

F.No.C-12011/1/2014-CFS
Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs

12-A, Jamnagar House
New Delhi, Dated 08.04.2015

ORDER

Subject: Directions under Section 122 of the of the Multi-State Co-operative Societies Act, 2002 setting aside the results of elections of Chairman and Vice-Chairman of NCCF and keeping at abeyance the results of elections to the Board of Directors of NCCF held on 06.02.2015.

Whereas the National Co-operative Consumer's Federation is a multi-state co-operative society functioning under the administrative control of the Department of Consumer Affairs, Government of India, which owns more than 75% of its share capital ;

Whereas the Board of Directors of NCCF was superseded by the Central Government in exercise of powers conferred on it by Section 123 of the Multi-State Co-operative Societies Act, 2002 vide Order No. O-11012/13/2014-CFS dated 16-05-2014 and an Administrator was appointed to exercise the powers of the NCCF Board ;

Whereas it was decided by the Government to hold elections to constitute a new Board of Directors of NCCF and also to elect the Chairman and Vice- Chairman of NCCF for which the Administrator was so directed and a Returning Officer appointed to conduct elections;

Whereas the Returning Officer conducted elections to the Board of NCCF in pursuance of the provisions of the Multi-State Co-operative Societies Act, 2002, Multi-State Co-operative Societies Rules, 2002 and the Bye Laws of NCCF in a Special General Meeting held on 06.02.2015, also conducted elections to the posts of Chairman and Vice-Chairman on 06.02.2015;

Whereas the Government received complaints of serious irregularities in conduct of elections to the posts of Chairman and Vice-Chairman from Shri Vijay Kumar Singh, Director on the NCCF Board on 06.2.2015 and subsequent communications alleging:



- i) that the prescribed procedures have not been followed and he has been deprived of the opportunity to take part in the election to the post of Chairman, NCCF;
- ii) that Shri Virendra Singh against whom CBI Proceedings are going on for serious charges of financial irregularities and mismanagement during his previous tenure as Chairman, NCCF which has been one of the reasons for supersession of the previous Board of Director of NCCF, has been elected Vice-Chairman of NCCF in election held on 06.02.2015 and Shri Bijendra Singh, against whom CBI inquiry is going on on charges of defalcation during his incumbency as Director on the Board of NAFED, a Multi-State Co-operative Federation, has been elected Chairman of NCCF;
- iii) that the Priya Consumer Co-operative Store Ltd. , New Delhi and the Janata Central Co-operative Store Ltd., Mumbai, represented by Shri Bijendra Singh and Shri Virendra Singh respectively do not satisfy the criteria provided under NCCF Bye-Laws 5(c) and 25(a) for contesting in elections to the Board of Director of NCCF; and
- iv) that the conduct of Returning Officer reflects that he is not impartial or fair considering his past conduct as an officer he was in office in Co-operative Department prior to his resignation ;

Whereas upon such serious complaints the Government decided to inquire into the allegations made in the complaints and accordingly the inquiry was assigned to the Deputy Secretary (Vigilance) of the Ministry. After a detailed inquiry, the enquiry officer found the charges of irregularities in conduct of elections and other allegations prima facie correct and submitted a report recommending setting aside the results of the elections to the posts of Chairman and Vice-Chairman of NCCF. He further recommended field inquiry into the activities of the two co-operative societies namely, Priya Consumer Co-operative Store Ltd., New Delhi and Janta Central Co-operative Store Ltd., Mumbai, not satisfying the criteria of Bye-Laws 5(c) and 25 (a) of the Bye-Laws of NCCF necessary to contest in the election to the Board of Directors of NCCF as the same, if established would make the candidates ab initio ineligible for being Directors, leave alone Chairman or Vice-Chairman. The conduct of Returning Officer and his impartiality was also found doubtful and controversial since due opportunity was not given to contesting candidates;




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Whereas the enquiry report submitted by the Deputy Secretary (Vigilance) has been carefully considered in details by the Government and upon such consideration the recommendations made in the report have been accepted by the competent authority;

Now the Government of India in exercise of the powers conferred by Sections 122 and 123 of the Multi-State Co-operative Societies Act, 2002 in the overall interests of NCCF makes the following directions:

1. The elections held on 06.02.2015 to the post of Chairman and Vice-Chairman of Board of NCCF are hereby set aside due to gross irregularities;
2. The results of elections to the Board of Directors be kept at abeyance till the allegations into the two co-operative societies namely Priya Consumer Co-operative Store Ltd., New Delhi and Janta Central Co-operative Store Ltd., Mumbai, not satisfying the criteria to contest elections to the NCCF Board are enquired into and a decision is taken by the Government thereafter in the matter.
3. The inquiry into the allegations of ineligibility and irregularity as set out in Para 2 above be conducted by a committee comprising of Shri Ashok Kumar Jain, Chief Vigilance Officer of NCCF. He will submit the inquiry report to the Government within three months from the date of this order.
4. MD, NCCF will seize all documents in connection with the controversial elections to the Board of NCCF and hand the same over to the Government for safe custody.
5. Until further orders, the Joint Secretary in the Department of Consumer Affairs will function as Administrator of NCCF. The present Managing Director, NCCF will assist the Administrator in the matter of day to day functioning of the Federation.
6. That until further orders, the MD, NCCF will seek orders of Government through Administrator on all major policy issues, financial and services matters.

This issues with the approval of the competent authority.


(M.S. Ashokan) 8/4/15

Director (Coopn.)

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