

Status of Ongoing Investigations in the Cooperative Sector in Kerala

प्रविष्टि तिथि: 16 DEC 2025 5:04PM by PIB Delhi

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. The multi-State cooperative societies are required to function as per the provisions of Multi-State Cooperative Societies Act, 2002 and rules framed thereunder read with approved bye-laws of the Society which includes the roles and powers of the members, Board, General Body of the society and Central Registrar of Cooperative Societies (CRCS).

In case of irregularities in the functioning of multi-State cooperative societies, the Registrar of Cooperative Societies of the State concerned and other agencies are requested to conduct inspection/inquiry of such societies under sections 108 and 78 of the MSCS Act, 2002. In Kerala State, 4 multi-State cooperative societies are under investigation. The information regarding investigation in the cooperative institutions, which are registered under the State Cooperative societies Act is not maintained by the Central Government.

To strengthen regulation, transparency and accountability in multi-State cooperative societies, the MSCS Act & Rules were comprehensively amended and notified on 03.08.2023 and 04.08.2023 respectively by supplementing existing legislation and incorporating the provisions of Ninety-seventh Constitutional Amendment.

Many provisions have been introduced via the above amendment to bring transparency in the functioning of multi state 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. 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.

- v. Audit reports of National 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 to determine 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.
- 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. To have more financial discipline and transparency, the board of multi-State co-operative societies to constitute Committee for Audit and Ethics alongwith other committees.
- xiii. For strengthening governance, criteria for appointment of Chief Executive Officer (CEO) stipulated.
- xiv. To enhance democratic decision making in the multi-State cooperative societies, quorum has been prescribed for board meetings.
- xv. Central Registrar to conduct inquiry if he gets information that business is being conducted in a fraudulent manner or for unlawful purposes.
- xvi. If registration obtained by misrepresentation, fraud, etc., provision for winding up of a multi-State cooperative society after giving opportunity of being heard.
- xvii. 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.

This information was given by Union Minister for Home and Cooperation Shri Amit Shah in a written reply in Lok Sabha.

AK

(रिलीज़ आईडी: 2204706) आगंतुक पटल : 349

इस विज्ञप्ति को इन भाषाओं में पढ़ें: Urdu , हिन्दी , Malayalam