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**KICMA-B. School**

Kerala Institute of Co-operative Management (KICMA)  
Neyyadam, Thiruvananthapuram, Kerala

# Self-Reliant Co-operative Societies Act: A Comparative Study

*Dr. T Paranjothi<sup>1</sup> & Shefali Pardeshi<sup>2</sup>*

The Cooperative Societies Act of various States was criticized for incorporating restrictive provisions in the Act. The recommendations of the Chaudhary Brahm Perakash Committee of implementing the Model Act did not receive a favorable response from the State Governments. In this situation some of the State Governments passed the Self Reliant Act. The pioneering effort was taken by the Government of Andhra Pradesh by enacting the Mutual Aided Cooperative Societies Act on 4th May, 1995. Thereafter, the States of Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Jammu & Kashmir, Karnataka, Orissa and Uttaranchal passed the Self Reliant Act. The objective of the paper is to compare the Self Reliant Act of different States.

## Comparison of the Self-Reliant Acts

A perusal of the provisions of the Self-Reliant Act reveals that there are many similarities in their provisions. They can be broadly grouped into two categories, one covering the States of Bihar, Andhra Pradesh and Jharkhand while the other comprising the States of Chhattisgarh, Uttaranchal, Madhya Pradesh, Karnataka and Jammu & Kashmir. Orissa has not been included in either of categories since the Odisha Self Help Cooperatives Act has been withdrawn by the Legislature.

Table 1 compares the provisions of both groups in relation to Principles, Registration, Appointment of Registrar, Promotion of Subsidiary, Creation of New Organization, Audit, Settlement of Disputes, Dissolution, Accountability, Membership and Union and Federation

**Table 1**  
**Comparison of the Self-Reliant Act**

| Group A<br>[Bihar, Andhra Pradesh and Jharkhand]   | Group B<br>[Chhattisgarh, Uttaranchal, Madhya Pradesh, Karnataka and Jammu & Kashmir]   |
|--|---|
| <b>Principles of Cooperation</b>   |   |
| The Principles of Cooperation are stated as a separate chapter in these Acts   | In these Acts it is mentioned under a separate section and given in Schedule 'A'  |
| <b>Registration Provisions</b>   |   |
| Under the Registration the provisions which are mentioned are Organisations which may be registered, Application for registration, Cooperative Society to be a body corporate, Display of name and appointment of the Registrar these are different in as compared with Group B. | The provisions which are included in these Acts are Registrar and other officers which mentions about other officers provision too which cannot be traced in Acts of Group A, Registration of Cooperative, Conversion of cooperative society into cooperative is also not stated in group A, Cooperative to be body corporate is mentioned very briefly and not elaborative as in Act of Group A. |

<sup>1</sup> Director, Agricultural Co-operative Staff Training Institute, Thiruvananthapuram.

<sup>2</sup> Formerly Research Officer Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune.

| <b>Appointment of Registrar</b>   |  |
|---|--|
| The Appointment of Registrar is mentioned in detail under a separate sub section in the Act. There is no provision of appointment of other officers in these Acts.  | The Acts mentions about Appointment of Registrar as well as of other Officers and provides details about how the appointments are done.  |
| <b>Promotion and Subsidiary</b>   |  |
| The provisions mentioned under this section includes Any Cooperative Society may, by a resolution passed at general meeting by a majority of members present having voting right, promote one or more subsidiary organizations for the furtherance of its stated objectives, and such organization or organizations may be registered under any law for the time being in force, as agreed to by the general body.<br>The annual reports and accounts of any such subsidiary organization shall be placed before general meeting of the promotion Cooperative Society every year.<br>(1) Any subsidiary organization created under sub-section (1) shall exist only as long as general body of the Cooperative Society deems its existence necessary. | There is no such provision in these Acts   |
| <b>Creation of New Organization</b>   |  |
| The creation of new organization can be done where the collaboration between a Cooperative Society and any other organization or organizations requires the creation of a new organization, the new organization may be registered as a company or a public society, as appropriate for the fulfillment of the objective with which it was created.   | No Provision has been mentioned for Creation of New Organization in these Acts.  |
| <b>Audit and Special Audit Provisions</b>   |  |
| The Acts does not include the details of who the Auditor should be and how he can be nominated. There is a separate provision for special audit in these acts   | Detailed description of Auditor and his responsibilities is provided under the Audit Section. No provision of Special audit.   |
| <b>Settlement of Disputes</b>   |  |
| Under this section the provisions cover points like Constitution of Cooperative Tribunals, Settlement of disputes, Power of the Tribunal to order recovery which provided detailed description of how disputes are settled.   | In these Acts Disputes and Constitution of Arbitration Council is explained briefly and no other provisions are given.   |
| <b>Dissolution</b>  |  |
| The provision of dissolution excludes the points like Disposal of surplus assets of liquidated cooperatives, Bar of suits or legal proceedings and Dissolution by Registrar which are mentioned in Acts of Group B.   | In this section the points like Disposal of surplus assets of liquidated cooperatives, Bar of suits or legal proceedings and Dissolution by Registrar are elaborated and explained in detail. The provision also mentions about the rights and powers of liquidator      |
| <b>Membership</b>   |  |
| The Provision related to membership are mentioned briefly under management section which includes the information on who can become a member what are the rules of becoming a member and other official requirements very briefly and not in a detailed form.   | The provision of Membership is given as a separate chapter which includes details about eligibility for becoming a member, disqualification of member, admission of member, details about withdrawal of membership, termination of membership and other related aspects. |
| <b>Accountability</b>   |  |
| There is no provision of Accountability in these Acts.  | Mentioned as a separate Provision in Act which includes the rules for filling the returns with Registrar, rules of how the enquiry can be done, procedure for the audit and maintenance of accounts and records to the date.   |
| <b>Union and Federation</b>   |  |
| Mentioned as a provision in Act which provides details about roles and responsibilities of the Union and Cooperative Federation.  | There is no such Provision for this section in the Act.  |

An analysis of Table 1 reveals that the Acts differ from each other in respect of Principles, Registration, Appointment of Registrar, Promotion of Subsidiary, Creation of New Organization, Audit, Settlement of Disputes, Dissolution, Accountability, Membership and Union and Federation. It is observed that the Provision in the Acts of Group B i.e. Chhattisgarh, Uttaranchal, Madhya Pradesh, Karnataka and Jammu & Kashmir is more detailed and elaborative than the Acts in Group A i.e. Bihar, Andhra Pradesh and Jharkhand. The major difference is that, the Acts in Group B mentions about Accountability of the Members and Staff and their roles to fulfill the accountability principle as well the Membership details are provided in depth by giving details of each section. These two features are not found in the Acts of Group A. The Acts in Group A differ from Acts in Group B in terms of Promotion of Subsidiary and Creation of New Organization and have a provision on the same which cannot be found in Acts of Group B.

The Constitutional Amendment Act 2011 was enacted to give autonomy to the Cooperatives and put an end to Government interventions. In the light of Constitution Amendment Act, a debate has started as to whether the Self Reliant Act is required even after the introduction of Constitution Amendment Act 2011. There are two views in this regard - One favoring the continuance of the Self Reliant Act stating that the Constitution Amendment Act does not have any legal validity and once again, the State Governments have made lot of amendments to their respective State Cooperative Societies Act. Another view is that there is no need to have two Acts for the same type of Institution i.e. Cooperatives. In this context, it is interesting to note that the Odisha Self Help Cooperative Act 2001 was repealed by the Government of Odisha through the "Odisha Self Help Cooperatives (Repeal) Act 2013". The North Odisha Farmers and Multi-Purpose Cooperative Ltd., Balasore, filed a writ petition challenging the constitutional validity of the Act violating Articles 14 and 19 (1)(c) of the Constitution by compelling the existing Cooperative Societies to be registered under the Original 1962 Act. Odisha High Court, Cuttack, granted a stay to the "Odisha Self Help Cooperatives (Repeal) Act 2013". However, in the final judgment passed by the Hon'ble High Court of Cuttack, the stay was vacated and the Court dismissed the writ petition stating that - "The 2001 Act has been repealed and 1962 Act has been made applicable to all societies covered by the Repeal Act. Moreover, repeal is on account of legislative policy of retaining one legislation which has been amended in 2012 to be brought in conformity with 97th Amendment to the Constitution in 2011, thereby safeguarding principles of Democracy and professional management. In A.P. Dairy's case (Supra), the earlier Andhra Act had not been amended to be made consistent with 97th Constitutional Amendment nor was the later Act repealed. Applicability of earlier State Act was not by way of transitional provisions. In view of above, we are unable to hold that the Repeal Act suffers from any infirmity". Though the Cooperative Societies Act has been amended in some States based on Constitution Amendment Act 2011, the expected benefits have not percolated at the grass root level. This is mainly because of the litigation as well as the indifferent attitude of various State Governments to regiment the functioning of the Cooperatives. Cooperation being a State subject has again fallen prey to the whims and fancies of the Government. The advantages of features in the constitution amendment such as member participation in business transactions, conducting elections by an independent authority, imparting educational training and member participation in management have not been implemented in true spirit. Thus, there is a need on the part of the State Governments to restructure the Law in such a manner that the Cooperatives function as an independent and autonomous institution. However, the States of Andhra Pradesh, Bihar, Jharkhand, Chhattisgarh, Uttaranchal, Madhya Pradesh, Karnataka and Jammu & Kashmir are continuing with Self Reliant Act.

A comparison of the Self Reliant Act reveals that there is difference in the provisions of the Act in various States. It is observed that the Bihar, Andhra Pradesh and Jharkand provides for promoting one or more subsidiary organizations, creating new organizations for collaborations and establishment of Union and Federations. The Acts of Chhattisgarh, Uttaranchal, Madhya Pradesh, Karnataka and Jammu and Kashmir describes in detail the responsibilities of Auditor, provision of Membership and Accountability. Hence it can be concluded a comprehensive and uniform Act including the features of all States may be evolved.