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No. R-11027/62/2025-L&M (FTS-123495)
Government of India
Ministry of Cooperation
Office of the Central Registrar of Cooperative Societies

9th Floor, Tower E, World Trade Center
Nauroji Nagar, New Delhi-110029

Dated: 12th June, 2026

ORDER

(Under Section 86 of Multi State Cooperative Societies Act, 2002)

Whereas, Steel Authority of India Employees' Co-operative Credit Society Ltd., ISPAT Cooperative House, 12, Charu Chandra Place (East), Kolkata - 700033 (Regn. No.: MSCS/CR-22/92 of 1992) (hereinafter referred as Society) is registered under the provisions of Multi-State Cooperative Societies (MSCS) Act, 2002 and Rules framed thereunder (hereinafter referred as Act).

2. A number of complaints were received from the members of Steel Authority of India Employees' Co-operative Credit Society Ltd., alleging various irregularities and mismanagement including non-payment of matured deposits by the Society. These complaints were forwarded to the Society vide this Office's letter dated 27.11.2024 with a direction to furnish point-wise comments on the issues raised in the above said complaints within 15 days.

3. Vide letter dated 24.11.2024, the Registrar of Cooperative Societies (RCS), Government of West Bengal was requested to conduct inspection of the above Society under section 108 of Multi-State Cooperative Societies (MSCS) Act, 2002 and furnish a report within 15 days. RCS, Govt. of West Bengal vide letter dated 21.03.2025 had furnished the inspection report, wherein it is reported that illegal membership admissions, risky & unauthorized investments, which violates section 64 of MSCS Act, 2002, suspicious banking practices and governance and election irregularities in the Society. The report was sent to the Society vide letter dated 22.04.2025 for seeking comments, however, no reply was received from the Society.

4. Vide Order dated 17.02.2025, the Cooperative Ombudsman directed the Society to pay deposits to the members along with interest thereon on the complaints related to non-payment of deposits to the depositors. No appeal was filed in the matter before Central Registrar of Cooperative Societies (CRCS) and order of Cooperative Ombudsman is final.

5. Whereas, new Board of Directors of the Society was elected on 26.06.2025. A hearing with the newly elected Board of Directors of the Society was held on 25.07.2025 through Video Conference (VC) before the CRCS regarding non-compliance of the order dated 17.02.2025 of Cooperative Ombudsman by the Society. But despite the order dated 17.02.2025, the Society has failed to refund the money to the depositors till date.

6. Vide Order dated 08.08.2025, Institute of Public Auditors of India (IPAI) was authorised to conduct an inquiry into the constitution, working and financial condition of the Society under the provisions of the Section 78 of MSCS Act, 2002 within 1 month and furnish a detailed report to this Office for taking further action in the matter under the provisions of MSCS Act, 2002 and rules framed thereunder.

7. Vide order dated 14.08.2025, the newly elected board of the Society was directed to repay the matured deposits of depositors of the Society within a period of 15 days from the date of issue of order and submit a plan of action detailing therein the steps it is going to take to safeguard the interests of the depositors of the Society. However, neither deposits were paid nor plan of action was provided by the Society to this Office.

8. Vide order dated 11.09.2025, the Chairman and CEO of the Society was directed to take control of the management of the Society and also to take all such steps under the prevailing laws of the land including action as it may deem fit against the earlier Secretary and the members of the earlier Managing Committee of the Society so as to recover misappropriated amount and to return the amount deposited by the petitioners/depositors in the Society.

9. An inquiry report dated 12.09.2025 was received from IPAI, wherein, it was reported that there are serious financial irregularities, liquidity crunch, and governance issues in the Society. The inquiry revealed mismanagement of funds, unauthorized schemes, violations of cooperative laws, and severe financial distress threatening the survival of the Society. The inquiry also highlighted the long-standing dominance of the former Chairman, Shri Jyotirmoy Chakraborty and multiple violations of the MSCS Act, 2002 including excess borrowing, speculative investments, and dividend payments out of capital.

10. Vide order dated 07.10.2025, D K Chhajer & Co., a forensic audit firm was directed to conduct forensic audit of the Society. Vide e-mail dated 30.10.2025, D K Chhajer & Co. has furnished forensic audit report to this Office and has highlighted significant financial and governance irregularities with quantifiable losses and persistent compliance failures. The report further indicates net deficit of Rs. (-) 3,64,84,03,714/-. Thereafter, winding up notice dated 28.11.2025 was also issued to the Society.

11. Whereas, the Hon'ble High Court of Delhi vide order dated 19.05.2026 has disposed of various writ petitions filed against the Society and has inter-alia given following direction in the matter:

"The Central Registrar shall pass an order by 15th June 2026, under Section 86 for winding up of the Respondent Society and appoint a Liquidator under Section 89 of the MSCS Act. The Liquidator shall take charge of all the assets of the Respondent Society, including bank accounts, moveable and immoveable properties, investments, fixed deposits, mutual funds, etc in terms of the MSCS Act and MSCS Rules. The details of the same have been extracted above as per the affidavit handed over by the Respondent Society today".

12. Vide letter dated 02.06.2026, the Registrar of Cooperative Societies, Govt. West Bengal was requested to provide name (by designation) of an officer for appointment as Liquidator in the Society. The Registrar of Cooperative Societies, Government of West Bengal vide letter dated 12.06.2026 has proposed name of Cooperative Dev. Officer, Co-operation Directorate, Kolkata Range, West Bengal for appointment as liquidator of the Society.

13. Now, therefore, after careful consideration of the facts and in compliance of the order dated 19.05.2026 of Hon'ble High Court of Delhi, I, Anand Kumar Jha, Central Registrar of Cooperative Societies, in exercise of the powers conferred under section 86 of the Act order winding up of the Society and appoints Cooperative Dev. Officer, Co-operation Directorate, Kolkata Range, West Bengal as liquidator of the Society under section 89(1) of MSCS Act, 2002 to take necessary further action as per the provisions of MSCS Act, 2002 & rules made thereunder.

14. The liquidator shall finalize the liquidation proceedings within a period of six months from the date of the order. The liquidator shall also submit quarterly status report showing the progress made in liquidation of the Society to this office on regular basis.



Anand Kumar Jha
12/8/26
(Anand Kumar Jha)

Central Registrar of Cooperative Societies

Distribution to:

- i. Cooperative Dev. Officer, Co-operation Directorate, Kolkata Range, West Bengal and the Liquidator of the Society through Registrar of Cooperative Societies, Government of West Bengal for compliance;
- ii. CEO/Secretary and Chairman, Steel Authority of India Employees' Co-operative Credit Society Limited, ISPAT Cooperative House, 12, Charu Chandra Place (East) Kolkata – 700033;
- iii. Registrar of Cooperative Societies, Government of West Bengal for information with a request to publish this notice in a local newspaper for its wider publicity.
- iv. IT Cell for uploading this notice on official website.