



Ministry of Cooperation | सहकारिता मंत्रालय
Government of India | भारत सरकार



International Year
of Cooperatives

Cooperatives Build a Better World

Cooperative Election Authority

**Election of Board of Directors and Office bearers
of the Multi State Cooperative Societies.**

Meeting with RO

29.07.2025

Scheme of Presentation

- Constitutional Provisions
- MSCS (Amendment)Act, 2023
- Cooperative Principles
- CEA and conduct of elections
- Few examples of election cases.

Constitutional provisions for Co-operative Societies

- Co-operative Societies with objects confine to one State are governed by Entry 32 of the State list (List II of the Seventh Schedule). Provisions of Such entities are governed by respective State co-operative societies Act.
- Co-operative Societies with objects not confining to one State are governed of Entry number 44 of Union List (List I of the Seventh Schedule). They are governed by Multi State Cooperative Societies Act 2002.

The Constitution's Ninety Seventh (Amendment) Act 2011

- The above Amendment Act granted constitutional status to the Cooperative Societies which came into force w e f 15.02.2012 and made the following key provisions:
 - Right to form cooperative societies was included as a *Fundamental Right* by insertion of the words “cooperative societies” in Article 19(1)(c) in Part III of the Constitution.
 - Article 43B was inserted in Part IV of the Constitution as *Directive Principle of State Policy* for promotion of cooperative societies.
 - *Part IX B ‘The Cooperative Societies’* was inserted with provisions for incorporation, regulation and winding up of co-operative societies.

The Constitution's Ninety Seventh (Amendment) Act 2011- Legal challenges

- Gujarat High Court, vide Judgment, dated 22.04.2013 declared that the Constitution (Ninety-Seventh Amendment) Act, 2011 inserting Part IXB containing Articles 243ZH to 243ZT is ultra vires for not taking recourse to Article 368(2) of the Constitution providing for ratification by the majority of the State Legislatures.
- This order, however, will not affect other parts of the Constitution (Ninety-Seventh) (Amendment) Act, 2011.
- However, in Special Leave Petition, Supreme Court of India, vide its majority judgment, dated 20.07.2021 held that Part IXB of the Constitution of India is operative only insofar as it concerns Multi-State Co-operative Societies.

The Multi-State Cooperative Societies (Amendment) Act 2023

- The Multi-State Cooperative Societies (Amendment) Act 2023 brought provisions of Ninety-seventh Constitutional Amendment and to strengthen governance, enhance transparency, increase accountability and reform electoral process, etc. in the Multi State Cooperative Societies.
- The amendment Act was notified on 3.8.2023.
- Multi State Co-operative Society Rules were also amended and modified rules were notified on 4.8. 2023
- Multi State Co-operative Society Act is administered by the Central Registrar of Co-operative Societies (CRCS). There are 1752 such societies.

Cooperative principles – Schedule I of Act

- I. Voluntary and Open Membership.
- II. Democratic Member Control.
- III. Member's Economic Participation.
- IV. Autonomy and Independence.
- V. Education, Training and Information.
- VI. Co-operation among co-operatives.
- VII. Concern for Community.

Types of MSCS

Sr. No.	Sector Name	Number of Societies
1.	Credit & Thrift Society	634
2.	Agriculture & Allied Cooperative	334
3.	Housing Cooperative Society	155
4.	Multipurpose Cooperative	105
5.	Dairy Cooperative	102
6.	Urban Cooperative Bank (UCB)	69
7.	Marketing Cooperative Society	36
8.	Health/ Hospital	35
9.	Federation	35
10.	Agro Processing	34

Types of MSCS

11	Sugar Cooperative	<u>21</u>
12	Milk Federation/Union/Sangh	<u>19</u>
13	National Cooperative Societies listed in Schedule II of the Act	<u>19</u>
14	Construction	<u>16</u>
15	Handloom Textile & Weavers Cooperative	<u>16</u>
16	Consumer Cooperative	<u>16</u>
17	Social Welfare & Cultural Cooperative	<u>11</u>
18	Fishery Cooperative	<u>11</u>
Total		1668

Cooperative Election Authority

Article 243ZK

Election of members of the board

- Constitution of India envisaged formation of an Authority or body for the superintendence, direction and control of the preparation of electoral rolls for conduct of elections to a cooperative society
- Election to be conducted before the expiry of the term of the board
- Such Authority to be established by Law.

Cooperative Election Authority

- Cooperative Election Authority (CEA) has been constituted as a measure of good governance and for conduct of free & fair elections in the Multi-State Cooperative Societies (Sec. 45). It is a multi member body.
- The Authority was notified on 11.3.2024
- **Section 45-I. Functions of Authority**
 - **Functions of Authority:**
 - CEA is mandated to supervise preparation of Electoral Roll conduct of elections.
 - supervise, direct and control the matters relating to preparation of electoral rolls.

Board of Directors

- Fixed term of 5 years for Board of Director & Officer Bearers, (which is not extendable) has been envisaged in amended MSCS Act, 2023. (Section 45J (5))
- To conduct elections of the Board of Directors in timely manner,
- It has been made compulsory in amended Act that the Chairperson & Chief Executive of the existing Board (Sec. 45-J 8) to inform Authority six month in advance.
- Not more than 21 elected directors
- One Chairperson and one Vice Chairperson

Conduct of Elections- Appointment of RO and ARO

- Elections for MSCSs i.e. for Board of Director & Office Bearers are conducted by appointing DM/DC as Returning Officer. AROs are also appointed from the District Administration on the recommendations of Returning Officer by CEA (Sec. 45-K).
- An election program is notified by the Authority under Rule 19-H (2) for conduct of election of the Board of Directors and office bearers.
- Returning Officer is also required to supervise preparation of electoral roll for “**Delegate elections**”
- CEA has conducted 150 elections till June 2025.

Conduct of Elections

- The MSCS Act also envisages appointment of Observer to supervise the entire election process and to give direction to Returning Officer for free & fair election.
- Prior approval of CEA is required before declaration of result of Board of Directors & for Office Bearers (Rule 19 M and 19 N).
- Casual Vacancies (death, resignation, disqualification, removal or otherwise) of the Board of Director and Office Bearers are also filled up through CEA for conduct of election, if the remaining term is more than half (Rule 19Y).
- Society can fill up casual vacancy if it arise in later half subject to the condition that it cannot be more than 1/3 of the members of the Board.
- Authority has also been vested with powers to issue direction for free and fair conduct of election. (Sec. 45-L).

Representation of Women and SC/ST in the Board (Refer Section 41)

- In the Board there should be one from SC/ST category and two from Women category.
- At the time of inviting nominations, information regarding contestants seeking election from women or SC/ST seat is ascertained.
- If the stipulated minimum representation for reserved seats in the Board is not achieved or any seat of director remains vacant, such seat(s) are to be kept vacant

Preparation of Electoral Rolls

- Electoral rolls has to be prepared by RO as on 31st March of the preceding financial year. Up dation in the list (addition/ deletion) can be done prior to the date fixed for the poll (Rule 19 (I))
- RO has to send intimation regarding date, time and place of the general meeting to each of the members of the MSCS. Rule 19 H (4)
- Names of delegates in case of cooperative societies being members of the MSCS has to be sought by RO under Rule 19 H (5)
- Notice to hold general meeting to be given to the members by the RO under Rule 19H (11).

RO- the DO list

- RO to publish election program as notified by Authority (Rule 19- I (3) under his signature indicating date, time and place of the general meeting (19 H (4))
 - On the notice board
 - In the newspaper circulated in area of operation
 - *On the website of the society*
- RO to publish (15 days before polling) a list of members and delegates eligible to vote on the notice board of the principal place of business of the MSCS and all its branches, if any
- List of nomination received,
- List of nominations received late (after the due time, date)
- List of valid nominations.

Disqualification for members of a society

- His business in conflict or competitive with the business of the society
- Failure to use *minimum level of products or services for two consecutive years*
- Absence from general meetings *for three consecutive years* and non condonation of such absence in the general meeting
- Default in payment of any amount to the society
- Pl refer Section 29 of the ACT

Eligibility of the candidates for election

- It shall be subject to the provisions contained in section 43 and section 44 of the Act (Rule 19 K)
 - Section 43- Disqualification for being a member of board
 - Section 44-Prohibition to hold office of chairperson or vice chairperson in certain cases
- MSCS to make its bye laws consistent with the provisions of the Act and rules made thereunder. (Section 10(1)). In case of inconsistency, provisions of Act and Rules shall prevail.
- Compliance with Section 10A(2A)(I) of Banking Regulation Act-maximum 10 years as director in the board
- Compliance with DOPT guidelines dated 17.2.2020 for *central govt employees*- Rule 15(1)© of CCS Conduct Rule- Max 2 terms or 5 years as director

Difference between election under MSCS Act and People's Representation Act

S.No.	Election of MPs/MLAs	Election of the Society
1.	Notification by ECI, Wide Publicity	Notification of election programme by CEA and RO. To be widely published
2.		Nomination form to be provided free of cost.
3.	Poll using EVM. Symbol allotment.	Poll by ballot paper. There is no symbol allotment to contesting candidates.
4.	No prior approval is required by RO from ECI.	Prior approval of Authority is required before declaration of result of BoD under Rule 19 M and Office Bearers under Rule 19 N. Rule 19M (15): Record the proceeding of the election in a report along with a copy of the polling results to the MSCS and the Authority (after conclusion of Board of Director election)
5.	There is a concept of security deposit.	No security deposit at the time of filing nomination paper.

Remuneration for conduct of Elections

Pl refer order dated 3.6.2024 of CEA

Category	Honorarium rate
Returning Officer/Assistant Returning Officer	Not more than 15 days of basic pay.
Polling Personnel	Not more than Rs.1000/-.
<ul style="list-style-type: none">• The dues of the remuneration have to be paid by societies to CEA, which is in turn paid subsequently to RO & ARO as per Rule 19T.• ROs are required to send the details of claim along with basic pay of RO and ARO and PAN copy to CEA.	

Take Care

- There is no notification issued by Returning Officer for the election.
- Election Notification has been signed by CEO of the Society.
- Notification has not been published on the website of the Society.
- Returning Officer has granted relaxation in conditions at the time of scrutiny of nominations.
- Objections filed during nomination has not been disposed.
- Objections filed during election of Office Bearer not disposed by Speaking Order.
- Election notification does not contain the number of Directors to be elected.

Take Care

- The election notification does not indicate venue for filing nomination and the name of the accepting authority.
- There is no report of Returning Officer to CEA along with Forms 19M and 19N.
- Form 19M / 19 N has been signed by ARO.
- The election programme has not been published in all the States of operation of the Multi State Cooperative Society.
- Election of Office bearers and Board of Directors have been done without getting approval of CEA.
- In case of arbitration, non-appearance or absence of filing objections before the arbitration by RO.

Do and Don'ts for the Returning Officers

S.No.	Do	Don'ts
1.	Understand the bye-laws of the Society and spend sufficient time with CEO of the Society personally.	Do not take the election of Cooperatives lightly.
2.	Visit the office of the Society, if possible.	Normally do not delegate scrutiny of nomination to ARO .
3.	Understand about number of directors to be elected and reservation.	
4.	Understand-Who can contest for the Board of Director?	
5.	Understand- Who can vote for the Director?	
6.	Understand- What are the constituencies?	

Few examples of election cases

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Election was cancelled on 2.7.2024 due to following reasons:

- Election programme was published in newspaper under signature of MD.
- Election notification was to elect 21 directors, however there were only 17 directors as per the bye laws.
- Amendment in bye laws to increase the number of directors was rejected by CRCS(17 to 21 Directors).
- Three nominations by Govt. of Bihar under Section 48.
- Non bifurcation of share capital of society between Govts. of Bihar and Jharkhand.
- WP dismissed by Hon'ble High Court of Jharkhand on 01.07.2025.
- Result of office bearer declared on 02.07.2025.

Deshbhakta Ratnappa Kumbhar Panchganga Sahakari Sakhar Karkhana Ltd., Kolhapur

- Total nominations received - 104
- Number of double nominations - 15
- Number of rejected nominations - 48
- Number of withdrawals - 24
- Number of remaining nominations - 17 – which is equal to total directors.
- Returning Officer relaxed the condition of bye-laws from four years to 5 years preceding to the year of election to two seasons out of remaining three seasons.
- Revised election programme was issued on 3rd April, 2025.
- The matter is before the High Court and the Court has stayed the election.

Shri Bhairavnath Multi State Cooperative Credit Society Ltd., Satara

- The Society has more than 10,000 members, deposit is Rs.170 crore.
- Members from 21 districts of Maharashtra, Karnataka & Gujarat.
- Unopposed election of 21 directors and all directors belong to one Taluka viz. Palthan.
- No website.
- Newspaper published only in Maharashtra.
- Fresh election ordered on 17.12.2024.
- After re-election, one director from Gujarat and one director from Mumbai was also elected. Election was unopposed.

Shri Mahakali Sahakari Sakhar Karkhana Ltd., Sangli (Maharashtra)

- 59 nominations received.
- Returning officer rejected all 59 nominations on the ground that they did not supply sugarcane in the past three consecutive years.
- Factory is closed for 15 years.
- Case is pending before High Court, Mumbai.

Communication

- Phone number 011-20909032
- E mail: cea-2023@gov.in
- E mail of Chairperson: chairperson-coop.ea@gov.in
- Website : <https://crcs.gov.in>
- Monthly Information Note on the website.

Thank you