

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 1925
TO BE ANSWERED ON 17th DECEMBER 2025

**EXPANSION OF NATIONAL COOPERATIVE DEVELOPMENT CORPORATION
(NCDC)**

1925: Smt. Ramilaben Becharbhai Bara:

Shri Chunnilal Garasiya:

Shri Sadanand Mhalu Shet Tanavade:

Shri Sat Paul Sharma:

Smt. Maya Naroliya:

Shri Subhash Barala:

Will the Minister of COOPERATION be pleased to state:

- (a) the key amendments finalized for the Multi-State Cooperative Societies (MSCS) act to strengthen regulatory oversight;
- (b) how the newly operationalized Tribhuvan Sahkari University (TSU) curriculum is aligned with the current digital and management needs of the cooperative sector;
- (c) the mechanisms that are in place to ensure the mandatory audit of all registered cooperative societies is completed within the stipulated timeline; and
- (d) the extent to which the establishment of the National Cooperative Database streamlined the process of identifying and reviving defunct cooperative bodies?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a) The Multi-State Cooperative Societies (MSCS) (Amendment) Act & Rules, 2023 have been notified on 03.08.2023 and 04.08.2023, respectively to strengthen governance, enhance transparency, increase accountability and reform electoral process, etc. in the Multi State Cooperative Societies by supplementing existing legislation and incorporating the provisions of Ninety-seventh Constitutional Amendment.

Many provisions have been introduced via the above amendment to strengthen regulatory oversight and monitoring in the functioning of cooperative societies and prevent financial irregularities therein, inter-alia: -

- i. To ensure timely, regular and transparent conduct of elections in the multi-State cooperative societies, provision of Cooperative Election Authority has been made.
- ii. Appointment of Co-operative Ombudsman by Central Government to provide a mechanism to address grievances of members.
- iii. To improve transparency, appointment of Information Officer by multi-State cooperative societies to provide information to members.
- iv. Audit reports of Apex multi-State co-operative societies to be laid in Parliament to improve transparency.
- v. Accounting and auditing standards for multi-State cooperative societies to be determined by Central Government to ensure uniformity in accounting and auditing.
- vi. To improve governance and transparency, annual report of multi-State cooperative societies to include Board decisions which are not unanimous.
- vii. Central Government to determine prudential norms (liquidity, exposure, etc.) for multi-State co-operative societies in the business of thrift and credit.
- viii. To curb nepotism and favouritism in multi-State co-operative societies, the Director of a multi-State cooperative society shall not be present in the discussion and vote on matters where he or his relatives are an interested party.
- ix. Additional grounds for disqualification for directors have been made to improve governance.
- x. Provisions for Investment of funds by the multi-State cooperative societies have been redefined to ensure safer investments and remove references to colonial era securities.
- xi. To have more financial discipline and transparency, the board of multi-State co-operative societies to constitute Committee for Audit and Ethics along with other committees.
- xii. For strengthening governance, criteria for appointment of Chief Executive Officer (CEO) stipulated.
- xiii. To enhance democratic decision making in the multi-State cooperative societies, quorum has been prescribed for board meetings.
- xiv. Central Registrar to conduct inquiry if he gets information that business is being conducted in a fraudulent manner or for unlawful purposes.
- xv. If registration obtained by misrepresentation, fraud, etc., provision for winding up of a multi-State cooperative society after giving opportunity of being heard.
- xvi. To discourage members from acting against collective interests of the multi-State co-operative societies, the minimum period of expulsion of an expelled member of a multi-State co-operative society has been increased from 1 year to 3 years.
- xvii. To prevent only a few members benefitting from resources of the society, Institutions with majority equity shares held by the members of multi-State co-operative societies or their relatives, would not be considered as subsidiary institution.

(b) The “Tribhuvan” Sahkari University (TSU) addresses the needs of cooperatives by integrating advanced, simulation, and real-life case-study-based pedagogy for management

subjects to understand real-life managerial issues and solutions, thereby preparing participants with real-world strategic decision-making skills. Concurrently, the curriculum also aligns to develop cutting-edge digital competencies for using the latest digital tools and technologies. This dual focus ensures that graduates and trainees are equipped with both the managerial acumen and the digital tools necessary to drive efficiency, innovation, and productivity in their work areas.

(c) The following provisions have specifically been introduced for strengthening the audit process of Multi-State Cooperative Societies:

- i. A provision for Concurrent Audit has been introduced for Multi-State Cooperative Societies with turnover/deposits of more than 500 crore rupees from a panel of auditors approved by Central Registrar. Concurrent audit will ensure early detection of fraud or irregularities, if any, and accordingly prompt course corrections can be made.
- ii. Following two panels of auditors for Multi-State Cooperative Societies have been notified:
 - 1) Panel of auditors for multi-State cooperative societies having an annual turnover/ deposit (as the case may be) of up to five hundred crore rupees for carrying out Statutory Audit.
 - 2) Panel of auditors for multi-State cooperative societies having an annual turnover/ deposit (as the case may be) of more than five hundred crore rupees for carrying out Statutory and Concurrent Audit.

A provision has also been introduced for determination of accounting and auditing standards for multi-State cooperative societies by Central Government. Further, it has been provided that every multi-State cooperative society shall file its annual returns with the Central Registrar through the online CRCS portal under section 120A of the Act, within six months from the close of the accounting year, containing the following information prescribed under section 120 of the Act:

- i. annual report of the activities including details of board decisions which were not unanimous;
- ii. audited statements of accounts;
- iii. plan for surplus disposal as approved by the general body;
- iv. list of amendments to the bye-laws of the multi-State co-operative society;
- v. declaration regarding date of holding of general body meeting and conduct of elections where due;
- vi. disclosure regarding employees who are relatives of Members of board;
- vii. declaration of any related party transactions by the board of directors; and
- viii. any other information required by the Central Registrar in pursuance of any of the provisions of this Act or the rules made there under.

Non-submission of such returns may constitute a ground for disqualification under the provisions of section 43 of the Act.

(d) A comprehensive National Cooperative Database (NCD) has been developed by Ministry of Cooperation, Government of India, with the support of States / UTs. The NCD portal was launched on 08th March, 2024. This database provides a single-point access to information on over 8.4 lakh cooperatives across the country. As per NCD portal, as of 15.11.2025, out of total 8.45 lakh Cooperative Societies across the country, 6.56 lakh are functional, 1.39 lakh are non-functional and 48,537 are under liquidation.

The Ministry of Cooperation has taken proactive measures to convert Primary Agricultural Credit Societies (PACS), Dairy, and Fisheries Cooperatives into multi-purpose cooperative societies. This initiative aims to enhance business diversification, strengthen financial sustainability, and prevent closures by enabling cooperatives to engage in a wider range of economic activities. The NCD is used for identification of gaps in the geographical spread of cooperatives, including both covered and uncovered gram panchayats and formation of 2 lakh new multipurpose PACS, Dairy and Fishery cooperative societies. Defunct Societies are to be liquidated to form new MPACS wherever possible.

Additionally, the Ministry of Cooperation has set up Co-operative Rehabilitation, Reconstruction and Development Fund under section 63A of the Multi-State Cooperative Societies (MSCS) (Amendment) Act, 2023 for revival of sick multi-State cooperative societies and providing assistance for meeting infrastructural requirement.
