

(2003) 01 KL CK 0126
In the High Court Of Kerala
Case No : O.P. No. 12439 of 2002 etc.

Alapuzha District Co-operative Bank Ltd.	APPELLANT
Vs	
State of Kerala	RESPONDENT

Date of Decision : 07-01-2003

Acts Referred:

Constitution of India, 1950 — Article 14, 19(1)

Citation : (2003) 01 KL CK 0126

Hon'ble Judges : Kurian Joseph, J

Bench : Single Bench

Advocate : M.K. Damodaran and P.K. Vijayamohanan, for the Appellant; B.S. Swathikumar, Spl. Government Pleader and K.J. Josemon, Government Pleader, for the Respondent

Final Decision : Dismissed

Judgement

Kurian Joseph, J.—Co-operation among co-operatives is one of universally accepted co-operative principles. (See Karve Commission on Co-operative Principles - Report unanimously adopted in the Vienna Co-operative Congress in 1966). The statutory scheme and scope of co-operation between the District Co-operative Bank and the Primary Cooperative Societies in the respective revenue district, under the Kerala Co-operative Societies Act, 1969 is the subject matter of dispute in these cases.

2. Constitutional validity of the Kerala Co-operative Societies (Amendment) Act, 2002 (Act 3 of 2002), hereinafter called "the Amendment Act" is the challenge in these Original Petitions. The petitions were originally filed at a time the Kerala Co-operative Societies (Amendment) Ordinance, 2002 (6 of 2002) was promulgated. The Ordinance came into effect from 4.5.2002, and the Act is given retrospective effect from that date. The impugned amendments pertain to (1) restoration of the status of District Cooperative Banks with membership open to any type of primary societies and federal and central societies having head quarters in the respective districts, as it stood prior to Act 15 of 1997; (2) the consequential

amendment on the cessation of nominal or associate members in the case of primary societies; (3) the concept of active membership introduced as per Act 1 of 2000 with effect from 1.1.2000 being dropped; (4) deemed membership given to primary societies which had ceased to be members on the commencement of Act 15 of 1997 and provision for application for membership in the case of nominal or associate members enrolled after 3.6.1997; (5) cessation of the Committee in office of the District Co-operative Banks with effect from 4.5.2002.

3. The main arguments advanced by the petitioners :

(1) The amendment is ultravires the Constitution of India, infracting Articles 14 and 19(1) (c) and (g).

(2) The legislation takes away the benefit of the judgment of this Court in O.P. 29277/2001 and connected cases and the judgments following the said Division Bench judgment wherein the Court declared that the Committee of the respective District Co-operative Banks will be entitled to continue for a term of 5 years.

(3) Even after changing the definition of District Co-operative Bank, it was not necessary to dethrone the existing committee before its term; instead the existing committees could have been requested to constitute new committees on the basis of the amended provision. It was also contended that the said provision u/s 7(1)(c) of the Amendment Act does not find a slot in the parent Act and therefore, cannot be treated as part of Amendment Act.

(4) The concept of active membership having been introduced with a purpose, it should not have been dropped, atleast without experimenting it for some time.

(5) Deemed membership is against the very concept of membership which is to be granted only on application. That is a function of the respective society and the legislature is incompetent to provide deemed membership.

4. District Co-operative Bank - its statutory position and purposes: Promotion of Co-operative movement is prescribed as a Directive Principle of State Policy under Article 43 of the Constitution of India. The purpose of the Kerala Co-operative Societies Act, 1969, hereinafter called "the KCS Act" as set out in the preamble is to "provide for the orderly development of the co-operative sector in the State by organising the co- operative societies as self governing democratic institutions to achieve the objects of equity, social justice and economic development, as envisaged in the Directive Principles of State Policy of the Constitution of India". For such orderly development of the co-operative sector in the State, State partnership is an accepted principle in cooperative movement, ever since the report of the All India Rural Credit Survey Committee submitted in 1954, known as Gorwala Committee Report - named after its Chairman, Sri. A.D. Gorwala. At the apex level, the partnership was recommended to be direct, i.e., the State Government directly contributing to the share capital of the cooperative institutions at the apex level concerned, the district level through apex

institutions and at the primary level indirectly. Thus evolved the concept of a central cooperative bank in each revenue district as a financing bank of primary co-operative societies. Under the National Bank for Agriculture and Rural Development (NABARD) Act, Central Co-operative Bank means "the principal co-operative society in a district in a State, the primary object of which is the financing of other co-operative societies in that district". All the facilities provided by the NABARD by way of financial assistance to co-operative societies are routed through the State Co-operative Bank and the Central Co-operative Bank. The District Co-operative Bank in each district was treated as the Central Co-operative Bank in that district. Section 2(d) of the KCS Act defines a Central Society as a society having jurisdiction over one or more revenue districts, but not the whole State as its area of operation and having as its members only other societies and declared as such by the Registrar or the Government.

5. True, going by the nature of activity, primary societies have their own federal set up - Federal Co-operative Society. But, financing is through the Central Cooperative Bank in the district, namely, the District Co-operative Bank. That is why financing bank is defined u/s 2(j) of the KCS Act as a Co-operative Society having as its members only other co-operative societies and the main object of which is to raise money and lend the same to its members. The very purpose of the registration of the central society", namely, the District Co-operative Bank is to facilitate the operations of primary societies, among other ancillary objects, as can be gathered from Section 4 of the Kerala Co-operative Societies Act. Section 8A of the Act provides for affiliation of every primary co-operative society to a central society. Section 16 contemplates the membership of primary societies in other societies.

6. Chapter VI of the KCS Act deals with State aid to co-operative societies. Section 42 provides for direct partnership of Government in societies and Section 43 with indirect partnership by providing money to a society for the purchase of shares in other societies with limited liability. Section 44(2) provides that an apex society shall establish a fund called "Principal State Partnership Fund" with the money provided by the Government u/s 43 and utilise the Fund for the purpose of (a) directly purchasing shares in other societies with limited liability or (b) providing moneys to a central society to enable that society to purchase shares in other societies with limited liability primary societies or (c) making payments to the Government in accordance with the provisions of Chapter VI. u/s 45, a central society provided with money by an apex society from the Principal State Partnership Fund is to establish a Fund called "Subsidiary State Partnership Fund". The said Subsidiary State Partnership Fund is to be utilised for the purpose of purchasing shares in primary societies or making payments to the apex society. For the purpose of Chapter VI of the KCS Act, Central Society is the District Co-operative Bank in each revenue district.

7. A conspectus of these provisions would show the primordial position of a District Co-operative Bank as the central society for all the primary co-operative

societies in a District. District Co-operative Bank lends money to all primary co-operative societies in the district and the Subsidiary State Partnership Fund is distributed only through it. NABARD distributes subsidies or grants only through the District Co-operative Bank. To exclude some of the primary societies from the conceptual main stream of the district co-operative bank and treat them only as nominal or associate members would not render justice to the excluded ones for the main reason that once treated as nominal or associate members, there is vital change in the nature of relationship. Active and effective participation is denied. Participation is the quintessence of democracy and any act resulting in denial of participation will be ultra vires the objects of the KCS Act. The Act visualises a co-operative society as a true democratic institution. In other words, all the primary co-operative societies form one class. There is no difference in status in their relationship with the central society, namely, District Co-operative Bank. Being similarly situated, they cannot be dissimilarly treated. Another consequence is that they will not be entitled to their dividend and for other benefits as in the case of those included.

8. By the introduction of Act 15 of 1997 with effect from 3.6.1997, District Cooperative Bank was given a restrictive meaning as a "central society having jurisdiction over one revenue district and having as its members primary agricultural credit societies and urban co-operative banks and the principal object of which is to raise funds to be lent to its members including nominal or associate members". Scraping that provision, the impugned amendment reintroduced the original and basic concept of District Cooperative Bank as one umbrella in the district "a central society, the principal object of which is to raise funds talend to its members, with jurisdiction over one revenue district and having as its members any type of primary societies and federal and central societies having head quarters in such districts". As already observed above, all types of primary co-operative societies are being financed through the District Co-operative Bank. The relationship between a primary co-operative society and the District Cooperative Bank for the purposes of the Act cannot be narrowly understood as the similarity in transaction of raising funds and lending, so long as the District Co-operative Bank is defined and treated as the Central Society in the District through which other primary societies are disbursed various benefits, both under the Kerala Co-operative Societies Act as well as the NABARD Act and other Acts, both Central and State. Classification based on the credit or banking business Vs. non-credit and non-banking activity of a primary co-operative society does not have any nexus to the object of the KCS Act. Therefore, such a classification lacking nexus to the object of the Act is discriminatory and hence impermissible under Article 14 of the Constitution of India.

9. Petitioners contend that classification is mandatory and absence of classification would render the purpose of the KCS Act otiose. There is also a contention that unequals are treated equally. It has to be seen that there is no case for anybody that a classification based on the nature of activity is impermissible. But, what is to be considered is whether such a classification

based on the nature of the activity has any nexus to the object sought to be achieved. As already noted above, in the concept of District Co-operative Bank as the financing bank in the district, functioning as the central society under the Act and in the scheme of the functioning of the primary societies depending on the District Co-operative Bank, it cannot be said that non-credit and non-banking primary societies have to be treated as a separate class and treated differently, without permitting them to have full participation in the affairs of the central society. In such circumstances, classification for the purpose of keeping the non-credit and non-banking primary societies away from the main stream and attributing a different status of membership without participatory opportunities is impermissible. It is significant to note that both under the Amendment Act of 1997 and the impugned Act of 2002, District Co-operative Bank is defined as a Central Society with jurisdiction over one revenue district. A Central Society shall not treat its members differently since all the members in that society are other societies with similar privileges and obligations in relation to the Central Society. It will not also be out of context to note that the funds of the District Co-operative Banks take is not only the funds of primary agriculture credit societies and urban banks, but also other non-credit societies and individuals.

10. Co-operative societies are set up on democratic principles. A true and meaningful participation in the affairs of the society by the members is the basis of such a principle. In the counter affidavit filed by the State, a comparative chart is given indicating the impact of the Amendment Act of 1997, which is extracted below:

Sl.

No.Name of DCB

Before 3.6.1997

After 3.6.1997

A Class

Nominal

A Class

Nominal

Total

1.

Trivandrum

1165

Nil

115

1050

1165

2.

Kollam

707

Nil

132

575

707

3.

Pathanamthitta

482

Nil

108

374

482

4.

Alleppey

1045

Nil

250

795

1045

5.

Kottayam

763

Nil

141

622

763

6.

Idukki

539

Nil

72

467

539

7.

Ernakulam

693

Nil

173

520

693

8.

Trichur

753

Nil

182

571

753

9.

Palakkad

418

Nil

89

329

418

10.

Malappuram

285

Nil

123

162

285

11.

Kozhikode

358

Nil

108

250

358

1.2.

Wayanad

232

Nil

30

202

232

13.

Kannur

1014

Nil

142

872

1014

14.

Kasargod

467

Nil

65
402
467
Total
8291
1729
6562
8291

A perusal of the above chart would show the glaring imbalance, rather the hostile discrimination meted out to the bulk of the members in each central society. Not only that, such a classification does not achieve the purpose of the Act - the orderly development of the primary co-operative societies - in the instant case in each district, but the same results in hostile discrimination to the majority of the primary societies. The facts and figures indicate that vast majority of primary societies in each district are non-credit societies who have their financial relationship with the District Co-operative Bank and who have share capital investment in the District Co-operative Bank. By the 1997 amendment, the non-credit and non-banking primary societies were treated as nominal members and as a consequence of which they were denied their dividend for their share capital contribution. They were denied opportunity for effective and meaningful participation. Negation of such democratic rights infracts rights under Article 14 of the Constitution of India. The Amendment Act of 2002 is intended to remedy the situation and pursuant to the amendment, all primary co-operative societies and federal and central societies having head quarters in a district are roped in the definition of District Co-operative Bank. By virtue of their powers under item 32 in List II of the Seventh Schedule of the Constitution of India, the State is well within its powers to provide for such a legislation.

11. The Amendment Act of 2002 provided for deemed membership to all those primary societies who became nominal members consequent on the amendment Act 15 of 1997. As noted in the chart, vast majority of primary societies became nominal members in District Co-operative Banks with effect from 3.6.1997 and their share amounts were transferred to suspense account. Their exit from the full membership from the District Co-operative Bank was by operation of law, namely, Act 15 of 1997. By Act 3 of 2002 - the Amendment Act, they have been now given entry by declaring them as deemed members. The argument of the petitioners is that once such societies ceased to be members, their entry can only be by a fresh process of membership. I am afraid, the contention cannot be countenanced. As observed above, their exit was not as per the procedure under the Act, rules or byelaws but by Act 15 of 1997. Those societies had originally applied for affiliation and they had been granted affiliation. But for Act 15 of

1997, they would have continued as full members. What is done by Act 3 of 2002 is to take away the impact of Act 15 of 1997, which the legislature is well within its powers. Needless to say, in the case of liquidated or defunct societies, they will be bound by the statutory consequences of their status as on the date of the Amendment Act. Therefore, the deemed restoration of membership cannot be said to be in any way illegal. As far as nominal members after 3.6.1997, it is only reasonable that all those societies enrolled as nominal or associate members after 3.6.1997 pursuant to Act 15 of 1997, are permitted to apply for affiliation and their cases considered u/s 8A.

12. The next issue to be considered is regarding dissolution of the committees pursuant to the Amendment Act. Section 7(1)(c) of the Amendment Act provides that the committee in office of a District Co-operative Bank at the commencement of the Act, namely, 4.5.2002 would cease to exist and the Registrar is empowered to take appropriate steps for the ad hoc management of the society. One of the main contentions is that the said provision interferes with the decision of this Court which had attained finality inter parties. Reference is to the Bench decision of this Court in O.P. 27725/2001 and other cases and the judgments following the said decision. Those were cases dealing with impact of the amendment to Section 28(1) of the KCS Act as per Act 1 of 2000 with effect from 1.1.2000, by enhancing the term of the Managing Committee from 3 years to 5 years. Referring to the factual situation of the general body having decided before the expiry of the three year period to amend the byelaw authorising continuance upto five years and other factual situations, it was held that the committees of those District Co-operative Banks will be entitled to continue for a period of five years. It has to be noted that such declaration was to the effect that notwithstanding the amendment to Section 28(1), those committees who had taken the steps noted in the judgment would be entitled to continue for a period of five years despite the expiry of the elected term. In other words, the judgment authorises those committees to continue for a period of five years notwithstanding the ineligibility which would have otherwise accrued to the committees u/s 28(1) of the KCS Act. Therefore, the position is clear that the said declaration would only enable the committees to continue, if they are otherwise eligible to continue. The decision interparte is only regarding the eligibility of the committee to continue for a period of five years notwithstanding the expiry of the elected term of three years, for the purposes of Section 28(1) of the KCS Act. Merely because there is such a declaration, it cannot be held that the committee is not liable to be removed for any other reason. If such an interpretation is attempted, it will have to be held that those committees cannot even be proceeded against u/s 32 of the KCS Act, for superseding a committee of a society functioning against the interests of the society or in violation of the provisions of the Act. The question to be considered is whether the impugned amendment in any way interferes with the judgment.

13. Three organs of the State, viz., judiciary, executive and legislature operate in their own spheres and fields. Doctrine of separation of powers is the basic tenet

of our constitutional framework. The Constitution permits legislation by the legislatures within the prescribed limits either prospectively or retrospectively. But, in the process, the legislature cannot interfere with the decision of the Court. At the same time, in exercise of the legislative powers, a legislature is entitled to remove the basis of a decision rendered by a competent court thereby rendering the decision ineffective. That is not to say that the State is free to ignore, disregard or disobey the decision of the Courts. Whether there is such interference is for the Court to decide. To quote from the Kavery Disputes Tribunal Reference case reported in In the matter of : CAUVERY WATER DISPUTES TRIBUNAL, , "It is through the power of judicial review conferred on an independent institutional authority such as the High Court that the rule of law is maintained and every organ of the State is kept within the limits of the law. If the exercise of the power of judicial review can be set at naught by the State Government by overriding the decision given against it, it would sound the deathnell of the rule of law. The rule of law would be meaningless as it would be open to the State Government to define the law and yet get away with it." After referring to various decisions and authorities on the point, the Apex Court laid down the law on the point as follows, in the above decision :

"The principle which emerges from these authorities is that the legislature can change the basis on which a decision is given by the Court and thus change law in general which will affect a class of persons and events at large. It cannot, however, set aside an individual decision inter parties and affect their rights and liabilities alone. Such an act on the part of the legislature amounts to exercising the judicial power of the State and to function as an Appellate Court or Tribunal".

14. Guided by the above salutary principle if the factual situation in the instant cases is examined, it can be seen that there is no interference with a decision in an individual case on the point decided and concluded interparte. What is done by the impugned amendment is the introduction of a new law affecting a class, namely, the District Cooperative Banks in the State and not the few individual District Co-operative Banks mentioned in the Original Petitions. Therefore, it is clear that there is no interference with the decision of this Court by the impugned amendment. Legislature has only acted within its permitted sphere through the impugned amendment which was not the subject matter of the decisions of this Court referred to in the Original Petitions and on which there is no observation either.

15. Another contention centering on Section 7(1)(c) of the impugned Act is that, in any case, it was unnecessary to dissolve the existing committees before their eligible term, since in effect the impact of the amendment is only introduction of a few new members. Obviously, the impact of the amendment is not the roping in of a few new members. The whole concept of the electorate has been changed. The electorate which enthroned the committees in 1997 consisted only of primary agricultural credit societies and urban co-operative banks whereas after the amendment, the electorate consists of all types of primary societies and

federal and central societies having head quarters in the concerned revenue district. The basis of the electorate having thus changed, it cannot be held that the legislature acted unreasonably in dissolving the committees which cannot evidently be held to have participation of the electorate in a meaningful manner. If the facts and figures extracted above can be taken as an indicator, the excluded categories of societies which are now included by the impugned amendment would be around 5 to 10 times the number of the societies included as per Act 15 of 1997. In the words of Justice Frankfurter in *Morey v. Bond* (1957) 354 U.S. 457, "To recognise marked differences that existed in fact is living law; to disregard practical difficulties and concentrate on some abstract identities is lifeless logic". Therefore, it is only just, proper and reasonable that the legislature provided for the intended natural consequences. But for that provision, after the deemed restoration of membership, the situation in the District Co-operative Banks would have led to chaos, as contended by the learned Special Government Pleader.

16. Yet another contention is that Section 7(1)(c) does not find a slot in the parent Act and being an Amendment Act, unless the provision finds a place in the parent Act, it cannot remain as such. Section 7(1)(c) provides for the immediate consequences of the amendment. It is now settled law that legislature is entitled to provide for consequences also in the Amendment Act and that the Act need not necessarily contain only the amendments in the parent Act and nothing else. It has to be noted in this context that as far as the parent Act is concerned, Section 7(1)(c) has no relevance since the said provision deals only with the existing committees and such a provision need not necessarily go into the parent Act. May be, the said provision could have been more felicitously expressed and more aptly provided. But, the legislature in its wisdom thought to provide it so and the competence having conceded, the Court need not go into the procedural aspects of the legislative exercise unless the same results in conflicting situations or undesired results. Neither is there in the instant case and hence it cannot be said that Section 7(1)(c) is in any way unreasonable or ultra vires.

17. The next issue to be tackled is the amendment on active membership. Section 27(1) of the KCS Act prescribes that the final authority in a society shall vest in the general body of the members. Section 2(k) defines general body meeting as a meeting of the members who are entitled to vote in the affairs of the society. Section 20 of the KCS Act, as it originally stood provided that "every active member of a society shall have one vote in the affairs of the society". By the amendment introduced as per Act 1 of 2000 with effect from 1.1.2000, only an active member of a society had one vote in the affairs of the society. Explanation added by the said Act 1 of 2000 was that "For the purpose of this Section, active member means.-

(i) In the case of a credit society, a member who has made a deposit or has become a borrower or surety or has attended any general body meeting of the society during the period of five years immediately preceding the date of

resolution of the committee for the conduct of election.

(ii) in the case of any other society, a member who has involved in all or any of the objects of the society specified in the bye-laws thereof during the period of five years immediately preceding the date of resolution of the committee for the conduct of election".

By the impugned Amendment Act 3 of 2002, the concept of active member has been taken away and now subject to the restrictions u/s 20, every member of a society has one vote. Right to vote is an essential concomitant of membership. The basic idea behind any co-operative movement being active co-operation among the members for their welfare and the welfare of the public, unless there is effective participation of the members, it cannot be said that there is a co-operative movement. It may not be altogether out of context to observe being a matter of common knowledge that in many co-operative societies, it is not the movement of the co-operators that is taking place now. It is sheer political movement now and the noble ideals of democracy and cooperation are only rarely reflected. Therefore, it is ideal that the participation in cooperative movement is limited to those who are actually interested in the movement. But the question is how to ensure such participation. The concept of active membership as introduced by Act 1 of 2000 lacks luster. As the explanation indicates, the legislature apparently intended to affect only the election general body meeting. But that was not the effect of amendment. It does not go with the scheme of the Act in the matter of rights and duties of members. For example, once a member is branded as non-active member for having not attended the general body meeting for five years preceding the date of the resolution of the committee before the conduct of election, he cannot, thereafter participate in any general body meeting. Section 20 deals with all general body meetings and not limited to elected general body alone. The second limb of the explanation was also very vague as to what is the nature of involvement in a non-credit society. Therefore, though it is highly desirable to limit the scope of the co-operative movement among those who are actually interested in the movement, the amendment introduced as per Act 1 of 2000 was not capable of combating the situation and the amendment does not go with the scheme of the Act regarding membership. Hence, the impugned amendment on active membership cannot also be said to be in any way unreasonable or ultra vires the Act.

18. It is necessary to refer to a few more arguments on violation of Articles 19(1) (c) and (g), motive of the legislation etc. The Constitution Bench in K. Nagaraj and Others Vs. State of Andhra Pradesh and Another, made it clear that the motive of the legislature in passing a statute is beyond the scrutiny of the Courts. Following that decision, the Supreme Court in Gurudevdatla VKSSS Maryadit and Others Vs. State of Maharashtra and Others, made it Crystal clear that by no stretch, the courts can interfere with the legislative malice in passing a statute. "Interference is restrictive in nature and that too on the constitutional aspect and not beyond the same", "Legislative malice is beyond the pale of

jurisdiction of the law courts...." (Paras. 12 and 13). In the light of such authoritative pronouncements, it is not necessary to deal with the contention any more. Another contention was on the violation of fundamental rights under Articles 19(1) (c) and (g) of the Constitution of India. A co-operative society is a creation of statute and the members have only statutory rights qua the society. In *Daman Singh and Others Vs. State of Punjab and Others*, the Apex Court, in a cooperative society matter referring to the status of the members held as follows: (Para. 9)

"They (co-operative societies) are created by statute, they are controlled by statute and so, there can be no objection to statutory interference with their composition on the ground of contravention of the individual right of freedom of association".

Afterall, there is no fundamental right for any citizen to be a member of a co-operative society; his right is governed by the provisions of the statute. *State of U.P. and another etc. Vs. C.O.D. Chheoki Employees' Co-op. Society Ltd. and others etc.*, . It is significant in this context to note that none of the rights of primary agriculture credit societies or urban co-operative banks has been affected by the impugned amendment. In *Bhandara District Central Co-operative Bank Ltd. and Others, Vs. State of Maharashtra and Another etc.*, the Supreme Court made it clear that "A co-operative society is not meant to be run as a close preserve of an individual or a group of persons. "Cooperative" has been understood as a form of organisation where persons voluntarily associate together on a basis of equality for the promotion of their economic interests. The emphasis is on co-operation. It is, therefore, desirable to have the active participation of as many members as may be possible". (Para. 5). In the said decision, the Apex Court while considering the validity of an amendment introducing restriction on the term of officers of Co-operative Societies repelled the contention regarding violation of the fundamental right under Article 19(1)(g).

19. Though extensive arguments were advanced on the side of the respondents defending the impugned amendment, including the locus standi of the petitioners to file the Original Petitions, it is not necessary for the Court to go into all those questions for the purpose of deciding this case, since the issues have generally been dealt with on merits. Therefore, I make it clear that those questions which are not decided in this judgment are left open.

20. In the result, the Original Petitions are dismissed. There will be a direction to the State, Registrar of Co-operative Societies and the District Co-operative Banks to conduct election and constitute new committees on or before 4.5.2003, the period stipulated in Section 7(1)(c) of the Amendment Act.

21. Before I part, I feel it will not be out of context to make a passing observation, without which the judgment may not be complete.

"Co-operation has failed, but it must succeed" was the celebrated phrase, in the Gorwala Committee report known as the Magnacarta of the co-operative

movement.

As the Royal Commission on Agriculture headed by Mr. Calvert in its report observed, "If Co-operation fails, there will fail the best hope of rural India". To quote Dr. V. Kurien the eminent co-operator and founder of Anand Pattern Co-operative Societies, the State, particularly acting through its Registrar, "is the creator, sustainer and exterminator of co-operative societies". But, in the process, co-operative values of self help, self responsibility, democracy, equality, equity and solidarity should not be diluted or sacrificed, lest the co-operative movement itself will be exterminated.