

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**RAJYA SABHA
STARRED QUESTION NO. 33
TO BE ANSWERED ON 3rd DECEMBER, 2025**

GOVERNANCE STANDARDS IN NEW NATIONAL COOPERATIVES

***33 SHRI SAKET GOKHALE:**

Will the Minister of **Cooperation** be pleased to state:

- (a) details of the composition and independence criteria of the Boards of National Cooperative Exports Limited (NCEL) and National Cooperative Organics Limited (NCOL)
- (b) details of all related-party transactions disclosed during last three years;
- (c) whether independent directors have been appointed, if so, details of their tenure, if not the reasons therefor; and
- (d) whether SEBI/ICAI Codes of Corporate Governance are being voluntarily followed, if not, the reasons therefor?

Answer
Minister of Cooperation
(SHRI AMIT SHAH)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. 33 “GOVERNANCE STANDARDS IN NEW NATIONAL COOPERATIVES” ASKED BY SHRI SAKET GOKHALE , HON’BLE MEMBER OF PARLIAMENT DUE FOR REPLY ON 03rd DECEMBER, 2025.

(a) The Board of NCEL consists of 5 directors, who have been democratically elected as per the provisions of MSCS Act, 2002 and the registered bye-laws of NCEL. The Managing Director of the NCEL is the ex-officio member of the Board.

The Board of NCOL consists of 5 directors, who have been democratically elected as per the provisions of MSCS Act, 2002 and the registered bye-laws of NCOL. The Managing Director of the NCOL is the ex-officio member of the Board.

There is no provision for independent directors under the MSCS Act or the Bye -laws.

(b): NCEL and NCOL are multi-state cooperative societies registered under the Multi-State Cooperative Societies Act, 2002 on 25.01.2023. Since inception, NCEL has made related party transactions of ₹ 2673.54 crores, 99.8% of which pertain to the procurement of agri-commodities by NCEL for exports. The details are under as:-

						Amount in Cr.
Nature of expense	GCMMF-Amul	IFFCO	KRIBHCO	NAFED	NCDC	Grand Total
Electricity Expenses - Office Premises	-	0.03	-	-	-	0.03
Reimbursement of adhoc expenses incurred during initial business commencement phase	2.36	-	-	-	-	2.36
Marketing & Advertisement Expenses	0.00	-	-	-	0.21	0.21
Reimbursement of adhoc manpower for managing NCEL's day to day affairs	-	0.04	0.07	-	0.09	0.21
Purchases - Agri-commodites for Export	-	367.53	672.78	1,627.86	-	2,668.16

Dividend paid as per AGM decision	0.20	0.20	0.20	0.20	0.20	1.01
Rental Office Premises - World Trade Centre	-	1.56	-	-	-	1.56
Grand Total	2.56	369.37	673.05	1,628.06	0.50	2,673.54

Since its inception, NCOL has made related party transactions of ₹ 2.97 crores, being the expenditure incurred by its promoter organizations on its behalf and the same was subsequently reimbursed by NCOL and the sales.

						Amount in Cr.
Nature of expense	GCMMF-Amul	NDDDB	NCEL	NCDC	Mother Dairy (Sales)	Grand Total
Reimbursement of adhoc expenses incurred during intitial business commencement phase	0.17	0.40	0.07	0.74	-	1.38
Sales	-	-	-	-	1.59	1.59
Grant Total	0.17	0.40	0.07	0.74	1.59	2.97

(c): The MSCS Act, 2002 does not mandate the appointment of independent directors for multi-state cooperative societies.

(d): NCEL and NCOL are multi-state cooperative societies registered under Multi-State Cooperative Societies Act, 2002 and therefore are not required to comply with SEBI or ICAI corporate governance codes which apply to listed companies and entities constituted under the Companies Act. However, NCEL and NCOL adhere to the governance framework prescribed under the MSCS Act and its bye-laws including statutory audit, elections and regulatory mechanisms.
