

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION No. 2099
ANSWERED ON 11.03.2026

Financial health and audit compliance of cooperative societies

2099 # Shri Jose K. Mani:

Will the Minister of Cooperation be pleased to state:

- (a) whether Government has assessed the financial health and audit compliance of cooperative societies in the country over the last three years;
- (b) if so, the details of cooperative societies found irregular or non-compliant, State-wise;
- (c) the steps taken to strengthen transparency, professional management and digital governance in cooperatives;
- (d) whether any measure is being taken to improve access to institutional credit for small and primary cooperatives; and
- (e) if so, details thereof?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a) & (b) As per the National Cooperative Database (NCD), out of a total 8.48 lakh Cooperative Societies across the country, 6.59 lakh are functional, 1.41 lakh are non-functional and 47,688 are under liquidation. Among the 6.59 lakh functional cooperative societies, 5.97 lakh societies are audited and 0.62 lakh societies are not audited. The State-wise total no. of functional Cooperatives Societies, along with their audit status, is attached as **Annexure-1**.

Further, Cooperative Societies registered under the provisions of the Multi-State Cooperative Societies (MSCS) Act, 2002 function as autonomous cooperative organisations and accountable to their members. In case of irregularities including financial embezzlement, winding up proceeding u/s 86 of the MSCS Act, 2002 are initiated against such MSCSs and liquidator is appointed under the provisions of Section 89 of MSCS Act, 2002 to liquidate the assets of Society and to ensure payment to investors/members under the provisions of section 90 of the Act. So far 106 Multi-State Cooperative Societies are put under liquidation. The state wise number of such societies is attached as **Annexure-2**.

(c) to (e) The Ministry of Cooperation, since its inception on 6th July, 2021, has undertaken several initiatives to realize the vision of “Sahakar-se-Samriddhi” to strengthen transparency, professional management and digital governance in cooperatives. Key initiatives include:

- To modernize and strengthen PACS, a project for the Computerization of functional PACS with a total financial outlay of ₹2925.39 crore has been approved by the Government of India, which entails bringing all functional PACS in the Country onto a common ERP-based national software. Out of total 79,630 sanctioned PACS from 31 States/ UTs under the project, 61,478 PACS have been onboarded on ERP Software.
- To strengthen the long-term cooperative credit structure, the project of computerization of 1,867 units of Agriculture and Rural Development Banks (ARDBs) spread across 13 States/ Union Territories has been approved by the Government. NABARD is the implementing agency for the project. So far, proposals from 10 States/UTs have been received and sanctioned. Further, GOI share amounting to Rs 10.89 crore has been released to 10 States/UTs in FY 2023-24, FY 24-25, and FY 2025-26 for procurement of hardware, digitization, and setting up of support system.
- Model Byelaws of PACS, enabling diversification of activities such as storage, processing, LPG distribution, and common service centers, ensuring better governance standards and promoting member-centric operations.
- World’s Largest Decentralized Grain Storage Plan in the Cooperative Sector.
- Capacity building and skill development programmes through National Council for Co-operative Training (NCCT) for members, Board of Directors, employees of cooperative, state officials and aspiring youth across the country with a network of 20 training institutes.
- As on date, 16,404 training programmes for 10,11,359 participants have been conducted by these training institutes across country.
- Capacity-building programs undertaken through NABARD that provide training on ERP Software i.e. e-PACS software.
- Establishment of Tribhuvan Sahkari University (TSU).
- Amendment to the Multi State Cooperative Societies (MSCS) Act, 2002 in 2023 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.

Annexure-1

State-wise audit status of functional Cooperative Societies

Sl. No.	State/UT	Audit Status		
		Total Functional Societies	No. of Audited Societies	No. of Non-Audited Societies
1	Andaman and Nicobar Islands	1,207	1,154	53
2	Andhra Pradesh	12,439	12,002	437
3	Arunachal Pradesh	1,014	536	478
4	Assam	7,772	5,117	2,655
5	Bihar	22,344	19,932	2,412
6	Chandigarh	196	184	12
7	Chhattisgarh	10,245	9,365	880
8	Delhi	1,939	1,863	76
9	Goa	3,153	2,504	649
10	Gujarat	79,386	73,605	5,781
11	Haryana	15,604	13,711	1,893
12	Himachal Pradesh	4,985	4,728	257
13	Jammu & Kashmir	9,003	3,993	5,010
14	Jharkhand	8,016	7,161	855
15	Karnataka	40,368	37,946	2,422
16	Kerala	15,130	14,649	481
17	Ladakh	168	151	17
18	Lakshadweep	31	22	9
19	Madhya Pradesh	26,623	25,615	1,008
20	Maharashtra	2,19,941	2,11,717	8,224
21	Manipur	5,300	3,592	1,708
22	Meghalaya	2,975	2,441	534
23	Mizoram	1,270	1,232	38
24	Nagaland	1,830	1,526	304
25	Odisha	7,757	4,858	2,899
26	Puducherry	401	400	1
27	Punjab	11,906	11,686	220
28	Rajasthan	25,704	23,573	2,131
29	Sikkim	1,416	939	477
30	Tamil Nadu	21,240	19,454	1,786
31	Telangana	47,504	44,720	2,784
32	DNH & DD	379	170	209
33	Tripura	2,223	1,736	487
34	Uttar Pradesh	22,681	15,580	7,101
35	Uttarakhand	4,409	2,596	1,813
36	West Bengal	22,985	17,015	5,970
	Total	6,59,544	5,97,473	62,071

Source: NCD portal as on 01.03.2026

State wise number of MSCS-under liquidation

S.No.	Name of State	No. of MSCS-under liquidation
1	Rajasthan	26
2	Maharashtra	19
3	Delhi	16
4	Uttar Pradesh	13
5	Odisha	12
6	West Bengal	5
7	Tamil Nadu	3
8	Gujarat	2
9	Andhra Pradesh	2
10	Telangana	2
11	Bihar	1
12	Jharkhand	1
13	Karnataka	1
14	Punjab	1
15	UT of Chandigarh	1
16	UT of Dadra and Nagar Haveli	1
	Total	106