

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO 481
ANSWERED ON 07/02/2024

Multi-State Co-operatives in the country

481 SHRI AYODHYA RAMI REDDY ALLA

Will the Minister of COOPERATION be pleased to state:

- (a) what role does the Ministry play in promoting sustainable practices within Multi-State Co-operatives, especially concerning environmental and social responsibility;
- (b) whether Government support access to credit and financial resources for smaller Multi-State Co-operatives to ensure their economic viability; and
- (c) in what manner Government would ensure fair and equitable representation of various sectors and demographics within the leadership and decision-making structures of Multi-State Co-operatives?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a): Cooperative societies registered under the provisions of the Multi-State Cooperative Societies (MSCS) Act, 2002 function as autonomous cooperative organisations and are accountable to their members. MSCSs function as per the provisions of Multi-State Cooperative Societies Act, 2002 and rules made there under read with approved bye-laws of the society. “Concern for Community” is one of the cooperative principles enumerated in the First Schedule of the MSCS Act, 2002, which states the following:

‘while focussing on the needs of their members, cooperatives work for the sustainable development of community through policies accepted by their members.’

Further, a digital portal for Central Registrar of Cooperative Societies (CRCS) office has been launched on 06.08.2023 so that all interaction and communication with the MSCSs are done electronically to boost efficiency, increase ease of doing business and promote paperless “green” environment friendly regulation. To further strengthen “paperless” working, section 120A of the MSCS Act (inserted through MSCS (Amendment) Act, 2003 notified on 03.08.2023) provides for filing of application, documents, inspections, etc., in electronic form.

(b): Yes Sir. To increase access to credit and financial resources for multi-State cooperative societies to ensure their economic viability, following steps have been taken: -

- i. Co-operative Rehabilitation, Reconstruction and Development Fund (CRRDF) has been established by the Central Government for revival of sick multi-State co-operative societies and for development purposes in accordance with section 63A of the MSCS Act, which prescribes that there shall be credited to such fund annually by multi-State co-operative societies which are in profit for the preceding three financial years one crore rupees or one percent of the net profits of such multi-State co-operative society, whichever is less.
- ii. A provision has also been made through the MSCS (amendment) Act, 2023 for issuing of non-voting shares which may not confer any interest in the management of the multi-State co-operative society including right to vote, to be elected as a director of the board or participate in the general body meetings. This will enable MSCSs to increase their capital base.

(c): Two seats for women and one seat for Scheduled Caste or Scheduled Tribe have been reserved in the Board of a multi-State co-operative society as per the MSCS (Amendment) Act, 2023.
