

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 1922
ANSWERED ON 20/12/2023

Functioning of Boards of Multi-State Co-operative societies

1922 # SMT. GEETA ALIAS CHANDRAPRABHA:

Will the Minister of COOPERATION be pleased to state:

- (a) the details of provisions made to increase the representation of Scheduled Castes/Tribes in the boards of Multi-State Co-operative societies;
- (b) the steps taken to make the board more professional; and
- (c) the provisions made to increase participation of board members in board meetings?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a) to (c): The Multi-State Cooperative Societies (MSCS) (Amendment) Act & Rules, 2023 have been notified on 03.08.2023 and 04.08.2023, respectively to strengthen governance, enhance transparency, increase accountability and reform electoral process, etc. in the Multi State Cooperative Societies by supplementing existing legislation and incorporating the provisions of Ninety-seventh Constitutional Amendment.

To increase the representation of Scheduled Castes/Tribes in the boards of Multi-State Co-operative societies, to make the board more professional and to increase participation of board members in board meetings, following provisions have been introduced via above amendment, inter-alia: -

- i. Provisions for reservation of two seats for women and one seat for SC or ST in the Board of multi-State cooperative societies have been made.
- ii. To ensure timely, regular and transparent conduct of elections in the multi-State cooperative societies, provision of Cooperative Election Authority has been included.
- iii. To increase professionalism in the Board of multi-State cooperative societies, provision of Co-option of such directors who have experience in the field of banking, management, co-operative management and finance or specialization in any field relating to the objects and activities undertaken by such multi-State cooperative societies have been introduced.
- iv. To increase participation of board members, quorum of 1/3rd of elected members, has been prescribed for board meetings.

- v. Casual vacancies are to be filled by nomination up to 1/3rd of the board strength, if the term of office of the board is less than half of its original term. If casual vacancies in the same term exceed 1/3rd of number of elected directors, elections have to be conducted through Election Authority.
- vi. If Chairman of the society fails to direct the convening of the meeting within the quarter, it shall be convened by Chief Executive Officer (CEO) on the requisition of Vice-Chairperson or Vice President. In other cases, meeting to be convened by Chief Executive Officer (CEO) on requisition from at least 50 % of board members. This will ensure holding of meetings in regular manner and on demand.
- vii. Additional grounds for disqualification for directors have been made to improve governance, for better recovery of dues and to ensure that such acts of omission or commission or fraud are not repeated elsewhere.
- viii. To curb nepotism and favouritism in multi-State co-operative societies, the Director of a multi-State cooperative society shall not be present in the discussion and vote on matters where he or his relatives are an interested party.
- ix. For strengthening governance, criteria for appointment of Chief Executive Officer (CEO) is stipulated.
