

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO 4200
TO BE ANSWERED ON 19th AUGUST, 2025**

MULTI-STATE COOPERATIVE SOCIETIES

***4200 SHRI BAJRANG MANOHAR SONWANE:**

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

- (a) whether not returning the money of the depositors by Jijau, Danyanradha, Jijamata, Shubh Kalyan and Rajasthani Multi State Co-op. Societies in Beed and surrounding districts is a matter of serious concern;
- (b) whether thousands of depositors are in financial crisis due to this and the lifelong savings of many families are stuck therein;
- (c) whether the Government proposes to get the financial inquiry of these institutions conducted immediately through the Central Registrar of Cooperative Societies (CRCS);
- (d) whether the Government proposes to appoint administrators in the concerned institutions and take over the control of their management and operations if any irregularities are found therein;
- (e) whether the government proposes to confiscate the properties of the directors of the institutions and return the money of the depositors under legal provisions;
- (f) whether the government proposes to make a time-bound action plan in this regard and ensure strict implementation of the same;
- (g) whether it is the direct responsibility of the Government of India to safeguard the rights of the depositors and restore their confidence; and
- (h) if so, the details thereof?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a) to (f): Cooperative Societies registered under the provisions of the Multi-State Cooperative Societies (MSCS) Act, 2002 function as autonomous cooperative organisations and are accountable to their members. MSCSs function as per the provisions of Multi-State Cooperative Societies Act, 2002 and rules framed there under read with approved bye-laws of the Society which includes the role and powers of the member, Board, General Body of the Society and Central Registrar of Cooperative Societies (CRCS). As per the provisions of Section 49 of the MSCS Act, 2002, the business matters such as to admit members, to accept the deposits and refund to depositors etc., fall under the powers and functions of the board of the Society and the day to day management of the Society fall under the powers and functions of the Chief Executive of the Society as per the provisions of Section 52 of the MSCS Act, 2002.

Jijau Maa Saheb Multi State Cooperative Credit Society Ltd., Dnyanradha Multi State Cooperative Credit Society Ltd., Shubh Kalyan Multi State Cooperative Credit Society Ltd., and Rajasthani Multi State Cooperative Credit Society Ltd., are not specified multi-State co-operative societies and administrators cannot be appointed therein under the provision of Section 123 of MSCS Act, 2002.

Based on the various complaints received against Jijau Maa Saheb Multi State Cooperative Credit Society Ltd., Dnyanradha Multi State Cooperative Credit Society Ltd., Shubh Kalyan Multi State Cooperative Credit Society Ltd., and Rajasthani Multi State Cooperative Credit Society Ltd., the Central Registrar of Cooperative Societies has requested Registrar of Cooperative Societies, Government of Maharashtra to conduct the inspection u/s 108 of the Multi-State Cooperative Societies (MSCS) Act, 2002. Based on Inspection Reports, Notices were sent to these Societies for seeking objections to initiate winding up process under the provision of MSCS Act, 2002. No satisfactory reply was received from these Societies; therefore, winding up orders u/s 86 of the MSCS Act, 2002 were passed and liquidators were appointed under section 89 of MSCS Act, 2002 in these Societies.

The Liquidator has to liquidate the assets of Society and to ensure payment to investors/members under the provisions of Section 90 of the MSCS Act, 2002 and by adopting procedures as per Rule 28 and 29 of the MSCS Rules, 2002 in a time bound manner.

(g) to (h): To safeguard the right of depositor/members of Multi-State Cooperative Societies, many provisions have been introduced via Multi-State Cooperative Societies (MSCS) (Amendment) Act & Rules, 2023, inter-alia: -

- i. To ensure timely, regular and transparent conduct of elections in the multi-State cooperative societies, Cooperative Election Authority has been established.
- ii. Co-operative Ombudsman has been appointed 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. 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.
- v. Audit reports of Apex multi-State co-operative societies to be laid in Parliament to improve transparency.
- vi. Accounting and auditing standards for multi-State cooperative societies to be determined by Central Government to ensure uniformity in accounting and auditing.
- vii. To improve governance and transparency, annual report of multi-State cooperative societies to include Board decisions which are not unanimous.

- viii. Central Government has determined prudential norms (liquidity, exposure, etc.) for multi-State co-operative societies in the business of thrift and credit.
- ix. 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.
- x. Additional grounds for disqualification for directors have been made to improve governance, for better recovery of dues and to ensure that such acts of omission or commission or fraud are not repeated elsewhere.
- xi. 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.
- xii. Central Registrar to conduct inquiry if he gets information that business is being conducted in a fraudulent manner or for unlawful purposes.
- xiii. If registration obtained by misrepresentation, fraud, etc., provision for winding up of a multi-State cooperative society after giving opportunity of being heard.
- xiv. 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.
