

## 'RAJYA SABHA

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### \*SYNOPSIS OF DEBATE

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(Proceedings other than Questions and Answers)

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Tuesday, August 01, 2023/ Sravana 10, 1945 (Saka)

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### BIRTHDAY GREETINGS

**MR. CHAIRMAN:** Hon'ble Members, I take the opportunity to wish birthday greetings to the hon'ble Member of Parliament, Shri Ayodhya Rami Reddy Alla. He has been a Member of Rajya Sabha since June, 2020. A post-graduate in Civil Engineering, Shri Reddy is a successful entrepreneur and is known for his Ramky Group of Companies. He has widely travelled and is a recipient of 'Engineer of the Year Award' from the State of Andhra Pradesh and Institution of Engineers (India) in 2005. He is married to Shrimati Dakshayani Alla and has two sons, Sharan and Ishaan. On my own and your behalf, I wish him a long, healthy and happy life and extend greetings to his family and friends.

### OBSERVATION BY THE CHAIR

**MR. CHAIRMAN:** Hon'ble Members, it is with deep concern and anguish that I am constrained to convey to this august House that by our actions, we have plunged this institution, that is, the Rajya Sabha, the Upper House, the House of Elders, into virtual irrelevance. It does not gel with logic and rational approach that for over the past 8 days that is from 20<sup>th</sup> July, 2023 to 31<sup>st</sup> July, 2023, the House is being disrupted with the same issues in spite of my categorical ruling dated 20<sup>th</sup> July, 2023. A very dangerous precedence is emanating before the country as a whole as our oath and commitment are being seriously compromised by our actions.

A Short Duration Discussion on Manipur issue under Rule 176 had been admitted and initiated yesterday and it remained inconclusive due to continued disruption in the House. Hon'ble Members, I had the occasion to interact yesterday with the floor leaders on the issue and indicated to them in categorical terms that two and a half hours time has been allocated for Short Duration Discussion on Manipur issue. Further I suggested to them that such time as suitable to them may be allocated so that views from all concerned can be placed before the House. However, in spite of that, discussion could not take place. We have created a situation where we are throwing out the baby with the bath water. Insistence by the opposition Members that the Hon'ble Prime Minister responds is constitutionally ill premised. The accountability of the Government, the Executive, to the Legislature is a collective responsibility.

As a matter of fact in 2014 when the issue was raised by the distinguished Member Shri Sitaram Yechury, it was determined by the Chair that the demand that the Prime Minister responds, is constitutionally infirm and ill premised. Hence, I urge Hon'ble Members to seriously introspect and not surrender the space of dialogue, discussion and

deliberation as the same will not be serving the essence of the oath that the Members of this august House have taken. The 60 notices received today are not in conformity with the Rules and my directions on December 8, 2022 and also not in consonance with the directions imparted by me on 20<sup>th</sup> July, 2023 as they are not in wholesome exercise of the privilege of the Members. In view of the same, the notices filed under Rule 267 are not accepted.

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### STATUTORY RESOLUTION

#### **Increasing Import Duty on Liquefied Petroleum Gas (LPG), Propane and Butane**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PANKAJ CHAUDHARY):** I move the following resolution:

"In pursuance of Section 8A (1) of the Customs Tariff Act 1975, this House hereby approves of Notification No. 40/2023-Customs, dated 30th June, 2023 [G.S.R. 469(E) dated 30th June, 2023] and Notification No. 43/2023-Customs dated 1st July, 2023 [G.S.R. 473(E) dated 1st July, 2023] which seeks to amend the First Schedule of the Customs Tariff Act in order to increase Import duty on Liquefied Petroleum Gas (LPG), Propane and Butane."

*The motion was adopted.*

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### GOVERNMENT BILLS

Following Bills were introduced:

1. The Advocates (Amendment) Bill, 2023
2. The Press and Registration of Periodicals Bill, 2023

#### **#The Multi-State Co-Operative Societies (Amendment) Bill, 2023, as passed by Lok Sabha**

**THE MINISTER OF STATE IN THE MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION; AND THE MINISTER OF STATE IN THE MINISTRY OF COOPERATION (SHRI B. L. VERMA), moving the motion for consideration of the Bill, said:** We all know that the cooperative movement is a system suited to our basic thinking and culture. This is not a borrowed ideology. We held wide consultations with the people to bring this Bill. Suggestions were received from about 28 Central Ministries, Departments and 13 National Cooperative Societies, which have been considered and suitably incorporated in this Bill. After introducing this bill, we also sent it to the Joint Parliamentary Committee. Joint Parliamentary Committee examined it in 8 meetings. Such provisions have been kept in the bill, which will strengthen our cooperative governance, increase transparency and accountability. We will also work towards improving the election process and make amendments according to the provisions of the 97th Constitutional Amendment. We will also work to remove the irregularities which used to come earlier.

#### **#Amendment for Reference of the Bill to Select Committee of Rajya Sabha**

**DR. JOHN BRITTAS:** I move that the Bill further to amend the Multi-State Co-operative Societies Act, 2002, as passed by Lok Sabha, be referred to a Select Committee of the Rajya Sabha consisting of the following Members:

1. Shri Bikash Ranjan Bhattacharyya

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# Discussed Together.

2. Dr. John Brittas
3. Prof. Manoj Kumar Jha
4. Shri Elamaram Kareem
5. Shri Jose K. Mani
6. Shri A.A. Rahim
7. Shri Tiruchi Siva
8. Dr. V. Sivadasan

with instructions to report by the last day of the first week of the next (261st) Session of the Rajya Sabha.

**SHRI NIRANJAN BISHI:** The Bill proposes to amend Multi-State Cooperative Societies Act, 2002 in the light of 97th Constitutional Amendment Act of 2011. Cooperative banks are financial entities established on a cooperative basis. The customers of a cooperative bank are also its owners. These banks provide a wide range of regular banking and financial services. These cooperative institutions are spread across rural and urban areas. The principal Act provides that an application for registration of multi-State cooperative society and its bylaws shall be disposed of by the Central Registrar within a period of four months. But, the Amendment Act proposes to reduce this period to three months. The amendment provides that out of 21 directors, one member shall be Scheduled Caste or Scheduled Tribe and two shall be women. Two members shall have experience in the field of banking, management, cooperative management and finance or specialization in any other field relating to the objects and activities undertaken by such multi-State cooperative society. They shall not have the right to vote in any election of the office bearers or be eligible to be elected as office bearers of the board. The Bill also excludes such directors of the multi-State cooperative society from being present in the discussion or voting for any contract in which they may have direct or indirect interest. The Bill also seeks to establish "Co-operative Election Authority" comprising of a Chairman, a Vice-Chairman and maximum 3 members appointed by the Central Government, to bring electoral reforms in co-operative sector. It also seeks to establish a "Co-operative Rehabilitation, Reconstruction and Development Fund" for revival of "sick multi-State co-operative societies". It provides that multi-state co-operative societies, which are in profit for three years, have to contribute to the fund. The Multi-State Co-operative Societies Bill also proposes concurrent audit for multi-state co-operative societies having an annual turnover or deposit of more than the amount as determined by the Central Government. Through Clause 6 of the Bill, the Centre is indirectly encroaching into the rights of State cooperative society. This Clause creates an ambiguity by allowing any cooperative society to merge into an existing multi-State cooperative society. Provisions of the constitution distinguish between co-operative societies of the state and multi-state co-operative. No provision of the Constitution makes way for merging the societies incorporated under State law with a multi-State Cooperative. This is beyond legislative competence of Union as State cooperative societies are within exclusive jurisdiction of States. Similarly, Clause 13 prohibits redemption of shares of multi-State cooperative societies without Centre's approval devouring the object of parent Act by appointing Central Election Authority to be appointed by the Central Government. Clause 24 seeks to create a fund, putting an additional burden on cooperative societies and it affects their autonomous functioning. Clause 45 makes provision for overriding Board of Directors and appointing an Administrator who may not be a member of the society, and thus contravenes 97th Constitutional Amendment Act. There are certain technical issues in

the Bill, and it is against the spirit of the definition of Cooperative Societies as enshrined in the Constitution and will strike at the heart of the autonomy of cooperative societies. The Bill seeks to take away the rights of the State Governments and is against the federal structure of the country. The Amendment Bill must address all concerns before it can be passed as a law. With this I support the Bill.

**SHRI S NIRANJAN REDDY:** I rise to support the Bill because this is in continuation of the 97th Constitution Amendment. Most of the provisions of the Bill are bringing this Multi-State Cooperative Societies Act in tune with the constitutional requirements that require the governance of cooperative societies. There was a concern expressed by quite a few Members that possibly this Bill encroaches into the area of the State Government. I may want to differ with certain concerns expressed by my preceding speaker. The Constitution itself specifies that any corporation, will also include a cooperative society if has operation in more than one State. In such a case the Central Government alone needs to make a law. The Bill also provides that if there is a cooperative society registered under a State law which is going to be merged with a multi-State cooperative society, the merger of the State cooperative society would be done in accordance with the State law only. My party supports the Bill because this is encouraging the framework of multi-State cooperative society and as per constitutional requirement it also provides for the mandatory inclusion of members of the Scheduled Castes and the Scheduled Tribes. It also provides for better administration of cooperative societies because it provides for a concurrent audit. It also provides that in terms of the Information Act, a Cooperative Information Officer would be appointed, who would provide the requisite information with regard to the affairs of the multi-State cooperative society to the information seeker. In all, the Bill provides for greater accountability, transparency, and makes it sync and aligned with the Constitutional requirements.

**DR. ANIL SUKHDEVRAO BONDE:** I rise to support this Bill. Co-operation was the soul of India. In rural areas, co-operative societies were formed to arrange water also. This Bill is a successful step taken in that direction. In 'Amritkal', 'prosperity through cooperation' can be achieved only when the coverage of cooperation increases. In our country the condition of co-operatives was very bad. There are lakhs of co-operative societies, which are in rural areas. But there was no Cooperation Ministry at the central level. I congratulate the Prime Minister that he has formed the Ministry of Cooperation. Multi-state cooperative society is a big organization in India and IFFCO and Amul have an important place in them. Women and farmers get employment through Amul. I believe that multi-state cooperative societies should be regulated. Many a time it is seen that the cooperative society remains confined to a few families only. In many multi-state cooperative societies, elections were not held at all. There was no representation of the poor, farmers, women, scheduled castes etc. in them. The Bill provides for five mantras for cooperatives, namely, election of board members, amalgamation of cooperatives, funding of sick cooperatives, check of misuse of government's shareholding and redressal of grievances. The Bill also provides for the constitution of Cooperative Societies Election Authority which will conduct elections and prepare electoral roll. This will bring transparency even while forming the Board. Seats have been reserved for women and scheduled castes and scheduled tribes in the Board. It also provides for disqualification for three years for ineligible and persons charged with corruption. A provision has also been made to co-opt two people. For the first time, provision to save weak or sick multi-state co-operative society has been made in this Bill. Provision has also been made for an Ombudsman. I support the Bill.

**DR. M. THAMBIDURAI:** The Multi-State Co-operative Societies (Amendment) Bill has been brought to streamline and improve the functioning of co-operative societies. The Bill is not encroaching upon the purview of the States, because States have their own co-operative societies. In Tamil Nadu, co-operative societies are running very successfully. Our AIADMK party is supporting this Bill.

**SHRI VIJAY PAL SINGH TOMAR:** I rise to speak in favour of The Multi-State Co-operative Societies (Amendment) Bill, 2023. India is an agrarian country where co-operatives have been an important part of life in rural areas since ancient times. People used to do all the work together in the villages. This was a great example of co-operation and later it was given legal shape by enacting the Co-operative Act. This Bill has been brought to amend The Multi-State Co-operative Societies Act, 2002. Despite it being a state subject, there are some co-operative societies which operate in more than one state. The Bill will go a long way in improving the election process of the Boards of Multi-state societies as well as play a vital role in better monitoring and implementation of these societies. This is going to bring prosperity especially in the lives of the farmers as they will get the facility of storage, processing and marketing. Excellent work has been done in the field of cooperatives in states like Gujarat and Maharashtra. There are many co-operative societies like Amul, IFFCO and KRIBHCO. Lakhs of people are getting employment and the lives of the farmers has prospered there. In the last 75 years, no attention was paid to the cooperative movement. But in the last two years a radical change has been witnessed in the cooperative movement. PACS was revived and made transparent. The Ministry of Cooperation sent advisory to all the states by framing model bye-laws for PACS. It was accepted by all the states except Bengal and Kerala.

There is no storage facilities in rural areas. If a warehouse is built, there will be arrangements for storage at the village level. In this bill, urban cooperative banks have been made like nationalized banks by giving them the right of one-time settlement. Along with this, the permission of the Reserve Bank will also not be required to open a new branch. In the bill, work has been done to abolish the tax on the profit of the farmers. Multi-state societies have been created in the bill. This will also facilitate the farmers to export. These societies will also arrange seeds for small farmers. In this Bill, arrangements have also been made for the marketing of organic products and to provide fair price to the farmers. Promotion of ethanol will increase farmers' income, reduce crude oil exports, reduce trade deficit and protect the environment. Apart from this, it has also been decided to make a university for cooperative testing. An election authority will be set up to eliminate political interference in the cooperative sector. With this amendment SC/ST and women will get reservation in the board. Societies with a turnover of more than 500 crores will have to have an auditor, who will come from the Reserve Bank. This will stop corruption. I support this bill.

**SHRI V. VIJAYASAI REDDY:** On behalf of my party, I rise to support the Bill. I suggest that the money that is spent out of the Co-operative Rehabilitation, Reconstruction and Development Fund should be properly utilized. There has to be a mechanism for that. Most of the co-operative societies are becoming sick on account of political interference and rampant corruption. I request that this issue be taken care of and identify those sick co-operative societies which really require the funds. Next point is about the Co-operative Election Authority. The Co-operative Election Authority should ensure that the political elements should not come in the cooperative societies. The last point is about the three new apex National Multi-State Co-operative Societies. However, it is unclear from this proposal how they will bring the benefit of efficiencies in the overall functioning of the

agricultural co-operative societies. I request the Minister to provide further clarity in this respect.

**SHRI G.K. VASAN:** I support this Bill. The cooperatives are known as the heart of villages and rural areas. This Bill is a well-drafted Bill. Cooperatives were consulted. I think 28 Ministries were consulted and then the Bill has been finalized. Collective bargaining for agricultural farmers is there in this Bill. One important point which I would like to stress on is that elections conducted through cooperatives should have strict guidelines. Elections are not done in many States by order or by guideline. Ordinary people with right intent should become chairman and members. I am sure that this Bill will definitely find a way for that.

**SHRI KAILASH SONI:** I have been associated with the cooperative for a long time. This is a very important Bill, which affects 60 per cent of India's population. Cooperatives are the backbone of the Indian economy. Today we thank the government that all the recommendations of the Vaidyanathan Commission have been included in this amendment bill. After independence, there were many shortcomings and needs in the cooperative sector. This amendment bill is a national-level, multi-state cooperative bill and is in line with the needs of the entire nation. There is transparency, election process, quorum, registration, audit. This will clear the way for the progress of the rural economy of the whole of India. I conclude my speech by expressing my gratitude to everyone concerned.

**SHRI DHANANJAY BHIMRAO MAHADIK:** This Bill is related to small farmers, small businessmen and especially women working in the cooperative sector. I have been associated with the cooperative sector. There are about eight lakh cooperative societies in the country. Maharashtra has the maximum number of cooperative societies. A historic decision was taken by the present government to waive off the income tax of all the sugar factories and to make the primary cooperative societies prosperous. Corruption, irregularity, inefficiency, mistrust and lack of transparency prevailed in the co-operatives in the country for years. This bill has been brought to solve all these. In this bill, provisions have been made to stop corrupt people in the elections of cooperative institutions. In this bill jobs can't be given to close relatives. If it is made relative, I think it would be better. There has been a huge and good reform of placing management professionals in the MD or CEO positions. Along with this, a provision has also been made for the SC/ST category, which was not there earlier. This is a commendable step. It has a commendable provision for revival of sick units. I suggest that instead of the presence of one-third of the members in any major decision, provision should be made for the presence of 50 per cent of the members. I fully support this bill.

**SHRI NARHARI AMIN:** First of all, I thank the Government for creating a separate cooperative Ministry. It has been considered a very important sector in this government. For this, I thank the Hon'ble Prime Minister. This Bill has been brought by the government to make the cooperative system stronger and more transparent. The main objective of this bill is to fix the responsibility of the cooperative sector and take it forward. A provision has been made in this Bill to conduct timely elections in cooperative societies. The Bill provides for multi-state societies. At present, a provision has been made in this bill to provide direct benefits to the cooperatives. There is a provision in it that cooperative institutions should become strong in future and the government should not interfere in them. The hon'ble Minister has taken care of these things while bringing this bill. This Bill will further strengthen the cooperative institutions in the country.

**SHRI MITHILESH KUMAR:** The Indian cooperative movement has evolved tremendously over the years. The measures proposed in this Bill actually attempt to address the significant functional issues faced by the Indian Multi State Cooperative Societies. The proposed amendments aim to rectify a variety of issues including financial fraud, delay and disputes in elections, biased selection of auditors, favoritism in recruitment and participation of incompetent members within cooperatives. The bill aims to improve ease of doing business, enhance transparency in governance and encourage member-diversity within multi-state cooperatives in India. Honorable Prime Minister has ushered in a new revolution in India by setting up the Cooperative Department. At present, there are more than 1,500 multi-state cooperative societies and about 8.5 lakh cooperative societies across the country. These societies promote the economic and social well-being of their members on the basis of self-help and mutual principles. These societies are spread all over the country and are active in a variety of activities including agro-processing, dairy, fisheries, housing, weaving, credit and marketing. This bill will help in strengthening the cooperative movement in the country.

**THE MINISTER OF FISHERIES, ANIMAL HUSBANDRY AND DAIRYING (SHRI PARSHOTTAM RUPALA):** There is a village named Idar in Sabarkantha district in our Gujarat and a co-operative is functional there for children below eight years of age and their membership ceases when they turn eighteen years of age. The name of that co-operative is 'Bal Gopal Bank'. I am saying this before this elders' House because these kids do not have any source of income. In such a situation, the question arises as to where they withdraw the money from. It is actually deposited by their relatives in the form of gifts which they give to these children. They put it in the savings bank and every month the employees of the bank open that deposit in the presence of their parents and the amount that is collected from it, is deposited in the bank. I am saying this because this highlights the importance of co-operatives.

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**P. C. MODY,**  
*Secretary-General.*

[rssynop@sansad.nic.in](mailto:rssynop@sansad.nic.in)

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\*\*\*\*Supplement covering rest of the proceedings is being issued separately.