

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION No. 3806
TO BE ANSWERED ON 11th AUGUST, 2026**

Financial Irregularities in Cooperative Societies

3806. Shri Rajesh Ranjan:

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

- (a) whether it is a fact that several cooperative societies in the country are lying dormant or incurring losses due to financial irregularities, weak management and lack of timely audits;
- (b) if so, the details of cooperative societies audited during the last three years, State-wise including the number of societies in which irregularities were detected along with the action taken against them; and
- (c) the reformative steps taken or proposed to be taken by the Government to ensure transparency, accountability and protection of members' interests in cooperative societies?

ANSWER

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

(a) & (b) As per the National Cooperative Database (NCD), out of a total 8.53 lakh Cooperative Societies across the country, 6.63 lakh are functional, 1.41 lakh are non-functional and 49,177 are under liquidation. Among 6.63 lakh functional cooperative societies, 5.95 lakh societies are audited and 0.68 lakh societies are not audited. The State-wise details of functional and audited cooperatives societies are attached as **Annexure-1**. The details of cooperative societies lying dormant due to financial irregularities, weak management and lack of timely audits is maintained by respective State / UTs.

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,

115 Multi-State Cooperative Societies are put under liquidation. The State-wise number of such societies is attached as **Annexure-2**.

(b) The Ministry of Cooperation, since its inception on 06.07.2021, has undertaken several initiatives to ensure transparency, accountability and protection of members' interests in cooperative societies under the vision of "Sahakar-se-Samriddhi." Key initiatives include:

- The Multi-State Cooperative Societies (MSCS) Act, 2002 was amended in 2023 to strengthen governance, enhance transparency, increase accountability and reform electoral process, etc. in the Multi State Cooperative Societies (MSCS).
- A Cooperative Rehabilitation, Reconstruction and Development Fund was established under section 63A of the Multi-State Cooperative Societies (MSCS) (Amendment) Act, 2023 to revive sick Multi-State Cooperative Societies and provide financial assistance for meeting their infrastructure requirements.
- Circulation of 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.
- Strengthening of PACS through Computerization of PACS project by bringing functional PACS onto a common ERP-based national software, thereby improving transparency, efficiency, record management and service delivery.
- 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.
- Development of the National Cooperative Database (NCD) which serves as a comprehensive digital repository of 8.53 lakh cooperative societies across the country, having approximately 32 crore members.
- Inclusion of Rural Cooperative Banks under the RBI Integrated Ombudsman Scheme to bring greater transparency and accountability.

Annexure-1

State-wise audit status of functional Cooperative Societies

S. No.	State/UT	Audit Status		
		Total Functional Societies	Audited Societies	Non-Audited Societies
1	Andaman and Nicobar Islands	1,217	1,160	57
2	Andhra Pradesh	12,408	11,970	438
3	Arunachal Pradesh	1,034	542	492
4	Assam	8,071	5,114	2,957
5	Bihar	22,243	19,896	2,347
6	Chandigarh	195	183	12
7	Chhattisgarh	10,380	9,261	1,119
8	Delhi	1,827	1,782	45
9	Goa	3,165	2,506	659
10	Gujarat	79,823	73,340	6,483
11	Haryana	15,447	13,228	2,219
12	Himachal Pradesh	5,055	4,725	330
13	Jammu & Kashmir	9,132	3,994	5,138
14	Jharkhand	8,144	7,220	924
15	Karnataka	40,440	37,732	2,708
16	Kerala	15,106	14,624	482
17	Ladakh	166	158	8
18	Lakshadweep	53	22	31
19	Madhya Pradesh	27,041	25,479	1,562
20	Maharashtra	2,19,775	2,11,329	8,446
21	Manipur	5,330	3,992	1,338
22	Meghalaya	3,100	2,439	661
23	Mizoram	1,274	1,237	37
24	Nagaland	1,943	1,491	452
25	Odisha	8,063	4,864	3,198
26	Puducherry	400	399	1
27	Punjab	12,666	11,715	951
28	Rajasthan	27,172	23,497	3,675
29	Sikkim	1,398	1,012	386
30	Tamil Nadu	21,090	19,384	1,706
31	Telangana	46,672	43,478	3,194
32	DNH & DD	379	170	209
33	Tripura	2,237	1,744	493
34	Uttarakhand	4,450	2,599	1,851
35	Uttar Pradesh	22,888	15,528	7,360
36	West Bengal	23,028	16,977	6,051
	Total	6,62,812	5,94,791	68,020

Source: NCD portal as on 15.07.2026

State wise number of MSCS-under liquidation

S.No.	State / UT	No. of MSCS-under liquidation
1	Andhra Pradesh	2
2	Bihar	1
3	Chandigarh	1
4	Delhi	16
5	Goa	1
6	Gujarat	4
7	Jharkhand	1
8	Karnataka	1
9	Maharashtra	23
10	Odisha	12
11	Punjab	1
12	Rajasthan	26
13	Tamil Nadu	3
14	Telangana	2
15	DNH & DD	1
16	Uttar Pradesh	14
17	West Bengal	6
	Total	115