

O/o Registrar Cooperative Societies, Punjab Chandigarh  
(Planning Branch)

To

1. Managing Directors / CEOs of all the APEX Cooperative Institutions in the State.
2. All the Central Cooperative Institutions in the State.

No. RCS/Planning/...345.....

Dated: 6/08/2012

**Subject: Policy for re-employment of retrenched staff of Cooperative Institutions.**

**Memo**

1. While hearing the Civil Writ Petition Nos.9702, 9703 of 2010 & Civil Writ Petition Nos.12684 & 7070 of 2011, Hon'ble Punjab & Haryana High Court issued the following direction on 16.05.2012:-

*"Having heard learned counsel for the parties for some time, it appears expedient to direct the State Government and Registrar, Cooperative Societies, Punjab to re-consider the matter with a fresh outlook and take fresh Policy decision consistent with the previous Policy decision dated 25-11-1997 to decide the fate of employees who have been retrenched and /or are at the verge of retrenchment in one or the other Cooperative Sugar Mills, after the above stated Policy circular dated 25-11-1997.*

*The fresh Policy decision, however, must be in consonance with the mandate of Hon'ble Supreme Court in Civil Appeal No. 1126 of 2001 titled "Punjab State Cooperative Agricultural Development Bank Limited & others Vs. State of Punjab & others" decided on 30-08-2005.*

*The Policy decision should also keep in view the dire need of providing job opportunities to un-employed youths so as to infuse modern technology and updated concepts to maintain viability of the Public Sector. At the same time, the Policy makers would be obligated to consider their duty as 'welfare state' towards those who have served one or the other public institution(s) for sufficient long period and have been rendered jobless at a juncture when they are burdened with multiple responsibilities without any sustenance.*

*It shall be appreciated if a new Policy decision with a holistic approach to all the relevant factors is taken before the next date of hearing. List on 24-08-2012."*

2. In compliance of the above directions of the Hon'ble Punjab & Haryana High Court the State Government has approved the following policy:

- "1.1 The employees who have been retrenched have already been given the benefits available to them under the law, including retrenchment compensation. Hence they are not legally entitled to be given any special benefit/preference as a matter of right for re-employment in other cooperative institutions. However, the Hon'ble High Court has

directed that while framing the policy for re-employment, humanitarian considerations have to be kept in mind and the employees who have been retrenched from a job should be given adequate opportunities for getting re-employment in order to enable them to look after their families and fulfill other responsibilities. However, at the same time the expectations of the unemployed youth for jobs can also not be denied. Furthermore, it has to be kept in view that in this highly competitive and technologically driven world, all organizations regularly need intake of young employees who are adaptable to the rapidly changing business / technological environment and can bring in new ideas and energy. Therefore, such needs of the organization, in which retrenched employees are to be re-employed have also to be considered so that its efficiency and viability does not suffer.

It is obvious that reconciling these competing claims / goals and framing a perfect re-employment policy is extremely difficult. However, through this policy a serious attempt has been made to give a fair deal to all stake holders as far as possible.

- 2.1 As cooperative societies are independent corporate bodies with specific objectives it would not be fair to force them to absorb retrenched employees of other cooperative mills. Therefore, this policy will be applicable only to those cooperative institutions, which pass a resolution adopting this policy.
- 2.2 This policy would be applicable only to the permanent/regular employees who have been retrenched from the closed cooperative sugar and cooperative spinning mills in Punjab or are likely to be retrenched in the event of closure of any cooperative sugar mill, which is a member of Sugafed, Punjab. The employees who were not regular / permanent such as seasonal permanent employees, temporary employees, contractual employees or work charged employees etc. will not be eligible to take benefit under this policy.
- 2.3 The employees who have opted for the Voluntary Retirement Scheme, if any, floated by the organization from which the employee has retired will also not be eligible to take benefit under this policy.
- 2.4 Subject to fulfillment of other conditions laid down in this policy, the permanent/regular employees of different categories who are retrenched by a cooperative organization in consequence of its winding up/ liquidation may be re-employed in the other central and apex cooperative institutions in the State of Punjab as follows :-
  - a) Employees of Class III and Class IV category who were primarily doing work of technical nature may be absorbed on equivalent posts in other cooperative organizations only if the nature of work is substantially identical to the work of the post from which the employee has been retrenched.
  - b) Other Class IV employees (i.e. non-technical) retrenched from one cooperative institution may be absorbed on posts of similar category in any other cooperative institution. The condition of having worked on post having similar work shall not apply. For example, a peon may be absorbed as watchman but he cannot be absorbed as a plumber.
  - c) Other retrenched employees of Class III category may be absorbed in any other cooperative institution on equivalent posts, if the nature of work is generally similar to the work of the post from which the employee has been retrenched.
  - d) Employees of Class I and Class II category may be absorbed on equivalent posts of similar category in other cooperative institutions only if the nature of work is substantially identical to the work of the post from which the employee has been retrenched.

- e) No retrenched person shall be re-employed under this policy on a higher post than the post from which he was retrenched. However, he may, if he so wishes, apply for a post which is of a lower category than the post from which he was retrenched.
  - f) The upper age limit shall be relaxed and retrenched employees who are less than fifty five years old on the date of issue of advertisement for recruitment shall be eligible to apply.
- 2.5 The retrenched employees will be adjusted only against the posts reserved for direct recruitment as and when a cooperative institution decides to conduct regular recruitment keeping in view its manpower requirements and financial position. These posts for retrenched employees shall be filled up in the following manner:
- a) Whenever a cooperative institution decides to fill up Class IV posts through direct recruitment, it shall reserve 50% of such posts for the permanent regular employees who have been retrenched by a cooperative institution and possess the educational qualifications for the post to be filled up.
  - b) These posts shall first be offered to the eligible Class IV retrenched employees. However, if some posts remain vacant as sufficient number of eligible Class IV retrenched employees are not available, the posts shall be filled up on merit out of the retrenched Class III permanent regular employees who have applied for the post.
  - c) If the posts reserved for retrenched Class IV employees cannot be filled up in the manner specified above, the unfilled posts shall be treated as de-reserved and the organization shall be free to fill up these posts on merit from amongst the fresh eligible candidates. There shall be no need to carry forward the backlog.
  - d) Whenever a cooperative institution decides to fill up Class-I, II or III posts through direct recruitment, it shall reserve 25% of such posts for the permanent regular employees who have been retrenched by a cooperative institution and possess the prescribed educational qualifications and experience for the post to be filled up.
  - e) These posts mentioned in para (d) above shall be filled on merit from amongst the retrenched employees for whom the institution may conduct a special examination to test their skills/knowledge required for the post if the number of applicants is more than the number of posts to be filled up.
  - f) If the above mentioned posts reserved for retrenched employees cannot be filled up in the manner specified above, the unfilled posts shall be treated as de-reserved and the organization shall be free to fill up these posts on merit from amongst the fresh eligible candidates. There shall be no need to carry forward the backlog.
- 2.6 On absorption under this policy, the employee would be considered as a fresh appointee. However, his pay would be protected and the past service would be counted for benefits like pension (if pension scheme is in operation), but not for seniority.
- 3.1 The opportunity of being re-employed under this policy will remain available to the retrenched permanent employees for five years from the date of notification of this policy or for five years from the date of retrenchment of the employee, whichever is later.
- 3.2 Any employee who has got re-employment under this policy or under any earlier policy shall not be eligible to seek re-employment again under this policy.
- 4.1 Registrar Cooperative Societies, Punjab, will be the final authority with regard to the interpretation of any clause of this Policy."
3. You are requested to take necessary action regarding the above

policy.

4. In respect of the Apex and the Central Cooperative Institutions who adopt this policy, conditions of service rules such as Age and Experience which are required to be relaxed for implementation of the policy shall be deemed to have been relaxed under Rule 28 of the Punjab Cooperative Societies Rules 1963 under the Punjab Cooperative Societies Act, 1961 by the Registrar.

5. This policy supersedes the instructions issued vide letter no. 1246 dated 25.11.1997 and all other previous instructions issued in this regard from time to time by this office.

<sup>Sd</sup>  
Additional Registrar (Admn.)  
for Registrar, Cooperative Societies,  
Punjab, Chandigarh.

Enst. No. RCS/Planning/..346....

Dated: 6/08/2012

Copy of the above is forwarded to the following:

1. PS/FCC, Punjab for kind information of Financial Commissioner, Cooperation Punjab.
2. PA to RCS, Punjab for kind information of Registrar, Cooperative Societies, Punjab.
3. All the Additional Registrars, Cooperative Societies, Punjab Chandigarh for information and necessary action.
4. All the Joint Registrars and Deputy Registrars, Cooperative Societies in the State,
5. All the Superintendents in the O/o Registrar, Cooperative Societies, Punjab Chandigarh for information and necessary action.

  
Additional Registrar (Admn.)  
for Registrar, Cooperative Societies,  
Punjab, Chandigarh 