

CHAPTER – VI

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CHAPTER - VI

ROLE OF FEDERATION OF LABOUR CO-OPERATIVES

6.1 INTRODUCTION

The structure of labour co-operative societies in the state of Maharashtra is three-tier namely primary societies, district federations and the state federation. This Chapter deals with the district federation of labour co-operative societies and the state federation.

KOLHAPUR LABOUR CO-OPERATIVE SOCIETIES FEDERATION

Kolhapur District Labour Co-operative Societies Federation was established in 1971. The federation on its own initiative and through state federation works for getting concessions from the government and advances from the work awarding agencies. Moreover it encourages and actually assists in the formation of new L.C.S. Besides fixing work allotment priorities for member L.C.S., the district federation also helps in quicker classification of growing labour co-operative societies. The work got from work awarding agencies is distributed to the primary societies.

6.2 MAIN OBJECTS OF THE FEDERATION

- i. To act as co-ordinating agency between the departments providing contract works and member labour co-operative societies.
- ii. To organise the labour on co-operative principles and prevent their exploitation.
- iii. To provide employment through out the year.
- iv. To provide guidance and assistance to the labourers for improvement of quality of their life.

- v. To ensure that the member labour co-operative societies receive the benefit of different government schemes and concessions.
- vi. To enhance the economic, social and cultural standards of the members.

**Kolhapur District Co-operative Federation of Labour
Co-operative Societies at a glance**

Year of establishment	1971
Number of members	121
Paid up capital	Rs.136500
Profit	Rs.538625
Investment	Rs.602300
Work allotment	552
Value of works allotted	Rs.1293.70 lakhs
Reserves	Rs.26.71 lakhs.

Source - The Annual Reports of the Federation

6.3 MEMBERSHIP OF THE DISTRICT LABOUR CO-OPERATIVE FEDERATION

The membership of the federation shall be open to all labour contract societies registered in the area of operation of the federation and Government and Zilla Parishad.

Qualifications and disqualifications attached to class or classes of the members

No labour contract co-operative society shall be admitted to membership unless.

- a. It has paid the entrance fee

- b. It has paid the amount of share capital.
- c. It agrees to pay the prescribed annual subscription and binds itself for payment of contribution for specific purposes as would be prescribed from time to time.
- d. Its written application for membership has been approved by the committee of management.

Rights of members relating to the inspection of records and supply of certified copies

The right of the members of the federation relating to inspection of records and supply of certified copies shall be governed by the provision of Section 32 of The Maharashtra State Co-operative Societies Act, 1960 and rules 27 and 34 of The Maharashtra State Co-operative Societies Rules, 1961.

6.4 SUBSCRIPTION

Each member society shall pay to the federation an annual subscription on percentage basis on the contract work undertaken by the society.

The general meeting of the federation shall from time to time fix

- A. Scale of annual subscription and
- B. Scale of contribution for specific purpose.

6.5 FUNDS

- A. Funds may be raised by all or any of the following ways
 - i. Entrance fee from members
 - ii. Shares (a) from member societies - face value of one share shall be of Rs. 100/- (b) Zilla parishad (c) From the State Government (d) From the Central Government.
 - iii. Annual subscription and contribution for specific purpose from member societies on percentage basis on the works allotted to the societies which

will be decided by the federation and member societies.

- iv. Donations, Grants, Gifts.
 - v. Deposits from members and non-members.
 - vi. Loans (a) From C.F.A and other co-operative Bank.
 - vii. Loans and subsidies from Government.
 - viii. Commission earned on supplies or sales.
- B. Deposits and loans may be received for such period and at such rate of interest and for such amount as may be determined by the general body in the annual general meeting and approved by registering authority.
- C. The funds of the federation when not employed in the business of the federation shall be invested or sited as required by section 70 of Maharashtra Co-operative Societies Act, 1960. For the purpose of these bye-laws the business of the federation shall include the investment in able property, in the process of recovery of the federation dues or for the purpose of constructions of building or buildings for its own use with the prior sanction of the Registrar.

6.6 BUSINESS PROCEDURE

- A. The federation will transact the following business.
- i. The exact area of operation of every primary society to be registered is to be recommended to the registering authority by the federation.
 - ii. Federation will consider allotment of works and will recommend to the authorities concerned such works in favour of various societies.
 - iii. The federation will entertain complaints from the member societies as regards the allotment of work by the authorities and will refer them if considered necessary to the district committee constituted for the purpose.

- iv. The federation will render advise and guidance to the societies in the maintenance of accounts in proper or and in all allied matters.
- v. The federation shall consider and decide within a reasonable time cases regarding the working of the member societies that may be referred to it.
- vi. The managing committee of the federation shall transact its business according to the bye-laws of the federation. A copy of the meeting of the managing committee of the federation shall be sent to the concerned authorities a week in advance of the actual date of the meeting, so that they or their representatives can attend such meetings and observe the proceedings. If the representative of the C.F.A. finds that any of the decision of the managing committee is against the interest of the Government or C.F.A. then the concerned representatives shall refer that the matter to the District committee and District Deputy Registrar, Co-operative societies whose decision shall be final.

Pending decision of the district committee for labour contract co-operative societies, constituted for the purpose and District Deputy Registrar C. S. the resolution of the federation may not be implemented.

- vii. Federation should create and maintain a special order of secretaries and accountants and allocate staff to the constituents, any society refuse the staff so allocated, the federation should consider whether such societies may be held eligible for allotment of works or any other concessions given by Government and make suitable recommendations to the concerned department.
- viii. The federation shall decide the amount of securities undertaken from the employees of the society dealing with cash.
- ix. To appoint supervisors if necessary. The supervision will be attached to societies by the federation which would maintain a cadre for the same and

distribute the cost of such supervision amongst the societies, arrangement for selection of such supervisors and their training should be made by the federation. Similarly, allocation of work to such supervisors and supervision over their work would be rest with the federation.

- x. The federation shall exercise powers of appointment control and transfer of all staff, borne on the cadre maintained by it and shall frame rules for service and conduct of these employees.
 - xi. The federation shall formulate a programme for the welfare activities to be undertaken by the labour contract co-operative societies.
- B. Welfare activities during the work operations.
- i. To provide properly placed, clean, spactius and habitable sheds.
 - ii. To arrange for supply of drinking water.
 - iii. To keep a medicine chest containing.
 - iv. To provide sanitary arrangements and to see that the members use them hygienically.
 - v. To organise social education amongst them and to inculcate in them the habits of discipline and cleanliness.
 - vi. To arrange for educational and recreational programmes.
- C. General Welfare Activities.
- i. To arrange for education camps and tours.
 - ii. To provide facilities for the all-round development of the members.

6.7 MANAGEMENT

Supreme Authority of General Meeting

Subject to the provision of the Maharashtra Co-operative Societies Act, 1960 and the Rules made there under and subject to the specific delegation of powers by specific resolution of the General Meeting the supreme authority of the

federation shall vest in General Meeting as envisaged in section 72 of the MCS Act, 1960. The General body shall not however in reference with the actions of the committee of management performed in exercise of the powers conferred on it under the bye-laws or in pursuance of the powers delegated to it by the General Meeting.

6.8 AUTHORITY OF THE COMMITTEE OF MANAGEMENT

Subject to such resolutions as the General Body may from time to time pass in the matter of powers not delegated under the Act, Rules or By-laws or in matters not specifically declared as functions of the committee of management, the management of the affairs of the federation shall vest in the committee of management.

6.9 POWERS AND FUNCTIONS OF COMMITTEE OF MANAGEMENT

Among other things the powers and duties of the committee of management shall be

- i. To consider application for membership from the labour contract co-operative societies.
- ii. To sponsor, guide and supervise the working of the member societies and to arrange for their inspection through the supervisors of the federation.
- iii. To recommend allotment of work in favour of affiliated societies to the officers of the concerned department.
- iv. To entertain complaints from affiliated societies as regards the allotment of works by the authorities and to refer them if considered necessary to the district committee constituted for the purpose.
- v. To render advice and guidance to the societies in the maintenance of accounts of work and other undertaking and in all allied matters.

- vi. To create and to maintain orders of societies, Accountant and supervisors and to arrange for their training.
- vii. To formulate a programme of welfare activities to the labour workers and to evolve arrangements for the execution of the same to the supervisors appointed by the federation.
- viii. To arrange, educate and train the labour workers in the principle and practice of co-operation, thrift and self-help.
- ix. To decide the matters of personal sureties or fidelity bonds to be taken from the employees handling cash of the member society.
- x. To appoint, fix duties, responsibilities and liabilities or suspend, punish or dismiss any of the salaried servants of the federation.
- xi. To frame the service conduct rules for leaves, provident fund gratuity fund, for the employees of the federation.
- xii. To arrange for the preparation of annual report, receipt and payment and income and expenditure statement and balance sheet for the previous co-operative year ending 31st March and to place them before the annual general meeting of the federation.
- xiii. To sanction expenditure for establishment and other contingent expenses.
- xiv. To prepare the annual budget of the income and expenditure and to place the same before general meeting for consideration.
- xv. To arrange for collection of fees and subscription from the affiliated societies and to raise the temporary loan pending such collection.
- xvi. To appoint committee or sub-committees to deal with specific matters and to delegate to them special powers as it may deem fit.
- xvii. To contract, purchase, take on hire or otherwise accommodation for office for carrying out the business of the federation and for providing necessary facilities to its members.

- xviii. To undertake money transaction through the secretary or any other employee of federation who has been duly authorised by the committee of management for the purpose.
- xix. To co-ordinate the working of the affiliated societies to all for any information required by the department concerned with the working of the labour contract societies.
- xx. To arrange for promotion and development of the labour contract societies and to correspond with the concerned department for the purpose.
- xxi. To place before the general meeting of the federation the audit memo and the inspection note.
- xxii. To carry out any other functions that would be entrusted to the committee of management by General body of the federation.

6.10 STAFF SELECTION COMMITTEE

There shall be a staff selection committee appointed by the committee of management consisting of three members. The Chairman of the managing committee should be the Chairman of this staff selection committee.

6.11 DISTRICT ADVISORY COMMITTEE

The federation will be advise by the decisions and guidance given by the District Advisory Committee for labour contract societies as and when constituted by competent authority.

6.12 ANNUAL ACCOUNTS, NET PROFIT AND THEIR DISTRIBUTION

The annual statement of accounts, appropriation of profits, contribution to various funds etc. shall be in accordance with the provisions of the Maharashtra Co-operative Societies Act, 1960 and rules made there under (Section 65, Rules 51, 52, 53, 61 and 62).

6.13 DEDUCTION FROM GROSS PROFITS

In addition to the deductions specified in section 65 of the M.C.S. Act and Rules 50 and 51 of the M.C.S. rules, the following sums shall be deducted from Gross profits of the federation.

- i. Audit fees for concurrent and continuous audit.
- ii. Supervision fees at such rates as may be laid down by the Registrar, C.S.M.S.

6.14 APPROPRIATION OF NET PROFITS

The balance remaining after the deductions mentioned in bye-law No. 1, 2 shall be treated as net profits and shall be distributed in accordance with the provisions of section 65, 66, 67, 68 and 69 of the M.C.S. Act and rules 52 and 53 of the M.C.S. rules in the following manner.

- a. A sum not less than 25 percent, of the net profit shall be carried to the reserve fund.
- b. Dividends on paid up share capital at a rate not exceeding 15%.
- c. Contribution towards the education funds of the Maharashtra state co-operative Union at the rate prescribed in rule 50, of the M.C.S. rule 1861.

The balance of the net profit shall be distributed as under.

- i. Upto 10% towards the bad-debts fund.
- ii. Upto 20% towards the welfare fund.
- iii. Upto 10% towards building fund.
- iv. Upto 5% towards price fluctuation fund.
- v. Upto 20% towards bonus to members of the federation in proportion to the business made by them with the federation.

6.15 ROLE OF STATE LABOUR CO-OPERATIVE FEDERATION

The State Labour Co-operative Federation was established in year 1974. It is an apex body of labour co-operative societies in the state . It acts as a

co-ordinating agency between district level co-operative societies and the government. The federation is working in 36 districts at present.

Main objects of state labour co-operative federation.

The main objects of Maharashtra State Labour Co-operative Federation are as follows.

- i. To act as a co-ordinating agency between the district labour co-operative federations and the government.
- ii. To provide necessary technical guidance to the district labour federation..
- iii. To render guidance to the primary labour co-operative societies through their district federation.
- iv. To make efforts to improve the position of labour co-operatives in the state in respect of accounting, technical and government matters..
- v. To see that the primary labour co-operatives receive adequate credit facilities at the district level.
- vi. To establish contacts with different department of government for the determination of the rate schedules
- vii. To supervise the activities of district labour co-operative federation.
- viii. To collect the statistics and other information useful to the District Labour Co-operative Federation.
- ix. To work for the development of the labour co-operative movement in the state.

Table 6.2
Division-wise distribution of labour co-operative societies in the State of Maharashtra as on 31 December 2001.

Division	Number of Societies
Mumbai	491
Konkan	846
Nashik	2425
Pune	1211
Kolhapur	658
Aurangabad	889
Latur	1231
Amaravati	241
Nagpur	341
Total	8333

Source - Souvenir of the 32nd state level convention of co-operators, Murtijapur December 2001.

The division wise distribution of labour co-operative societies in the state of Maharashtra is shown in Table 6.2. There are 8333 labour co-operative societies functioning in the state. Nashik division is having the highest number of societies – 2425 and the Amaravati division having the lowest number of societies - 241. In Kolhapur division there are 658 labour societies situated in the districts of Kolhapur, Satara and Sangli. The further break-up shows that out of 658 societies 131 societies are in Kolhapur district, 285 in Satara district and 242 in Sangli district. There is uneven spread of labour co-operative societies in the state. The western Maharashtra region comprising of Nashik, Pune and Kolhapur division has the highest number of societies – 4294. The Marathwada region comprising of Aurangabad and Latur division has – 2120 societies, the Vidarbha region comprising of Amaravati and Nagpur division has – 582 societies and the Konkan region comprising of Mumbai and Konkan divisions has 1337 societies.