

**Mr. Speaker:** The question is:

"That clause 11, as amended, stand part of the Bill".

*The motion was adopted.*

Clause 11, as amended, was added to the Bill.

Clause 12 was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

**Shri C. R. Pattabhi Raman:** Sir, I move:

"That the Bill, as amended, be passed".

**Mr. Speaker:** The question is:

"That the Bill, as amended, be passed".

*The motion was adopted.*

13.33 hrs.

#### MULTI-UNIT CO-OPERATIVE SOCIETIES (AMENDMENT) BILL

**The Deputy Minister in the Ministry of Community Development, Panchayati Raj and Cooperation (Shri Shyam Dhar Misra):** Sir, I beg to move:

"That the Bill further to amend the Multi-unit Co-operative Societies Act, 1942, be taken into consideration."

Sir, this is a small, short, simple and most non-controversial Bill arising out of certain technical difficulties.

13.34 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Co-operation is a State subject. But there are societies which cover more than one State, and therefore in 1942 an Act named as the Multi-unit Co-operative Societies Act was passed. It was further amended in 1956 and 1959, and according to the present Act the registration of the society in the res-

pective State is taken care of by the multi-unit co-operative society there. The details regarding supervision, audit, liquidation, etc. are taken care of by the State Co-operative Societies Act itself.

But after the reorganisation of the States, certain co-operative societies became multi-unit societies. The States Reorganisation Act of 1956 and the Andhra Pradesh and Madras (Alteration of Boundaries) Act of 1959 provided for reconstitution and reorganisation of such multi-unit societies by the formation of new co-operative societies and the transfer thereto of the assets and liabilities of such multi-unit societies. In the case of Bombay, the reorganisation of Bombay State came in 1960. There was one Bombay Co-operative Land Mortgage Bank. This became a multi-unit society after Gujarat State was created. In the Gujarat area there was a Saurashtra Land Mortgage Co-operative Bank which was converted into the Gujarat Co-operative Land Mortgage Bank. This, therefore, was an existing society. Under the present Act, the transfer of assets and liabilities from the Bombay Co-operative Land Mortgage Bank could be only to a new society. So, this is the technical difficulty.

The State of Maharashtra and the State of Gujarat applied their minds to this matter. Our Law Ministry applied their mind, and it was understood that this technical difficulty could be removed only if we amend the present Multi-unit Co-operative Societies Act and put an enabling clause according to which not only the new societies can accept the liabilities and assets but also the existing societies are enabled to accept the assets and liabilities.

Therefore, according to this Bill, under clause 2 an enabling provision is being made whereby the assets and liabilities of the society can also now go to an existing society. For instance, it will go to the Gujarat Land Mortgage Co-operative Bank.

This is the technical difficulty for which reason we had to come forward with this amendment.

It is also being provided that the mangement of the existing society should pass a resolution accepting such transfer; only then the transfer can be effected. Opportunity is also being taken to bring an amendment in consonance with the present working, that whatever rules are made according to this Act are placed before both Houses of Parliament.

So this is only to meet the technical difficulty that we had to come before this House, and I hope that this will be agreed to.

Sir, I move.

Mr. Deputy-Speaker: Motion moved:

"That the Bill further to amend the Multi-unit Co-operative Societies Act, 1942, be taken into consideration."

Shri Gauri Shankar Kakkar (Fatehpur): Sir, a perusal of this simple amending Bill makes it clear that this has been necessitated on account of the reorganisation of the States. But in the actual working there is one difficulty. On certain occasions the members of certain existing co-operative societies have felt a hardship. When the assets and liabilities are brought over to certain new societies, there are two questions. Sometimes there is a society which has got solvent working capital, working on its own assets, not taking any accommodation or loan from any district co-operative bank; and when the assets and liabilities are amalgamated in some other existing society, then the members are put to great difficulty because the assets and liabilities are related to those members who have formed the previous society. So, if per chance, the existing new society has got an unsatisfactory financial position, the old members are handicapped in getting loans because of the default in the case of the new society. Vice versa, there are cases where, if a new society is working satisfactorily, on

account of the assets and liabilities which are given to that new society, sometimes, there is difficulty in the working of that society. My suggestion is only this; that at time of the dissolution or when the assets and liabilities are acutally taken into consideration, the convenience of the members who had formed the previous society should also be taken into account and an attempt should be made that they should not be losers in any respect. I think the amending clause enables the existing society also to be in a position to know the assets and liabilities of some other society. A provision has been made in this Amending Bill that it would be possible only when the Annual general meeting of that society has actually sanctioned and adopted the proposal. My suggestion is that the members of the old society whose registration is dissolved or are going to be amalgamated in this society, should also be consulted and their annual general meeting should also be consulted. In this manner, it would not cause in convenience to the existing members. I know there are certain instances in the U.P. There were old multi-purpose co-operative societies. Then, when large-size co-operative societies were formed, or when service co-operative societies were formed, in the case of certain societies, their registrations were dissolved and they were amalgamated into one unit. On that account, the members of the old societies are finding it very difficult to get accommodation, because they had their own solvent backing and now, on account of the new registered society, they are ignored and they not able to get the facilities which they were getting in the previous society. On account of the working of such facts, I would suggest that these should be taken into consideration. Of course, I do not oppose this Amending Bill. But, my only suggestion is that the interests of the shareholders of the particular society

[Shri Gauri Shankar Kakkar]

whose assets and liabilities are called upon to be mixed up with a new society should be taken into consideration in all such cases.

**Shrimati Sarojini Mahishi** (Dharmwar North): Mr. Deputy. Speaker, co-operation as a popular movement is assuming greater and greater importance day by day. Specially in view of the emergency, a number of co-operative societies are being encouraged. Those co-operative societies which were working before the States Re-organisation—some of them require to be re-constituted and re-organised.

Section 5A of the Multi-Unit Co-operative Societies Act, 1942, makes a provision for re-constitution and re-organisation of the society and also for the formation of a new society. Here, the handicap is natural when a society which was working as a Multi-unit co-operative society catering for an area included in two States, now has to cater, especially after the Re-organisation of States, to a few more States also. Difficulty naturally arises. The provision was that only to a new society the assets and liabilities of the existing multi-unit co-operative society should be transferred. The technical difficulty has to be removed. This particular clause which is intended to be amended is only an enabling clause for the purpose of permitting the transfer of the assets and liabilities to existing co-operative societies and also multi-unit co-operative societies. Therefore, the section has been amended to say that the transfer may be either to a new co-operative society or to an existing society. There is also a provision that the transfer may be partial also. That is also most important. The transfer of assets and liabilities may be in whole or it may be partial transfer of assets and liabilities. This is also important as it facilitates and gives greater convenience to the old multi-unit societies and also to the new societies. The words,

“including proposals regarding

- (a) the formation of new co-operative societies and the transfer thereto, in whole or in part, of the assets and liabilities of that society”

have also to be noted in this connection. Transfer in whole or in part of the assets and liabilities of that society to any other co-operative society must be approved of by the general body of the society which undertakes the assets and liabilities.

Here, I wish to make another suggestion. I do not know whether it has been made clear that the assets and liabilities which are transferred either in entirety or in part are to be transferred to another multiunit co-operative society or any other co-operative society having the same nature of activities. Suppose there is an existing co-operative society which wants to extend its sphere of activity and wants to undertake the assets and liabilities, and there is a new society which wants to undertake these assets and liabilities. I think proper consideration must also be given to this in the interests of the smooth working of the society. Only if a society which has got experience and standing in the particular work or which has undertaken a work which is similar in nature to the work of the multi-unit co-operative society which is transferring its assets and liabilities, becomes the transferee of the assets and liabilities, I think it will add to the working and also to the efficiency of the working of that particular society. I think this particular clause which only enables the working of co-operative societies, especially multi-unit co-operative societies after the Re-organisation of States is heartily welcome.

श्री शिवमति स्वामी (कोप्ल) :

उपाध्यक्ष महोदय, मैं इस बिल का स्वागत करता हूँ। लेकिन मेरी यह समझ में नहीं

आया कि इसको लाने में मंत्री महोदय ने इतने सालों का समय क्यों लिया। स्टेट्स रिआरगनाइजेशन सन् १९५६ में हुआ और उसके बाद दक्षिण भारत में जो स्टेट्स वजूद में आयीं उनको इस प्रकार के कानून के न होने की वजह से बहुत मुश्किलता का सामना करना पड़ा।

मैं अपनी स्टेट की मुश्किलता आपके सामने रखना चाहता हूँ क्योंकि हमारे यहां असेट्स और लाइबिलिटीज के ट्रांसफर में बड़ी दिक्कत हो रही है। मैसूर स्टेट में जो तीन जिले हैदराबाद के थे और चार जिले बम्बई स्टेट के थे उनमें यह कठिनाई खास तौर से सामने आयी। इन जिलों में मैसूर में शामिल होने से पहले सोसाइटीज काम करती थीं उनके असेट्स और लाएबिलिटीज के ट्रांसफर में कठिनाई हो रही है। हैदराबाद के जिलों की कोऑपरेटिव सोसाइटीज के १८ लाख रुपये के बलेम है और उसके बारे में डाइरेक्टरों को कोर्ट में भी जाना पड़ा। यह झगड़ा चार पांच साल से चल रहा है लेकिन इसका कोई तस्फिया नहीं हो रहा। मैं समझता हूँ कि इस कानून के अमल में आने के बाद इंटर स्टेट कोऑपरेटिव सोसाइटीज के असेट्स और लाएबिलिटीज के ट्रांसफर की जो मुश्किलता है वे दूर हो जायेंगी। और यदि माननीय मंत्री महोदय के पास ऐसी कोऑपरेटिव सोसाइटीज के असेट्स और लाएबिलिटीज के बारे में कोई आंकड़े हों, जिनके बारे में कि स्टेट्स रिआरगनाइजेशन के बाद असेट्स और लाएबिलिटीज के ट्रांसफर के बारे में झगड़ा है, तो वे उनको सदन के सामने रख दें। यह बहुत मुनासिब होगा। मैं चाहता हूँ कि इस कानून को जल्दी से जल्दी लागू किया जाये ताकि जो जिले दूसरी स्टेट्स में चले गये हैं उनके असेट्स और लाएबिलिटीज का बटवारा हो जाये। एसा न होने से बड़ा अन्याय हो रहा है। इसलिए इस पर तैजी से अमल किया जाये।

**Shri Shyam Dhar Misra:** As regards the point raised by my hon. friend Shri Gauri Shanker Kakkar, I have only to say that the society which takes over the assets and liabilities on transfer has to pass a resolution, according to this Bill, and then only the transfer of the assets and liabilities will be effective.

As regards the society transferring the assets and liabilities, the registrar of the particular State who works as the representative of the Central registrar has to ascertain and has to be satisfied that the transfer of these assets and liabilities is in consonance with the membership, the objective and the programme of the particular society working there.

Regarding the issues raised about the amalgamation and division of societies in U.P., I would submit that that would not be covered by this Bill, because if a large-sized society is either amalgamated or is bifurcated, or if some service co-operatives are amalgamated into bigger societies or they are bifurcated, they will be working only in one State.

**Shri Gauri Shanker Kakkar:** I did not mean that that was covered by this Bill, but I simply wanted to cite the difficulties that these societies have to face.

**Shri Shyam Dhar Misra:** We recognise that difficulty. In order to remove that difficulty, several States are passing new Co-operative Acts. Even in U.P., from which State my hon. friend hails, they have suggested certain amendments to the Co-operative Act, and those amendments would have come up in this session itself, but probably because of the emergency, that particular Bill could not come up; probably during the next session or the session after that, that Bill would be brought forward, and thereby we shall be meeting the difficulty pointed out by the hon. Member.

I am grateful to my hon. friend Shrimati Sarojini Mahishi, because she

[Shri Shyam Dhar Misra]

has already tried to answer the point raised by Shri Gauri Shanker Kakkar. She wanted to know in particular whether any other society which is not particularly working in that field, if it extends its activities to a similar field, can take over the assets and liabilities. My answer would be 'Yes'. The only question is whether that society is prepared to pass a resolution to take the assets and liabilities, and the registrar of the particular State where the principal office of the multi-unit co-operative society is located is satisfied about the transfer; once that is done, there is no legal bar to the transfer.

My hon. friend Shri Sivamurthi Swami raised the problem regarding Mysore. This problem has been there to some extent and we are looking into it. The transfer of the assets and liabilities as regards Mysore has not been much of a problem. It has almost been settled; but to some extent whatever is there is being looked into by us, and it will be taken care of.

There is no other point which has been raised. As I stated earlier and as the Members realise, this is a non-controversial Bill; it is an enabling Bill with just three clauses. I move that the Bill be taken into consideration.

**Mr. Deputy-Speaker:** The question is:

"That the Bill further to amend the Multi-unit Co-operative Societies Act, 1942, be taken into consideration."

*The motion was adopted.*

**Mr. Deputy-Speaker:** We shall now take up the clauses.

The question is:

"That clauses 2 and 3 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 and 3 were added to the Bill.*

*Clause 1, the Enacting Formula and The Title were added to the Bill*

**Shr Shyam Dhar Misra:** I beg to move:

"That the Bill passed".

**Mr. Deputy-Speaker:** The question is:

"That the Bill passed".

*The motion was adopted.*

13.55 hrs.

#### DELIMITATION COMMISSION BILL.

**The Deputy Minister in the Ministry of Law (Shri Bibudhendra Mishra):** I beg to move:\*

"That the Bill to provide for the readjustment of the allocation of seats in the House of the People to the States, the total number of seats in the Legislative Assembly of each State, the division of each State into territorial constituencies for elections to the House of the People and Legislative Assemblies of the States and for matters connected therewith, be taken into consideration."

This Bill has been brought forward in pursuance of articles 82 and 170(3) of the Constitution which provide that upon the completion of each census, the allocation of seats in the House of the People to the States, the total number of seats in the Legislative Assembly of each State, and the division of each State into territorial constituencies for electing members to the House of the People and the Legislative Assembly shall be readjusted by such authority and in such manner as Parliament may by law determine.

I would, first of all, like to refer to the definition of 'State' given in

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\*Moved with the recommendation of the President.