

No. L-11012/08/2023 -L&M(e)
Government of India
Ministry of Cooperation
(Office of the Central Registrar of Cooperative Societies)

Atal Akshay Urja Bhavan, New Delhi.
Dated 18th September, 2023

To,
As per list attached.

Subject: Comments/ Suggestions on Fit and Proper Criteria for CEOs of Multi-State Credit Societies- reg.

Sir/ Madam,

The Multi-State Cooperative Societies (MSCS) (Amendment) Act, 2023 has been notified vide gazette notification dated 03.08.2023 and the MSCS Amendment Rules, 2023 have been notified vide gazette notification dated 04.08.2023. Now, in view of section 51(1A) (d) of the MSCS (Amendment) Act, 2023, a 'fit and proper criterion' for appointment of CEO is to be determined in case of multi-State credit societies.

2. In view of above, suggestions received from NAFCUB on 'Fit and Proper Criteria' for appointment of CEO for multi-State credit societies are attached for furnishing your comments to this office within 15 days of this letter on email amit.sachdeva88@gov.in.

This issues with the approval of Central Registrar of Cooperative Societies.

Yours sincerely,


Nisha Sagar

Assistant Commissioner (Cooperation)

List of Addresses:

1. The Chairman, National Bank for Agriculture & Rural Development (NABARD), 2nd Floor D Wing, C-24 G Block, Bandra Kurla Complex Road, Bandra East Mumbai 400051.
2. The Chief General Manager, Reserve Bank of India, Department of Cooperative Bank Supervision, C-8, Ground Floor, Bandra Kurla Complex, Bandra (E), Mumbai- 400051
3. The Chief General Manager, Reserve Bank of India, Department of Bank Regulation, Central Office, C-7, 1st and 2nd floor, Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051.
4. Shri Abhay Kumar Chhajed, Member, Central Council, Chairman, Committee on Commercial Laws, Economic Advisory & NPO Cooperative, Institute of Chartered Accountants of India (ICAI), ICAI Bhawan, P.B. No. 7100 Indraprastha Marg, New Delhi 110002.
5. The President, Institute of Company Secretaries of India (ICSI), ICSI House, 22, Institutional Area, Lodhi Road, New Delhi- 110003.

6. Secretary, National Council of Co-operative Training, 3, Hauz Khas Rd, Siri Institutional Area, Block A, Block B, Hauz Khas, New Delhi, Delhi 110016.
7. Director, Vaikunth Mehta National Institute of Co-operative Management, Savitribai Phule Pune University Road, Road, near Chaturisingi Temple, Ganeshkhind, Pune, Maharashtra 411007.
8. The Chairman, National Cooperative Agriculture & Rural Development Banks' Federation Ltd., 701, 7th Floor, A-Wing BSEL Tech Park, Opp. Railway Station Vashi, Navi Mumbai-400 703
9. The Chairman, National Federation of State Cooperative Banks Ltd. Mumbai, J K Chambers, 5th Floor, Plot No 76, Sector -17, Vashi, Navi Mumbai 400703 Maharashtra
10. The Chairman, National Cooperative Union of India, NCUI Campus, 3, August Kranti Marg, Siri Institutional Area, Hauz Khas, New Delhi, 110016
11. The Chairman, National Agriculture Cooperative Marketing Federation of India, Nafed House, Ring Rd, near Ashram Chowk, Siddhartha Enclave, Sunlight Colony, New Delhi, Delhi 110014
12. The Chairman, National Cooperative Consumer's Federation of India Ltd., New Delhi, 3, Siri Institutional Area, Khel Marg, New Delhi-110016
13. The Chairman, National Federation of Cooperative Sugar Factories LTD, 2nd Floor, Ansal Plaza, August Kranti Marg, Hudco Place, Block C, Andrews Ganj, New Delhi, Delhi 110049
14. The Chairman, National Cooperative Housing Federation Ltd., New Delhi, 6A/6, Siri Fort Institutional Area August Kranti Marg New Delhi – 110049
15. The Chairman, Indian Farmer's Fertilizer Cooperative Ltd., New Delhi (IFFCO), IFFCO Sadan c-1, Distt. Centre, Saket place, New Delhi - 1100 17
16. The Chairman, All India Federation of Cooperative Spinning Mills Ltd., Mumbai, Canada building, 226 D.N. road, fort Mumbai 400001
17. The Chairman, National Cooperative Dairy Federation of India Limited (NCDFI), I.D.A. House, Sector-IV, R. K. Puram, New Delhi-110022
18. The Chairman, All India Handloom Fabrics Marketing Cooperative society Ltd, New Delhi, C-62, Phase 2, Dadri Main Rd, Hosiery Complex, Noida Phase-2, Noida, Uttar Pradesh 201305
19. The Chairman, National Federation of Urban Co-operative Banks & Credit Societies Ltd., New Delhi, Jain Co-operative Bank Buildings, 80, Daryaganj, New Delhi-110002
20. The Chairman, Krishak bharti Cooperative Ltd., New Delhi, Red Rose House, 49-50, Nehru Place, New Delhi-110019
21. The Chairman, National Federation of Fishermen's Co-operative Ltd. New Delhi, 7, Sarita Vihar Institutional Area, New Delhi-76
22. The Chairman, National Federation of Labour co-operative Ltd. New Delhi, J9/29, Rajouri Garden, New Delhi-110027
23. The Chairman, Tribal Co-operative Marketing Development Federation of India Ltd., New Delhi, Savitri Sadan, 15, Preet Vihar Community Center, Delhi 110092
24. The Chairman, Bharatiya Beej Sahakari Samiti Ltd., IFFCO Sadan, C -1, District Centre, Saket Place, New Delhi – 110017.
25. The Chairman, National Cooperative Organics Ltd., Office of National Dairy Development Board, Anand, Gujarat – 388001.
26. The Chairman, National Cooperative Exports Ltd., Gujarat Cooperative Milk Marketing Federation (AMUL) Zonal office, 24/1, D -Block, Institutional Area, Janakpuri, New Delhi – 110058.
27. All Multi-State Credit & Thrift Societies (total 613)

**DRAFT NORMS FOR FIT AND PROPER CRITERIA FOR
CHIEF EXECUTIVE OFFICERS OF
MULTI-STATE COOPERATIVE SOCIETIES**

Following insertion has been made in the recently amended Multi State Act/Rules in respect of appointment of Chief Executive Officer of Multi State Cooperative Societies.

“20. In section 51 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

‘(1A) No multi-State co-operative society shall appoint or continue the employment of any person as the Chief Executive who—

(a) is below the age of twenty-one years or has attained the age of seventy years: Provided that any person above the age of seventy years may be appointed by a special resolution passed by three-fourths of the board members, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

(b) is an undischarged insolvent or has any time been adjudged as an insolvent;

(c) has at any time been convicted by a court of an offence and sentenced for a period of more than six months; or

(d) does not meet the criteria for “fit and proper”, as determined by the Central Registrar in case of multi-State credit societies; or in case of non-credit multi-State societies, does not meet the criteria as the Central Government may prescribe in terms of educational qualifications and relevant experience.’



In view of this we at NAFCUB desire to recommend issuing guidelines to Multi State Societies on the following lines:

1] Multi State Cooperative Banks have been prescribed guidelines by Reserve Bank of India vide its circular No.RBI/2021-22/60 DOR.GOV.REC. 25/12.10.000/2021-22 June 25, 2021 and as such we do not see any need to issue any guidelines to them on the subject.

2] We have already proposed categorisation of Multi State Cooperative Societies which is required to be considered before we can place the "Fit and Proper" criteria for such multi state cooperative credit societies.

3] The categorisation proposed is as under:

Suggested categorization based on deposits

- A] Micro - Up to Rs.50cr.
- B] Small - Above Rs. 50 cr. and up to Rs.250cr
- C] Medium - Above Rs. 250 cr and up to Rs.500cr
- D] Large - Above Rs. 500 cr.

4] Based on the criteria the eligibility norms suggested are as under:

For Micro Credit Societies:

Essential Qualification: Should be a Graduate from recognised University in any stream or CA/ICWA

Desirable Qualification: Diploma/ Certificate in Computer Applications/ Cyber Laws/Labour Laws.

Experience: Minimum 2 years' experience in the financial institution.



For Small Credit Societies

Essential Qualification: Should be a Graduate from recognised University in any stream or CA/ICWA

Desirable Qualification Diploma in relevant subject of Finance/ Accountancy/ Law/ and any other relevant professional course.

Experience :Minimum experience of 5 years in Bank/or credit society or financial field.

For Medium Credit Societies:

Essential Qualification: Post Graduate in any stream or CA/ICWA/SFA/LAW/CAIIB etc

Desirable Qualification: Degree in Law/ Finance/ Diploma or certificate course in Cooperation/ Computers/ Systems/ Information technology etc.

Experience: Minimum 7 years in relevant field

For Large Credit Societies

Essential Qualification: Post Graduate in any stream

Desirable Qualification: CA/ACWA/CFA/Diploma in Banking & Finance/Diploma in Cooperative Business Management/ LLB/ CAIIB etc.

Experience: Minimum 10 Years in relevant field such as Bank/NBFC-ND/Multi State Credit Society



Other Recommendations:

Knowledge of regional language may be considered as an advantage

The person shall not

- (i) be engaged in any other business or vocation;
- (ii) be holding the position of a Member of Parliament or State Legislature or Municipal Corporation or Municipality or other local bodies;
- (iii) be a partner of any firm which carries on any trade, business or industry;
- (iv) be a Director, Manager, Managing Agent, partner or proprietor of any trading, commercial or industrial concern;
- (v) be of unsound mind and stands so declared by a competent court;
- (vi) be an undischarged insolvent or has any time been adjudged as an insolvent;
- (vii) has at any time been convicted by a court of an offence and sentenced for a period of more than six months;
- (viii) be a director of any other co-operative bank or a co-operative credit society.
- (ix) The person shall submit a self-declaration on personal integrity

