

**GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA**

UNSTARRED QUESTION NO:274
ANSWERED ON:23.11.2011
CO-OPERATIVE SOCIETY LIABILITY
Ram Shri Purnmasi

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

- (a) whether co-operative societies, wherein the Government owns more than 51 per cent shares, are liable to follow the Government rules and regulations;
- (b) if not, the reasons therefor;
- (c) the manner by which the Government proposes to ensure that such societies do not make appointments arbitrarily in violation of the Constitution of India and its recruitment rules;
- (d) whether the Government has received complaints in this regard;
- (e) if so, the details of action taken to quash such appointments; and
- (f) the steps taken to check misuse of authority by such societies?

Answer

Minister of State in the Ministry of Personnel, Public Grievances and Pensions and Minister of State in the Prime Minister's Office.
(SHRI V. NARAYANASAMY)

(a) & (b): The multi-state co-operative societies are governed under the MSCS Act, 2002, Rules framed thereunder and the byelaws of the society and therefore, are required to follow the provisions contained therein.

(c): As per the provisions of Section 49 of the MSCS Act, 2002, the Board of Directors (BoD) of the Multi-State Cooperative Society are competent to appoint and remove Chief Executive and other staff as are not required to be appointment by the Chief Executive. The BoD of the multi State cooperative society is also competent to make provisions for regulating the appointment of employees of the multi-state cooperative society and the scales of pay, allowances and other conditions of service of, including disciplinary action against such employees. However, as per rule 21 of the MSCS Rules, 2002, where the Central Government holds fifty one percent of more equity capital of a multi-State cooperative society, the qualifications and eligibility conditions for the post of Chief Executive, the salary and allowances, other terms and conditions of service including suspension, removal, pension, gratuity, retirement benefits, etc. shall be approved by the Central Government.

(d) & (e): The complaints, if any, received by the Administrative Ministry regarding appointment of employees in the multi-State cooperative societies, are forwarded to the concerned society for taking appropriate action, as the Board of Directors of the society is the Competent Authority in such matters. Department of Personnel and Training has received some references from Members of Parliament regarding some appointments which were allegedly been made in contravention of the Recruitment Rules of the Kendriya Bhandar. The matter was examined and directions were issued to Kendriya Bhandar that all appointment should be made strictly in accordance with Recruitment Rules. Action regarding quashing or otherwise of such appointments is to be taken by the Board of Directors of Kendriya Bhandar which is the competent authority.

(f): As the multi-State cooperative societies are autonomous cooperative organizations, members may raise these issues before the Board of Directors and the General Body of the society.