

**GOVERNMENT OF INDIA  
MINISTRY OF COOPERATION**

**LOK SABHA  
UNSTARRED QUESTION NO 1288  
TO BE ANSWERED ON 3<sup>rd</sup> DECEMBER, 2024**

**MULTI STATE CO-OPERATIVE SOCIETIES**

**#1288 SHRI MURARI LAL MEENA:**

Will the Minister of COOPERATION (**सहकारिता मंत्री**) be pleased to state:

(a) whether the Government proposes to formulate any new policy or provisions to improve investigation and action in cases of fraud against Multi-State Cooperative Societies (MSCS);

(b) whether the Government has prepared a proposal to give additional powers to the States in coordination with the Ministry of Cooperation to establish more effective control over the operations of Multi-State Credit Cooperative Societies;

(c) whether the Government has prepared any plans to establish coordination between the Centre and State to protect farmers from fraud by cooperative institutions;

(d) whether the Government has developed a portal for redressal of grievances of investors in the MSCS; and

(e) if so, whether the Government proposes to auction the properties of the fraudulent societies through this portal and ensure prompt payment to investors?

**ANSWER**

**The Minister of COOPERATION  
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a) to (c): No Sir. Multi-State Co-operative Societies are registered under the provisions of the Multi State Cooperative Societies Act, 2002, and function as autonomous cooperative organizations accountable to their members.

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 above amendment to bring transparency in the functioning of cooperative societies and prevent financial irregularities therein.

Further, powers of Central Registrar of Cooperative Societies to conduct inspection on case to case basis u/s 108 and to appoint an Arbitrator u/s 84 of the MSCS Act, 2002 have already been delegated to Registrar of Cooperative Societies of all States/ UTs.

(d) to (e): A portal namely Centralised Public Grievance Redress and Monitoring System (CPGRAMS) has already been developed by the Government for redressal of grievances of the petitioners including investors of the MSCS. In addition, Cooperative Ombudsman has been appointed u/s 85A of the MSCS Act, 2002 for inquiring into the complaints made by any members of the multi-State co-operative societies regarding their deposits, equitable benefits of society's functioning or any other issue affecting individual rights of the concerned member.

Further, in case of irregularities including financial embezzlement, a 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 and by adopting procedures as per Rule 28 and 29 of the MSCS Rules, 2002.

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