

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 1
TO BE ANSWERED ON 07/12/2022

Legislation on Co-operatives

1. Shri A. A. Rahim:

Will the Minister of **Cooperation** be pleased to state:

- (a) whether Government proposes to bring legislation to put up a legal and institutional framework for cooperatives;
- (b) since co-operation is a State subject, included in the List II Schedule VII of the Constitution, whether the proposed legislation will be against the basic framework of Constitution; and
- (c) whether bye-laws are proposed in line with the Co-operative Societies Act, if so, whether these model bye-laws will be against the State Acts since various States have special provisions in the Co-operative Societies Act?

ANSWER

MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)

(a) and (b): Cooperatives with objects not confined to one State are governed under List I – Union List, Entry 44 of the Seventh Schedule and Part IXB of the Constitution. Such cooperatives are administered under the provisions of Multi-State Cooperative Societies Act, 2002 and rules made there under. The government intends to bring a legislation to amend the Multi-State Cooperative Societies Act, 2002 with a view to incorporate the provisions of Ninety-seventh Constitutional Amendment and for strengthening governance, enhancing transparency, increasing accountability and reforming electoral process, etc. in the Multi State Cooperative Societies.

(c): The administration and business activities of the cooperative societies are governed by their respective byelaws. In order to increase the viability of Primary Agricultural Credit Societies (PACS) and diversify their business activities to make them vibrant economic entities at village level, a committee with representatives of NABARD, State Cooperative Banks, Vaikunth Mehta National Institute of co-operative Management (VAMNICOM), National Council for Cooperative Training (NCCT), etc. was formed to prepare draft model byelaws for multipurpose PACS. The draft model byelaws were circulated to all the States/ Union Territories, Ministries/ Departments concerned in Government of India, NABARD, NAFSCOB,

State Cooperative Banks, District Cooperative Banks, etc. for their suggestions/inputs. More than 1500 suggestions were received from all the stakeholders, which have been suitably incorporated in the model byelaws. These Model byelaws of PACS will enable them to undertake more than 25 business activities which, inter alia, include dairy, fishery, floriculture, setting up of godowns, procurement of foodgrains, fertilizers, seeds, LPG/CNG/Petrol/Diesel distributorship, short-term & long-term credit, custom hiring centers, common service centers, Fair Price Shops (FPS), community irrigation, Business Correspondent activities, etc. The model byelaws have evolved after the process of intensive consultation with States/ Union Territories and all other stakeholders, as mentioned above. The model byelaws are indicative in nature and PACS concerned may adopt the model byelaws after suitable modifications as per their respective State Cooperative Acts.
