicant accordingly. The elected



committee has to take a decision within a period of one year from the date of assuming charge by the elected committee.”.

(11) in rule 16E, after sub-rule (1), the following sub-rule shall be added, namely:-

“(1A) In the case of 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 apply for affiliation to their respective Central or Apex Societies in Form no.31 of Appendix II of these rules and shall be send by registered post with acknowledgment due.”.

(12) after rule 16E, the following rule shall be added, namely:-

“16F. *Eligibility conditions to continue to be an active member of the committee of a Primary Anand Pattern Milk Co-operative Society.*- Only an active member having the qualifications specified in sub-section (1) of section 16B of the Act 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.”.

(13) in rule 25,-

(a) for sub-rule (1), the following sub-rule shall be substituted, namely:-

“(1) Any member of a registered society may, at any time during office hours either by himself or by an agent who is a member specifically authorised by him in writing, inspect accounts of the society in so far as they relate to his transactions, the summary of defects included in the latest statutory audit report along with the rectification report approved by the Committee and the General Body of the society.”;



(b) after sub-rule (1), the following sub-rule shall be added, namely:-

“(1A) A Member shall be entitled to get a true copy of the documents mentioned in sub-rule (1) on submission of application and on payment of a fee of rupees three per each page of the documents.”.

(14) in rule 29,-

(a) in sub-rule (1), after the words “books and registers” the symbols and words “, either in physical or in digital form,” shall be inserted;

(b) after sub-rule (1), the following sub-rule shall be inserted, namely:-

“(1A) All co-operative societies shall prepare and keep the books of accounts and financial statements in the manner and Forms included in the Audit Manual prepared by Registrar and approved by the Government from time to time.”;

(c) in sub-rule (2),-

(i) after the words “accounts and books” the symbol and words “, either in physical or in digital form” shall be inserted;

(ii) in clause (a), after the word “ members” the words “shall be prepared manually and thereafter keep them by means of digital forms” shall be inserted;

(iii) in clause (m), after the words “Rectification Register” the words “shall be prepared manually and thereafter keep them by means of digital forms” shall be inserted;

(d) after sub-rule (2), the following sub-rule shall be added, namely:-

“(3) There shall be a common software adopted by the Government for Primary Agricultural Credit Societies. Every Primary Agricultural



Credit Society shall keep and maintain their accounts by using such common software. In the case of societies other than Primary Agricultural Credit Societies, their accounts shall be prepared only by using a software approved by the Registrar. The Registrar shall issue necessary guidelines for installation, maintenance and use of common software to all co-operative societies. The guidelines shall also include details such as migration of legacy data, training of employees, implementation time-line and sharing the cost for the expenses of such common software. In the case of societies for whom the Registrar has given approval for the use of a software other than common software, the Registrar shall issue necessary guidelines for migration of legacy data, training of employees and implementation time-line in different categories of societies.”.

(15) after rule 29, the following rule shall be added, namely:-

“29A. Procedure for maintaining and recording the minutes of the meeting of the Board of Directors, Sub-Committees and of the General Body Meeting.- (1) The Minutes Book of all meetings shall be kept under the safe custody of the Chief Executive of the respective co-operative society and shall be made available for inspection by the President and other Directors at all reasonable times.

(2) The minutes of the meeting shall be recorded by the President or any member of the Committee or the Chief Executive of the Society.

(3) Blank space in the Minutes Book shall be scored out and all corrections, overwriting, erasures etc., should be clearly noted at the end before the minutes are signed by the President and other members of the Board.

(4) The minutes of the meeting shall be signed by the President and all other members of the Board who were present at the meeting and the proceedings of the previous meeting shall be read out and recorded in the subsequent meeting.



(5) The minutes book of Board Meeting, Sub-Committee Meeting as well as General Body Meeting shall be made available for inspection or audit as and when required by the authorized officers.”.

(16) in rule 33,-

(a) in sub-rule (1),-

(i) after clause (b), the following clauses shall be added, namely:-

“(ba) rectification reports approved by the committee on summary of defects in the audit report and the approval of General Body of the society on steps to be taken for the rectification of such defects;

(bb) quarterly returns on the credit activities duly certified by the Chief Executive of the co-operative society;”;

(ii) in clause (e), the word “and”, occurring at the end, shall be omitted;

(iii) after clause (e), the following clause shall be added, namely:-

“(ea) detailed list of all liabilities of the members of the committee and their family members, the employees of the society and their family members, due to the society for the previous financial year; and”;

(b) after sub-rule (3), the following sub-rule shall be added, namely:-

“(3A) In case of failure by any society to submit quarterly returns on the credit activities duly certified by the Chief Executive of the co-operative societies, as specified in sub-section (2) of Section 66C of the Act, such society shall be liable to pay fine as specified in the table below, namely:-



Sl.No.	Type of Society	Amount of Fine (in Rupees)
(1)	(2)	(3)
1	Societies coming under the classification class I according to the financial position as per Appendix III of this Rules	Rs.10,000/-
2	Societies coming under the classification class II and III according to the financial position as per Appendix III of this Rules	Rs.8,000/-
3	Societies coming under the classification class IV and V according to the financial position as per Appendix III of this Rules	Rs.6,000/-
4	All other societies coming under the classification according to the financial position as per Appendix III of this Rules	Rs.5,000/-

(17) in rule 35A,-

(a) in sub-rule (3A),-

(i) for the words “less than five hundred” the words “ not more than one thousand” shall be substituted;

(ii) for the words “final voters list” the words” “preliminary voters list” shall be substituted;

(b) in sub-rule (3B), for the words “final voters list” the words” “preliminary voters list” shall be substituted.

(18) in rule 35B,-



(a) for sub-rule (1), the following sub-rule shall be substituted, namely:-

“(1) The State Chief Co-operative Election Commissioner shall be the Special Secretary to Government in Law Department. The other two Commissioners shall be appointed by the Government, as per sub-section (2) of section 28B of the Act.”

(19) after rule 35C, the following rule shall be added, namely:-

“35CA. *Manner of election of members to the Kerala State Co-operative Bank and the classification of each members.*- The Board of Directors of the Kerala State Co-operative Bank shall consist of not more than twenty one members, of which fifteen members shall be elected by Class ‘A’ members of the Kerala State Co-operative Bank. The classification of members of the Board of Directors is as follows, namely:-

(i) fourteen members, one from each district representing the Primary Agricultural Credit Societies, elected by the ‘A’ Class members of the Kerala State Co-operative Bank from among the delegates of Primary Agricultural Credit Societies, and shall be categorized as follows, namely :-

(a) General	—	10 members;
(b) Women	—	3 members;
(c) SC/ST	-	1 member;

Provided that two seats in the Board of Directors shall be reserved for members whose age shall not exceed forty years, of whom one shall be from the general category and one shall be a woman from the women reservation category.



Explanation - The District from which women members, SC/ST members and members not exceeding the age of fourty years are to be elected shall be decided by the Registrar of Co-operative Societies by way of taking lots. In each subsequent term of a committee, the districts once represented in each category shall be excluded from the lot till all the districts have been represented.

(ii) one member representing the Urban Co-operative Banks in the State, elected from among the delegated board members of the Urban Co-operative Banks by 'A' Class members of the Kerala State Co-operative Bank.

(iii) two independent professional Directors nominated by the Government.

(iv) four ex-officio members, namely :-

(a) Secretary, Government, Co-operation Department;

(b) Registrar of Co-operative Societies;

(c) Chief Executive Officer, Kerala State Co-operative Bank; and

(d) Chief General Manager, NABARD, Regional Office, Kerala.”.

(20) rule 35D shall be omitted.

(21) in sub-rule (1) of rule 35E,-

(a) after the words “Co-operative Society” the words “or Co- operative Union” shall be inserted;

(b) items (1) to (4) and the entries against it shall be substituted as follows,
namely :-

Sl. No.	Type of Society	Election Fee in Rupees
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(1)	(2)	(3)
1	Apex Society or State Co-operative Union	Seven Thousand Five Hundred
2	Central and Federal Society	Four Thousand and Five Hundred
3	Credit Societies and Housing Societies	Three Thousand
4	Other Societies or Circle Co-operative Unions	One Thousand Five Hundred

(22) after rule 37, the following rule shall be added, namely:-

“37A. Qualification and appointment of co-opted members.- (1) Notwithstanding anything contained in the bye-laws of a society, the Committee in office shall co-opt two persons or representatives who are or were in paid service of a Commercial Bank, Kerala State Co-operative Bank, an Urban Co-operative Bank, Kerala State Co-operative Agricultural and Rural Development Bank, a Primary Co-operative Agricultural and Rural Development Bank, erstwhile District Co-operative Banks or a Service Co-operative Bank in the managerial cadre shall have ten years minimum service in their respective field and shall have acquired graduation from a University recognized by the University Grants Commission.

(2) The following are the minimum educational qualifications for co-opt persons or representatives,-

Sl.No.	Field	Educational Qualifications
1	2	3



1	Co-operation/Co-operative Management	MBA (Finance or Banking) OR M.Com OR B.Com (co-operation) OR Higher Diploma in Co-operation and Business Management OR B.Sc. (Co-operation & Banking) OR any other equivalent qualification.
2	Management	MBA OR any other equivalent qualification.
3	Agriculture	B.Sc. Agriculture OR any other equivalent qualification.
4	Economics	Master's Degree in Economics OR any other equivalent qualification.
5	Commerce	M.Com (Finance or Co-operation) OR B.Com (co-operation) OR Higher Diploma in Co-operation and Business Management OR B.Sc. (Co-operation & Banking) OR any other equivalent qualification.
6	Public Finance	MBA (Finance) OR any other equivalent qualification.
7	Law	LLB
8	Rural Development	Master's Degree in Rural Development OR any other equivalent qualification.
9	Information Technology	MCA OR any other equivalent qualification.

(3) The co-opted members shall not have any disqualification under the Kerala Co-operative Societies Act, 1969;

(4) The appointment of the co-opted members or representatives shall be done only with the prior approval of the Registrar. The society shall submit an application along with the resolution of the Board of Directors of the society for the appointment of such co-opted members and with their experience and qualifications. The Registrar shall consider the application and may issue permission for the appointment of such



co-opted members or deny the application with proper reasons, if any, within one month from the date of receipt of the application.

(5) The Registrar shall issue notice to the Board of Directors of the society, directing to co-opt members or representatives in the committee, which fails to co-opt the Persons or representatives in accordance with sub-section (1G) of section 28 of the Act. If the Board of Directors are not responding to the directions of the Registrar within one month from the date of receipt of a notice in this behalf, the Registrar shall nominate persons or representatives as mentioned in sub-section (1G) of section 28 of the Act.”.

(23) in rule 38,-

(a) in sub-rule (5), after the words “same class of members” the words “and such nomination shall be verified by the Registrar and shall intimate the State Co-operative Election Commission in writing within thirty days of such nomination” shall be inserted;

(b) after sub-rule (6), the following sub-rule shall be added, namely:-

“(7) The society shall maintain a register of such co-opted members by incorporating details such name, address and their qualifications.”.

(24) in rule 43,-

(a) after sub-rule (1), the following sub-rule shall be added, namely:-

“(1A) Either the President or the Vice-President of a Primary Anand Pattern Milk Co-operative Society shall be a woman.”.



(b) in sub-rule (2), for the figures "15" the word "thirty" shall be substituted;

(25) after rule 43A, the following rule shall be added, namely:-

"43B. Handing over charge in the absence of President/ Vice-President.- When the President of a society is on leave or in absent for more than fifteen days continuously and his charge is not handed over to the Vice-President, it shall be deemed to have been handed over to the Vice-President. When both President and Vice-President are absent for more than fifteen days continuously the said charge shall be handed over to any other member of the Director Board, decided by a resolution passed in the meeting, for avoiding any interruption in the day-to-day functioning of the society."

(26) in rule 44,

(a) in sub-rule(1),- (i) in clause (k), for the words "of one year has not elapsed from the date of supersession" the words "of next one term has not elapsed from the date of order of such supersession as provided in clause (e) of sub-section (1) of section 32 of the Act" shall be substituted;

(b) after sub-rule (1), the following sub-rule shall be added, namely :-

"(1A) No member of the Primary Credit society or an Urban Bank shall be eligible for being elected as, or for being and remain as a member of the managing committee representing the seat reserved for the members having a deposit of Rs.25,000 and above, as per section 28(1C) of the Act, unless, the said deposit is maintained in the society till the end of the term of the committee;

(c) in the *Explanation* to sub-rule (3), after the figures, symbols and words "13. Daughter-in-law" the following shall be inserted, namely:-



“14. Brother’s/Sister’s children

15. Wife’s/Husband’s sister

16. Wife’s/Husband’s brother

(27) in the second proviso to clause (e) of rule 46, for the words “District Co-operative Banks” the words “the Kerala State Co-operative Bank” shall be substituted.

(28) in clause (e) of rule 47, after the words “accounts are written up” the words “or digitally prepared” shall be inserted.

(29) after rule 50, the following rule shall be added, namely:-

"50 A. *Training Programme*,- Every elected and co-opted members of the committee of a Co-operative society shall attend the training programme conducted by the Administrative Department concerned or the State Co-operative Union or the Agricultural Co-operative Staff Training Institute or the Institute of Co-operative Management, within one year from the date of such election as a member or co-option as a member to the committee."

(30) in rule 51A,-

(a) in sub-rule (2), the words and symbol “District Co-operative Bank,” shall be omitted;

(b) in sub-rule (3),-

(i) the words and symbol “District Co-operative Bank,” shall be omitted

(ii) after the existing sentence ending with the words and symbol “is situated”, the following sentence shall be added, namely:-



“First charge of the property shall be vested with Bank or Society concerned as provided in section 35 of the Act.”.

(31) in rule 53,-

(a) in sub-clause (a) of sub-rule (2), for the figure “60000” the words “one lakh” shall be substituted;

(b) in sub-rule (3A), after the words “net profit” the symbols and words “subject to a maximum of rupees one lakh,” shall be inserted.

(32) in rule 54,-

(a) for the opening paragraph, of sub-rule (1) the following shall be substituted, namely:-

“(1) A society may, with the previous sanction in writing of the Registrar, invest the whole or any portion of its funds for the purchase or lease of land on acquisition, construction or renewal of any building that may be necessary to conduct its business from the net profits of the society as per the bye-laws. A society shall not invest not more than five percent of its working capital. The amount of funds raised out of working capital so invested shall be recouped on such terms as may be determined in each case as per the direction of the Registrar. The Registrar shall grant such sanction for the investment of funds after evaluating the financial condition of the society, necessity of such investment, feasibility of the project for which funds are invested.”.

(b) after sub-rule (1), the following sub-rule shall be added, namely:-

“(1A) A society shall publish a notice showing its intention to purchase immovable property with the details such as the name of society, the locality in



which it desire to purchase the immovable property and the extend of land in two vernacular dailies having wide circulation in the area of operation of the society.

(1B) The valuation of the immovable property shall be fixed, by a committee constituted by the Registrar consisting of Joint Registrar (General) or the District Officer of the Administrative Department of the District concerned, as the case may be, the Joint Director of Co-operative Audit of the District, the Valuation Officer of the Primary Co-operative Agricultural and Rural Development Bank in the area of operation of the society, a retired officer from the Revenue Department not below the rank of Deputy Tahsildar, and a retired officer from the Registration Department not below the rank of Sub-Registrar, considering the market value of the immovable property. If the immovable property includes in a building, a retired officer from the Public Works Department or the Local Self Government Department not below the rank of Assistant Executive Engineer shall also be included in the committee for fixing the value of the building;

Provided that while fixing the value of immovable property the committee may consider the fair value fixed by the Government from time to time or the valuation certificate issued by the Revenue Authority concerned or the average value of three registered sale documents of land within three years of time and within a radius of 3 kilometers from the property to be valued;

Provided further that the committee may fix the value of the immovable property as per the market value arrived at by the committee if the values provided as per the above provision is not adequate with the existing market value of the area.”;

(c) after sub-rule (3), the following sub-rule shall be added, namely:-



“(4) The Registrar may issue guidelines on the amount to be spend by each type and class of society in every three year for the purchase of movable properties that may be necessary for the conduct of the business of the societies.”.

(33) after rule 56, the following rule shall be added, namely:-

“ 56A. *Valuation of property.*- (1) The valuation of immovable property to be placed as security to a co-operative society for availing loans where the loan amount is up to Rupees Ten Lakhs, shall be valued by an officer or the officers in the supervisory cadre authorized by the committee. The authorized officer or officers shall submit a detailed valuation report considering the market value of the property and the maximum amount granted as loans shall not exceed more than fifty percent of such valuation.

(2) If the loan amount exceeds Ten lakhs, it shall be done by a panel of five members which includes two officers in the supervisory cadre of which one shall be the Chief Executive of the society and two members of the committee nominated by the committee of the society and an independent valuer, a retired officer from the Revenue department not below the rank of Deputy Tahsildar or a retired officer from the Registration Department not below the rank of Sub-Registrar for the valuation of land. If the immovable property includes a building, a retired officer from the Public Works Department or the Local Self Government Department not below the rank of Assistant Engineer, shall also be included in the committee for fixing value of the building. The committee shall submit a detailed valuation report considering the market value of the property and the maximum amount granted as loans shall not exceed more than fifty percent of such valuation.”

(34) in item (iii) of rule 59, after the words “retired voluntarily” the words “or resigned” shall be inserted.



(35) In rule 66, -

(a) in clause (a) of sub-rule (1), after the words “books of accounts” the words “ which are kept either in digital or in physical form” shall be inserted;

(b) in clause (b) of sub-rule (1), after the word “person” the symbol and words “/persons” shall be added;

(c) in sub-rule (4),-

(i) after the words “books of accounts” the words “ which are kept either in digital or in physical form” shall be inserted;

(ii) after the word “person” the symbol and words “/persons” shall be added;

(d) in sub-rule (7),-

(i) in sub-clause (d) of clause (i), after the words “ the period” the words “of three months from the date of order” shall be substituted;

(ii) in clause (ii), for the words “on getting the inquiry report” the words “ within one month from the date of receipt of inquiry report” shall be substituted;

(e) after sub-rule (7) the following sub- rule shall be added, namely:-

“(8) While conducting an inquiry under section 65 or an inspection under section 66, the inquiry/inspection officer be transferred or promoted to another post, the officer conducting inquiry/inspection shall hand over a report of all the work done till the period of transfer/promotion with supporting documents to the new inquiry/inspection officer as appointed. The former inquiry/inspection officer be held answerable for the work done with regard to the inquiry/inspection till his period. The newly appointed inquiry/inspection officer should start the work in continuation



of the report handed over by the former inquiry/inspection officer and should submit the final inquiry/inspection report in time.

(36) in rule 67,-

(a) In sub-rule (4) , for the words and figures “Advocate having not less than 7 years bar experience and who shall appointed by government for a period of three years as per the terms and conditions fixed by the government” the words, symbols and bracket “officer of and above the rank of a Munsiff- Magistrate (Civil Judge- Junior Division) of the Judicial service appointed by the Government on deputation basis” shall be substituted;

(b) In sub- rule (10),-

(i) for clause (1), the following clause shall be substituted, namely:-

“ (1) Monetary dispute:-

Fifty paise for every claim of Rupees ten or part thereof, subject to a minimum of Rupees Five hundred and a maximum of Rupees Five Thousand up to rupees Two Lakh and a maximum of Rupees Seven Thousand Five hundred up to the value of Rupees Ten Lakh and rupees Ten Thousand for value above rupees Ten Lakh.”;

(ii) in clause (2),-

(a) in the entries against item (a), for the words “One thousand” the words “One Thousand Five Hundred” shall be substituted;

(b) in the entries against item (b), for the words “Five Thousand” the words “Seven Thousand Five Hundred” shall be substituted;

(37) in rule 68, after the words “registered post” the words “ within fifteen days” shall be inserted;

(38) in rule 69,-



(a) in clause (i) of sub rule (10), for the words “three years” the words “ two years” shall be substituted;

(b) for sub-rule (12), the following sub-rule shall be substituted, namely:-

“(12) The Liquidator shall complete the winding up proceedings within a period of two years from the date of his appointment. If the liquidation proceedings could not be completed within such period of two years, for the reasons beyond the control of Liquidator, he may apply to the Government through Registrar with sufficient reasons for extending the period of liquidation for a maximum of one year. In the case of existing liquidation cases, pending for more than two years, liquidation proceedings shall be completed within one year from the date of commencement of the Kerala Co-operative Societies (Amendment) Act, 2023 (Act 9 of 2024).”.

(39) in sub-rule (1) of rule 123,-

(a) in sub-clause (a) of clause (A), for the figures “200” the figures “500” and for the figures “2000” the figures “3000” shall be substituted;

(b) in sub-clause (b),-

(i) in entry (i), for the figures “2000” the figures “3000” shall be substituted;

(ii) in entry (ii), for the figures “500” the figures “750” shall be substituted;

(c) in clause (B), for the figures “250” the figures “325” shall be substituted.

(40) in rule 124A,-



(a) in sub-rule (1), for the words “Rupees Two thousand” the words “Rupees Four Thousand Five Hundred” shall be substituted.

(b) In sub- rule (2), for the words “Rupees One Thousand” the words “Rupees One Thousand Five Hundred” shall be substituted;

(41) sub- rule (2) of rule 128 shall be omitted.

(42) in rule 129,-

(a) the opening paragraph and the clauses (a), (b), (c) and the Explanation thereto shall be substituted as follows, namely:-

“ The election of the members to the committee of Circle Co-operative Union shall be conducted by the State Co-operative Election Commission in the manner specified below, namely:-

(a) A Circle Co-operative Union shall meet at least sixty days prior to the date of expiration of its term and pass a resolution fixing the date, time and place for the conduct of the election of the new committee. A copy of such resolution shall be sent to the State Co-operative Election Commission, by registered post or through electronic media within a week, through the Registrar.

(b) The Co-operative Election Commission may on receipt of such a resolution appoint Returning Officer from among the officers of the Co-operative Department for the conduct of election. The Returning Officer so appointed may be given such remuneration, as may be, fixed by Government from time to time. The Returning Officer shall take necessary steps for the conduct of election and the Circle Co-operative Union shall render all necessary assistance to the Returning Officer for the conduct of election to the Circle Co-operative Union.

(c) On the appointment of the Returning Officer under clause (b), the



Returning Officer shall immediately require by notice the committees of the society within the circle referred to in clause (a) and clause (b) of sub-section (1) of section 88, to furnish within fifteen days from the date of notice, lists of members of the committees of such societies as also of the full time employees of those societies as on the date of sixty days prior to the date fixed for the poll. The Returning Officer shall register the names received in a Register maintained for the purpose.

Explanation- A society having area of operation in more than one Circle shall be deemed to be a society within the Circle in which the head office of the society is situated.” ;

(b) in clause (d), for the bracket and letter “(c)” occurring at both places in the said clause the bracket and letter “(b)” shall be substituted;

(c) after clause (r), the following clauses shall be added, namely:-

“(s) The expenditure in connection with the conduct of election shall be borne by the Circle Co-operative Unions which shall be limited to the norms fixed by the State Co-operative Election Commission.

(t) The State Co-operative Election Commission shall have the power to issue any directions or guidelines or instructions for the conduct of election to the Circle Co-operative Unions and also to the officers appointed to perform the election duties. The officers appointed on election duty shall be subject to the superintendence, control and discipline of the State Co-operative Election Commission.

(u) The rank of officers to be posted for election duty may be fixed by the State Co-operative Election Commission in consultation with the Government.”.

(43) in rule 151,-



(a) for sub-rule (1) the following sub-rule shall be substituted, namely:-

“(1) The managing committee of the State Co-operative Union in office shall meet at least sixty days in advance of the date of expiration of its term and pass a resolution fixing the date, time and place for the conduct of the election to the new committee. A copy of such resolution shall be sent to the State Co-operative Election Commission by registered post or through electronic media within a week, through the Registrar.”;

(b) in sub- rule (2), for the words “The Registrar” the words “The State Co-operative Election Commission” shall be substituted;

(c) in sub-rule (3), for the bracket and letter “(g)” the bracket and letter “(f)” shall be substituted;

(44) after sub-rule (10) of rule 154, the following sub- rules shall be added, namely:-

“(11) The expenditure in connection with the conduct of election shall be borne by the State Co-operative Union which shall be limited to the norms fixed by the State Co-operative Election Commission.

(12) The State Co-operative Election Commission shall have powers to issue any directions or guidelines or instructions for the conduct of election to the State Co-operative Union and also to the officers appointed to perform the election duties. The officers appointed on election duty shall be subject to the superintendence, control and discipline of the State Co-operative Election Commission.

(13) The rank of officers to be posted for election duty may be fixed by the State Co-operative Election Commission in consultation with the Government.”.

(45) after rule 170, the following rule shall be added, namely:-



“170A. The Annual Performance Audit of Kerala Co-operative Milk Marketing Federation (MILMA) and its Regional Co-operative Milk Producers' Union.- (1) The Annual Performance Audit of the Kerala Co-operative Milk Marketing Federation (MILMA) and its Regional Co-operative Milk Producers' Union shall be entrusted to an approved agency or individuals with the following qualifications, namely:-

(i) Minimum ten years of experience in technical and managerial cadre in a reputed firm in Dairy Industry;

(ii) Graduation in Dairy Science and Technology from a recognized University;

(iii) Post Graduate Degree/Diploma in Management is preferable.

(iv) ISO audit experience is preferable.

(2) The fees or remuneration for performance audit shall be fixed by the Functional Registrar (Dairy) from time to time.

(3) The apex society shall prepare a panel of experts or agencies within one month from the end of every financial year and submit it to the Registrar (Dairy) for approval.

(4) On receipt of such an application from the apex society, the Registrar (Dairy) shall verify the proposed panel, may make necessary changes as he thinks fit and may either approve or return the same for clarification within a period of sixty days from the date of receipt of the application.

(5) On receipt of the Approved panel from the Registrar (Dairy), the Apex society and the Regional Co-operative Milk Producers' Union shall entrust their annual performance audit to the agency or individual selected from the approved panel within thirty days from the date of receipt of the approved panel.



(6) The entrusted agency or person shall conduct the annual performance audit and submit the report in time as per the directions of the apex society and Registrar (Dairy).”.

(46) in rule 178A,-

(a) In the entries against item (i), for the letters, symbols and figures, "Rs. 10,000" the letters, symbols and figure "Rs. 15,000" shall be substituted;

(b) In the opening paragraph and in the entry (i) following under the heading “Name of the Bank”, the words “District Co-operative Banks” and “and District Co-operative Banks” shall be omitted;

(c) in the entry against item (ii) following under the heading “Name of the Bank”, for the figure and symbols "5,000 " the figure and symbol "7,500" shall be substituted;

(47) in rule 182,-

(a) in the third proviso to sub-rule (1),-

(i) the words and symbol "District Co-operative Bank/" shall be omitted;

(ii) for the words "rupees two thousand " and rupees five hundred", the words " Rupees three thousand " and "Rupees seven hundred and fifty" shall respectively be substituted;

(b) in sub-rule (4),-

(i) for clause (i) and (ii) the following clauses shall be respectively substituted, namely:-



“(i) The society, Board coming under the Co-operative Departments, the circle Co-operative Unions, the State Co-operative Union, as the case may be, shall report the vacancy within a period of three months from the date on which the vacancy arose to the Co-operative Service Examination Board and the applications for appointment shall be invited by the Co-operative Service Examination Board, by notification in two vernacular dailies having wide circulation in the area. The notification shall include the details of number of vacancies, qualifications required for the post, age and reservation, if any, the mode of application, method of appointment and other required details. The Co-operative Service Examination Board shall collect application fee along with the application at the rate fixed by the Registrar of Co-operative Societies from time to time. If more than one society is included in the notification, the candidates shall, along with the application, submit their priority list of societies for getting appointment in societies included in the notification. The Co-operative Service Examination Board shall process the applications and prepare the list of candidates to be called for the eligibility test. The arrangements for the eligibility test shall be made by the Co-operative Service Examination Board. Once the vacancies reported by the societies to the Co-operative Service Examination Board, the Societies shall not revoke such report without the prior permission of the Registrar.

(ii) The Co-operative Service Examination Board shall conduct the eligibility examination for the candidates and furnish a list of eligible candidates to be interviewed by the committee of the society, Board coming under the Co-operative department, the Circle Co-operative Union or the State Co-operative Union, as the case may be, within a period of three months from the date of requisition by such society/Board/institution. The list so furnished shall not contain the mark secured by the candidates.”.



(ii) after clause (ii), the following clause shall be added, namely:-

“ (iia) the following class of society or societies may be exempted from sub-section (1) of section 80B of the Act by the Registrar by considering the number of posts that can be sanctioned as per the staff pattern as per Appendix III of these Rules and by considering the financial capacity of the society, namely:-

- (a) Primary Marketing Co-operative societies
- (b) Primary Consumer Co-operative societies
- (c) Primary agricultural Processing Co-operative societies
- (d) Primary Industrial Processing Co-operative societies
- (e) Primary Agro Industrial societies
- (f) Farming societies
- (g) Primary Producers Co-operative societies
- (h) Primary SC/ST Co-operative societies
- (i) Primary Hospital Co-operative societies
- (j) Primary Fisheries societies
- (k) Primary Labour contract Co-operative societies
- (l) Primary Educational Co-operative societies Primary Vanitha (Women) Co-operative societies
- (m) Primary Tourism Co-operative societies
- (n) Primary Miscellaneous Co-operative societies
- (o) Primary Multi purpose Co-operative societies

Provided that such exemption shall not be granted to societies having working capital or sales turnover of more than Two Crores and societies eligible for



more than five posts as per the classification norms under Appendix III of these rules.”;

(iii) in clause (iii), for the figures “80” the figures “100” shall be substituted;

(iv) in clause (iv), for the figures “15” the figures “20” shall be substituted;

(v) in the proviso, in clause (iv), for the figure “3” the figure “4” shall be substituted;

(vi) clause (ivA) and the Explanation thereto shall be omitted;

(vii) in clause (v), for the words “ two months” and “ two weeks” the words “ one month” and “ one week” shall respectively be substituted.

(c) after sub-rule (6), the following sub-rule shall be added, namely:-

“(7) The appointing authority shall be satisfied as to the character and antecedents of a person selected for appointment as per the above provisions. The appointing authority may appoint him temporarily subject to the condition that his appointment shall be terminated without notice if he is not satisfied of his character and antecedents on subsequent verification and that he shall be eligible for appointment in regular service in accordance with the rules only if his character and antecedents are found satisfactory on subsequent verification. The appointing authority shall get the necessary details for verification of character and antecedents of the candidates from the candidates themselves before they are allowed to join duty and the appointing authority shall obtain the report on the verification of the character and antecedents of the candidates so appointed within a period not exceeding six months from the date of joining duty of employee. The appointing authority shall



obtain reports on the verification of character and antecedents through a police verification report as in the manner as specified by the Registrar.”.

(48) in rule 185,-

(a) clause (i) and clause (ii) of sub-rule (2) shall be omitted;

(b) clause (i) of sub-rule (3) shall be omitted;

(c) clause (i) of sub-rule (4) shall be omitted;

(d) in the first proviso to sub-rule (5), for the words “ in the feeder category” the words “ in all posts of and above Junior Clerk/Cashier” shall be substituted;

(e) in the proviso to clause (g) of sub-rule (8), the words and symbols “ Accounts Officer in the Kerala State Co-operative Bank Ltd., Branch Manager or equivalent posts in the District Co-operative Banks,” shall be omitted;

(f) after the first proviso to sub-rule (10), the following proviso shall be inserted, namely:-

“Provided further that the substantive vacancies in the post of the clerk in those societies falling under classes II to VII of Appendix III of these rules shall be filled up by promotion and direct recruitment in the ratio of 1:2 and the promotion of candidate shall be made from the feeder category in accordance with the merit and ability to be assessed through a qualifying examination conducted by the Co-operative Service Examination Board.”.

(49) after rule 185A, the following rule shall be added, namely:-

“185B. *Recruitment Rules relating to societies in Schedule I.*- The Government may prepare and notify the recruitment rules of the societies mentioned in sub-section (3A) of Section 80 and in Schedule I of the Act from time to time.”.

(50) in sub-rule (1) of rule 186,-



(a) in the entry against item (ib) for the words and symbol “Chartered Accountants of India,” the words, bracket and symbol “Chartered Accountants of India or Cost and Management Accountant (CMA),” shall be substituted;

(b) after clause (ib), the following clause shall be added, namely:-

“(ic) System Administrator MCA/B.Tech (Computer Science or Electronic communication or Information Technology)”.

(51) the first proviso to rule 187 shall be omitted;

(52) sub-rule (2) of rule 188A shall be omitted;

(53) in Appendix III in item (b) “ Central Co-operative Banks (District Co-operative Banks)” and the entries against it shall be omitted;



Form No. 3B

[See Rule 4B]

Certificate of change of name of the Societies

This is to certify that the following change of name is made in the Registration Certificate issued under section 8 of the Kerala Co-operative Societies Act, 1969 (Act 21 of 1969).

Sl. No.	Register No.	Existing name and address of the society	New name and address of the society	Date of effect
(1)	(2)	(3)	(4)	(5)

Place
Date

(Seal)
Registrar of Co-operative Societies

By Order of the Governor,
DR. Veena N. Madhavan,
Special Secretary to Government.



Explanatory Note

[This does not form part of the notification, but is intended to indicate its general purport.]

Government have decided to revise non-tax revenue and notified the revised rates of non-tax revenue items as required under sub-section (1) of section 109 of the Kerala Co-operative Societies Act, 1969 (21 of 1969) as per Notification No. Co-op-B1/459/2019/Co-op dated 06th April, 2022 in the Kerala Gazette Extra Ordinary No.1226 dated 13th April, 2022. The Kerala Co-operative Societies Act, 1969 (Act 21 of 1969) has been amended by the Kerala Co-operative Societies (Amendment) Act, 2021 (Act 34 of 2021). Then Kerala Co-operative Societies Act, 1969 (Act 21 of 1969) has been amended comprehensively by the Kerala Co-operative Societies (Amendment) Act, 2023 (Act 9 of 2024). Consequently, the Kerala Co-operative Societies Rules, 1969 has to be amended to make it in accordance with the provisions of the said Amendment Acts. Government therefore decided to bring amendments in the Kerala Co-operative Societies Rules, 1969. Accordingly, the draft rules were previously published as required under sub-section (1) of section 109 of the Kerala Co-operative Societies Act, 1969 (21 of 1969) as per Notification No. Co-op-B1/258/2019/Co-op dated 27th July, 2024 in the Kerala Gazette Extraordinary No.2430 dated 28th July, 2024 inviting suggestions or objections, if any, in respect of the said draft rules. Government have received many suggestions and objections and after considering the same, it is now decided to make necessary modifications in the rules.

The notification is intended to achieve the above objects.



