

Bill No. 59 of 2012

**THE NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION
(AMENDMENT) BILL, 2012**

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further to amend the National Co-operative Development Corporation Act, 1962.

BE it enacted by Parliament in the Sixty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the National Co-operative Development Corporation (Amendment) Act, 2012. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

26 of 1962. **2.** In section 2 of the National Co-operative Development Corporation Act, 1962, (hereinafter referred to as the principal Act), for clause (c), the following clause shall be substituted, namely:— Amendment of section 2.

2 of 1912. 10 ' (c) "co-operative society" means a society registered or deemed to be registered
39 of 2002. under the Co-operative Societies Act, 1912 or under the Multi-State Co-operative Societies Act, 2002 or under any other law with respect to co-operative societies for the time being in force in any State, or a producer company referred to in clause (l) of section 581A of the Companies Act, 1956, which is engaged in any of the activities specified in sub-section (1) of section 9 and includes a Co-operative Land Development Bank, by whatever name called;'.
1 of 1956.
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Amendment of
section 9.

3. In section 9 of the principal Act, in sub-section (2), after clause (d), the following clause shall be inserted, namely:—

“(dd) provide loans and grants to the producer companies and co-operative societies engaged in notified services and trading in notified commodities;”.

Amendment of
section 13.

4. In section 13 of the principal Act,—

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(a) in sub-section (2), in clause (a), after the words “financing co-operative societies”, the following shall be inserted, namely:—

“in such manner and to such extent as the Central Government may, by notification in the Official Gazette, specify”;

(b) after sub-section (2), the following sub-section shall be inserted, namely:— 10

“(2A) Every notification issued under clause (a) of sub-section (2) shall be laid, as soon as may be, after it is made, before each House of Parliament.”.

STATEMENT OF OBJECTS AND REASONS

The National Co-operative Development Corporation Act, 1962 provides for the incorporation and regulation of a Corporation for the purpose of planning and promoting programmes for the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs, industrial goods, livestock, certain other commodities and services on co-operative principles and for matters connected therewith or incidental thereto.

2. Section 9 of the National Co-operative Development Corporation Act, 1962 provides for the functions of the National Co-operative Development Corporation. It, *inter alia*, empowers the Corporation to advance loans or grant subsidies to State Governments for financing co-operative societies and for employment of staff for implementing programmes of co-operative development, to provide funds to State Governments for financing co-operative societies for the purchase of agricultural produce, foodstuffs, livestock, poultry feed, industrial goods, notified commodities and notified services on behalf of the Central Government, to provide loans and grants directly to the national level co-operative societies and other co-operative societies having objects extended beyond one State and to provide loans to co-operative societies on the guarantee of State Governments or in the case of co-operative societies in the Union territories, on the guarantee of Central Government. It is proposed to insert a new clause (*dd*) in sub-section (2) of section 9 of the National Co-operative Development Corporation Act, 1962 to empower the National Co-operative Development Corporation to provide loans and grants to the producer companies and co-operative societies engaged in notified services and trading in notified commodities.

3. It is envisaged that the producer companies can play a major role in improving the livelihood of primary producers and boosting growth of rural economy. It is, therefore, further proposed to provide assistance to them through National Co-operative Development Corporation by including them in the definition of co-operative society. The producer company is defined under clause (1) of section 581A of the Companies Act, 1956. Section 581B of the Companies Act, 1956 provides for the objects of a producer company which are broadly based on the principles of mutual assistance. A major impediment being faced by the producer companies in its expansion and growth is the lack of availability of institutional support and credit to them. The proposed amendment to bring producer companies within the definition of co-operative societies as defined in clause (c) of section 2 of the National Co-operative Development Corporation Act, 1962 would provide an additional source of credit through said National Co-operative Development Corporation to the producer companies, which mostly comprise of small and marginal farmers. The proposed amendment would enable the National Co-operative Development Corporation to plan, promote and finance programmes for the benefit of the producers through co-operative societies including producer companies.

4. The existing provisions contained in clause (a) of sub-section (2) of section 13 of the said National Co-operative Development Corporation Act, 1962 provide that the National Co-operative Development Corporation shall maintain a Fund. The said Fund shall, *inter alia*, be applied for advancing loans and granting subsidies to State Governments on such terms and conditions as the Corporation may deem fit for the purpose of enabling State Government to subscribe to the share capital of co-operative societies or for otherwise financing co-operative societies. It is also proposed to amend said clause (a) to provide

that such advancing of loans and granting of subsidies shall be in such manner and to such extent as may be specified by the Central Government by notification in the Official Gazette.

5. The Bill seeks to achieve the above objectives.

NEW DELHI;
The 26th April, 2012.

SHARAD PAWAR.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4 of the Bill seeks to amend clause (a) of sub-section (2) of section 13 of the Act to empower the Central Government to specify by notification in the Official Gazette, the manner and the extent of financing by the Corporation out of the moneys available in the Fund of the Corporation under that section.

2. The matters in respect of which the notifications are to be issued, are matters of detail or procedure. The delegation of the legislative power is, therefore, of a normal character.

ANNEXURE
 EXTRACTS FROM THE NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION ACT, 1962
 (26 OF 1962)

	*	*	*	*	*
Definitions.	2. In this Act, unless the context otherwise requires,—				
	*	*	*	*	*
	(c) " co-operative society" means a society registered or deemed to be registered under the Co-operative Societies Act, 1912 or under the Multi-State Co-operative Societies Act, 1984 or under any other law with respect to co-operative societies for the time being in force in any State, which is engaged in any of the activities specified in sub-section (1) of section 9 and includes a Co-operative Land Development Bank, by whatever name called;				
	*	*	*	*	*
Functions of Corporation.	9. (1) * * * *				
	(2) In particular and without prejudice to the generality of the foregoing provision, the Corporation may—				
	*	*	*	*	*
Corporation to maintain fund.	13. (1) * * * *				
	(2) The moneys in the Fund shall be applied for—				
	(a) advancing loans and granting subsidies to State Governments on such terms and conditions as the Corporation may deem fit for the purpose of enabling State Governments to subscribe to the share capital of co-operative societies or for otherwise financing co-operative societies;				
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LOK SABHA

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further to amend the National Co-operative Development Corporation Act, 1962.

(Shri Sharad Pawar, Minister of Agriculture and Food Processing Industries.)