

No.5/11/1/14/RCS/PLG/M/2017/
Government of Puducherry
Co-operative Department

Puducherry, the 9th March 2018

**DIRECTIONS ISSUED UNDER SECTION 81 OF THE PUDUCHERRY
CO-OPERATIVE SOCIETIES ACT, 1972**

**Present : Dr. A. S. SIVAKUMAR,
Registrar of Co-operative Societies, Puducherry.**

Sub: Recruitment, Regularization, Reservation, Revision of Strength,
Revision of Pay Scale and Allowances and Payment of Terminal
Benefits to the Employees of Co-operative Societies – Directions -
Issued.

Ref: (i) Directions issued under Section 81 (1) of the Pondicherry
Co-operative Societies Act, 1972 in No. 6/1/66/RCS/ISN/84/450
dated 22.8.1985;

(ii) Circular No. 12/2/6/RCS/M/93/189 dated 10.11.1993;

(iii) Circular No. 18/PA/RCS/2001/02 dated 21.1.2002;

(iv) Circular No. 12/2/18/RCS/Plg/M/2001/199 dated 27.12.2002;

(v) Circular No. 12/2/6/RCS/Plg/M/2005/286 dated 5.7.2005;

(vi) Circular No. 12/2/8/RCS/Plg/M/2002/157 dated 17.9.2007;

(vii) Circular No.12/2/18/RCS/Plg/M/2007/414 dated 16.2.2009;

(viii) Circular No. 5/11/1/2/RCS/Plg/M/2015/143 dated 2.6.2015.

DIRECTIONS:

WHEREAS circulars, instructions, guidelines and directions were issued in
the matter of recruitment, regularization, reservation, revision of strength,
revision of pay and allowances and payment of terminal benefits to the
employees of co-operative societies from time to time;



AND WHEREAS to reiterate and reinforce these guidelines and instructions it is stated that in directions/circulars issued at (i), (ii) (iii) and (v) cited above, regulations of recruitment of employees were given; in circular (iv) and (vii) instructions on reservation to be followed in the matter of recruitment of employees for SC/ST/OBC; in circular (vi) guidelines were given for creation of posts and regularization of employees; and in circular (viii) detailed instructions were provided for provision and provident fund, employees state insurance, gratuity and investment of such funds separately for making timely payment of terminal benefits. These instructions/guidelines are the few issued in the past;

AND WHEREAS despite strict instructions, instances have been brought to the notice of this department that in few cases recruitment of employees were made without sanctioned strength, promotions were given quite repugnant to the recruitment rules, revision of pay scales were made without taking into reckoning the financial health of the societies and terminal benefits were not paid in time to the employees causing discontentment among them;

AND WHEREAS the subsidiary regulations relating to service conditions of the employees invariably provide that the cadre strength of the employees shall be approved by the Registrar and appointment shall be made strictly in accordance with the cadre strength. Any appointment made over and above the cadre strength and appointment made disregard to the procedure laid down in the regulations are construed to be irregularity on the part of the management of the societies. The reservation to SC/ST/OBC shall be made in recruitment of employees as per the rules in force;

AND WHEREAS the recruitment of and promotion to employees shall be in strict conformity with the rules appended as schedule to the regulations. Any appointment and promotion given contrary to the qualification and experience stipulated in rules tantamount to asymmetrical and lead to avoidable litigation. While framing the schedule the need of the society and institution of professional management should be the criteria. Ad-hoc promotion with a condition that the incumbent should qualify within a time frame should be strictly avoided, as continuance of such employee in the promoted post without qualification and experience is contrary to canons of professional management;

AND WHEREAS it is a matter of disgust that the societies who do not fall under the purview of pay committee constituted by this department make revision of pay scales to the employees which causes a serious dent to the

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earnings of the society. Such societies should be aware that revision of pay scales and allowances will have cascading effect and serious repercussions in the long run. Revision of pay scales and allowances should not be disproportionate to the financial result of the society. Just because the society works on operating profit, that shall not embolden the society to revise the pay scales and allowances without keeping into reckoning the interest of the members, depositors, creditors and other stakeholders. Whenever revision of pay scales and allowances are made, it should be preceded by prudent study, preferably involving expert committees to assess the cost benefit ratio;

AND WHEREAS it is the bounden duty of the management that the terminal benefits are paid in time to the employees who retire either on superannuation or otherwise. Most of the societies do not provide pensionary benefits to the employees and hence the employees largely depend on their provident fund and gratuity during the retired life. When the societies have their own regulations for payment of such benefits to the employees, it is imperative that such funds are invested separately, so that payment can be made without any undue delay.

NOW, THEREFORE, with a view to correct the imprudent and improper attitude of the management in the recruitment, regularization, reservation, revision of pay scales and allowances and provisional of terminal benefits to the employees of the societies, to secure proper management of the institutions, to prevent the affairs of the institutions being conducted in a manner detrimental to the interest of the institutions and to ensure better administration of the affairs of the institutions, I, in exercise of the powers conferred on me under sub-section (1) of Section 81 of the Puducherry Co-operative Societies Act, 1972, issue the following directions to the co-operative societies in the Union territory of Puducherry for strict adherence, viz :

- (i) Recruitment of employees, whether regular, temporary, casual, contingent or in whatever name called, shall be made strictly in accordance with the cadre strength approved and no appointment shall be made without fulfilling the qualification stipulated in the regulations, as appointment of unqualified employees leads to regularization contrary to rules at a later point of time;

- (ii) Reservation in the appointment shall be made as per rules in force;
- (iii) Promotion of employees shall be within the cadre strength and in strict accordance to the qualification and experience of the regulations;
- (iv) Whenever revision of pay scales and allowances are made, the earning capacity of the society and the inroads it would cause in the long run should be studied in depth and prior approval of the Registrar of Co-operative Societies obtained;
- (v) Payment of terminal benefits to the employees should be made on time and proper planning is necessary to provide funds for this purpose.

The Presidents/Administrators/Chief Executives of the societies shall be squarely responsible for complying with the above directions and any laxity or lapse on their part shall make them personally responsible for the default and dereliction.

The receipt of the directions shall be acknowledged forthwith.



[Dr. A. S. SIVAKUMAR]
REGISTRAR OF CO-OPERATIVE SOCIETIES

To

The Presidents/Administrators/Chief Executives
All the co-operative societies in the Union territory.

Copy to:

1. The Branch/Regional Officers;
2. Website.