

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION No. 4967
TO BE ANSWERED ON 1st APRIL, 2025**

Shut down of Cooperative Societies

4967: Shri Charanjit Singh Channi:

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

- (a) the number of cooperative societies that have shut down in Punjab and across the country in the past three years, along with the reasons for their closure;
- (b) whether the Government has conducted any review or assessment of the financial and operational challenges faced by these cooperative societies;
- (c) the steps taken by the Government to revive defunct cooperative societies and prevent further closures;
- (d) whether any financial assistance, restructuring plans, or policy reforms have been introduced to strengthen cooperative societies; and
- (e) the details of any measures to ensure better governance, transparency and accountability in cooperative societies across the country?

ANSWER

THE MINISTER OF COOPERATION

सहकारिता मंत्री (SHRI AMIT SHAH)

- (a) As per National Cooperative Database (NCD), the State-wise number of non-functional cooperative societies in the country including Punjab in the past three years from 01.03.2022 to 01.03.2025, is attached as **Annexure 1**.
- (b) Yes sir. Three National Cooperative Societies, namely National Cooperative Union of India (NCUI), National Federation of State Cooperative Banks (NAFSCOB), and National Federation of Urban Cooperative Banks and Credit Societies (NAFCUB), have been assigned to conduct seven different studies as detailed in **Annexure-2**.
- (c) Ministry of Cooperation has set up Co-operative Rehabilitation, Reconstruction and Development Fund under section 63A of the Multi-State Cooperative Societies (MSCS) (Amendment) Act, 2023 for revival of sick multi-State cooperative societies and providing

assistance for meeting infrastructural requirement. Additionally, the Ministry of Cooperation has taken proactive measures to convert Primary Agricultural Credit Societies (PACS), Dairy, and Fisheries Cooperatives into multi-purpose cooperative societies. This initiative aims to enhance business diversification, strengthen financial sustainability, and prevent closures by enabling cooperatives to engage in a wider range of economic activities.

(d) & (e) 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. Several other initiatives have been taken by the government in form of policy reforms to strengthen the cooperative societies and ensure better governance, transparency and accountability:

- i) Making Primary Cooperatives economically vibrant and transparent;
- ii) Strengthening the Urban and Rural Cooperative Banks;
- iii) Relief to Cooperative Societies in the Income Tax Act;
- iv) Revival of Cooperative Sugar Mills;
- v) Three new National Level Multi-State Societies;
- vi) Capacity Building in Cooperatives;
- vii) Use of Information Technology for 'Ease of Doing Business' etc.;

Annexure-I

**State-wise total no. of Non-functional cooperative societies in last three years
(01.03.2022 to 01.03.2025)**

S.No	State / UT	Number of non-functional Cooperative Societies
1	ANDAMAN AND NICOBAR ISLANDS	1
2	ANDHRA PRADESH	9
3	ARUNACHAL PRADESH	4
4	ASSAM	134
5	BIHAR	65
6	CHHATTISGARH	28
7	DELHI	4
8	GOA	30
9	GUJARAT	36
10	HARYANA	84
11	HIMACHAL PRADESH	9
12	JAMMU AND KASHMIR	377
13	JHARKHAND	81
14	KARNATAKA	26
15	KERALA	30
16	LADAKH	4
17	MADHYA PRADESH	1189
18	MAHARASHTRA	226
19	MANIPUR	33
20	MIZORAM	2
21	NAGALAND	67
22	ODISHA	111
23	PUNJAB	51
24	RAJASTHAN	167
25	SIKKIM	7
26	TAMIL NADU	83
27	TELANGANA	190
28	TRIPURA	17
29	UTTAR PRADESH	702
30	UTTARAKHAND	23
31	WEST BENGAL	40
	Total	3830

Source: NCD portal as of 01.03.2025

Annexure-II

Details of studies conducted by NCUI, NAFSCOB and NAFCUB

S.No.	Topic of Study	Conducted by
1.	Preparation of a compendium of Existing & Prospective Schemes being provided by Central Govt./State Govt. and other Govt. agencies/bodies for benefit of cooperative sector.	National Cooperative Union of India
2.	Understand disadvantages and advantages of the cooperative sector vis-à-vis other business entities.	
3.	Compilation of cooperative laws/rules of different States/UTs to identify differences/ similarities among them and suggest ways to remove the bottlenecks provisions in such laws/rules and ways to achieve uniformity in States/UTs cooperative laws/rules.	
4.	Profile mapping of all Multi-State Cooperative Societies, preparing identification of data and preparing report on MSCs on annual basis.	
5.	Need of credit in cooperative sector, constraints and ways ahead	National Federation of State Cooperative Banks
6.	Study on defunct PACS and measures for their revival	
7.	Study on Need and identification of Prudential Financial parameters/norms for multi-state credit Cooperative Societies	National Federation of Urban Cooperative Banks and Credit Societies