

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

9th Floor, Tower-E, World Trade Centre,
Nauroji Nagar, New Delhi- 110029
Dated 13th January, 2024

ORDER

Subject: Fit & Proper criteria for Chief Executive Officers (CEOs) of multi-State Credit Societies-reg.

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.

2. As per section 51(1A) of MSCS (Amendment) Act, 2023:

(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.

3. In compliance to section 51(1A)(d) of MSCS (Amendment) Act, 2023, the following “Fit and Proper” criteria for appointing Chief Executive Officers (CEOs) of multi-State credit societies is stipulated:

4. The multi-State credit societies are categorized based on deposits as under:

- a) Micro - Up to Rs.10 cr.
- b) Small - Above Rs. 10 cr. and up to Rs.100 cr.
- c) Medium - Above Rs. 100 cr and up to Rs.500 cr.
- d) Large - Above Rs. 500 cr.

5. The eligibility norms for appointing CEO for each category are as under:

Essential Qualification:

- Graduate from recognised University in any stream or CA/ICWA/CAIIB/ Diploma in Cooperative Business Management
- Knowledge of local language.

Desirable Qualification: Diploma/Certification in Computer Applications/ Cyber Laws/Labour Laws/ Finance/ Accountancy/ Law.

Experience: Relevant experience in financial sector at the middle / senior level e.g. Bank/ Credit Society/ NBFC, etc. as follows:

- a) Minimum 2 years for 'Micro' Credit Societies
- b) Minimum 4 years for 'Small' Credit Societies
- c) Minimum 6 years for 'Medium' Credit Societies
- d) Minimum 8 years for 'Large' Credit Societies

6. Further, the person:

- a. shall not be engaged in any other business or vocation.
- b. shall not be an elected Member of any legislature/ local body;
- c. shall not be a Director, Manager, Managing Agent, partner or proprietor of any trading, commercial or industrial concern;
- d. shall not be of unsound mind and stands so declared by a competent court;
- e. shall not be an undischarged insolvent or has any time not been adjudged as an insolvent;
- f. shall not be, at any time, convicted by a court of an offence and sentenced for a period of more than six months;
- g. shall not be a director of any other co-operative bank or a co-operative credit society.

7. The person shall submit a self-declaration on personal integrity.

8. These norms will also apply in case of CEOs of multi-purpose societies having credit activity as per their approved bye-laws.

This issues with the approval of Competent Authority.


(Nisha Sagar)

Assistant Commissioner (Cooperation)

To,

1. All Multi-State Credit Societies (including multi-Purpose societies having credit activity as per their approved bye-laws).
2. The Chairman, National Federation of Urban Co-operative Banks & Credit Societies Ltd., New Delhi.

3. 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.
4. The Chief General Manager, Reserve Bank of India, Department of Cooperative Bank Supervision, C-8, Ground Floor, Bandra Kurla Complex, Bandra (E), Mumbai-400051
5. 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

Copy to:

1. PSO to Secretary (Cooperation).
2. PS to Special Secretary (Cooperation).
3. CRCS website/ Guard file.

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