By Speed Post/
E-mail/
Through 'CRCS Office Portal'

No :R-11017/06/2026-L&M (FTS-126097)
Government of India
Ministry of Cooperation
Office of the Central Registrar of Cooperative Societies

9th Floor, Tower-E, World Trade Centre,
Nauroji Magar, New Delhi,-110029
Dated: 15th July 2026

TO WHOMSOEVER IT MAY CONCERN

Whereas, Sai Seva Multi State Co-operative Credit Society Ltd., Kashti, District Ahilyanagar, Maharashtra (Registration No. MSCS/CR/738/2013) (hereinafter referred to as "the Society") is registered under the provisions of the Multi-State Co-operative Societies Act, 2002 and the Rules framed thereunder.

2. Whereas, vide inspection report dated 20.05.2026 received from the Commissioner for Cooperation and Registrar of Cooperative Societies, Government of Maharashtra conducted under Section 108 of the MSCS Act, 2002, wherein disclosed serious statutory violations and governance failures, including inter alia:

i. non-production of election records for verification.

ii. Failure to frame Service Rules as required under Sections 27, 42 and 69 of the MSCS Act, 2002 read with Rules 6(v), 26 and 37A of the MSCS Rules, 2002.

iii. Appointment of employees who are relatives of the Directors/Chief Executive Officer.

iv. Failure to maintain Employees' Contributory Provident Fund in accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

v. Failure to produce membership records, share registers, share certificates, transfer registers, Board Meeting Minutes, General Body Proceedings and other statutory records.

vi. Failure to conduct statutory audit.

vii. Violation of borrowing norms, unsecured loan limits and exposure limits prescribed by this Office.

viii. Grant of unsecured loans to Directors and their relatives in violation of Rule 11(A) and Bye-laws.

ix. Misuse of official position by the Chairman, Directors and Management resulting in wrongful utilisation and suspected misappropriation of Society funds.

x. Violation of Sections 64 and 67 of the MSCS Act, 2002.

Shy

xi. Failure to maintain statutory investments and SLR.
xii. Financial statements not presenting a true and fair view due to recognition of unrealised interest income.
xiii. Disbursement of loans contrary to the registered Bye-laws.
xiv. Failure to produce records required for statutory inspection.

3. Vide Show Cause Notice Dated 01.06.2026, the Society was directed to furnish explanation/reply on the above inspection report within 10 days from the date of receipt of the Notice. But, no explanation/reply has been received from the Society so far.

4. Further, in the Statutory Auditor reports filed by the Society for the Financial Years 2021-22, 2022-23 and 2023-24, several serious financial irregularities, fraud indicators and governance failures have been reported, including:

A. Related Party Lending and Diversion of Funds
  i. Diversion of loan funds amounting to approximately ₹47.70 crore to the General Manager, his family members and controlled entities.
  ii. Loans amounting to approximately ₹10.58 crore to the Chairman's family members and related entities.
  iii. Loans amounting to approximately ₹8.89 crore to Directors, their relatives and associated concerns.
  iv. Loans amounting to approximately ₹0.79 crore to the Cashier's family members.

B. Fictitious Assets and Bogus Accounts
  i. Creation of fictitious Advance Loan accounts.
  ii. Continuous increase in fictitious advance loan balances without identification of genuine borrowers.
  iii. Bogus Land Development and Building Advance accounts without title documents, utilisation certificates or supporting records.

C. Fraudulent Loan Transactions
  i. Proxy borrower loans.
  ii. Window dressing of loan accounts.
  iii. Round-tripping of funds through sister concern namely Sai Seva Gramin Patsanstha.
  iv. Accommodation entries indicating circulation of Society funds.

D. Financial Misconduct
  i. Diversion and misappropriation of Society funds.
  ii. Conflict of interest and self-dealing.
  iii. Breach of fiduciary responsibilities by office bearers.
  iv. Failure of internal control mechanisms.
  v. Serious governance failures.
  vi. Possible fraud involving several crores of rupees.

5. Whereas, the Statutory Auditor has further reported that:
  i. Audit Classification proposed is Class "D (Bad)" for FY 2021-22, FY

Shz

2022-23 and FY 2023-24.

ii. Disclaimer Opinion has been expressed in the Audit Reports.

iii. Annual Returns for FY 2021-22, FY 2022-23 and FY 2023-24 were not filed within the prescribed period.

iv. Annual General Meetings were not conducted in accordance with Section 39 of the MSCS Act, 2002.

v. Elections of the Board were allegedly conducted without following the statutory procedure.

vi. Serious adverse remarks have been recorded regarding unsecured loans to Directors and their relatives, illegal elections, non-production of records and governance failures.

The Auditor has specifically recommended examination of the matter for fixing responsibility and initiation of statutory and legal proceedings.

6. Therefore, after careful consideration of the material available on record, it appears that the Society is not functioning as per the provisions of the Multi-State Co-operative Societies Act, 2002 and Rules framed there under, and therefore, it has been decided to initiate winding up proceedings against the Society under Section 86 of the MSCS Act, 2002 and Rules framed thereunder. If the Society or any other person who has any objections, the same may be brought before this authority within 15 days from the date of publication/uploading of this Notice on the Office Portal.

In case no objection is received within stipulated period, it shall be presumed that the Society has nothing to state in the matter, and further action for winding up of the society shall be initiated as per the provisions of the Multi-State Co-operative Societies Act, 2002 and the Rules framed thereunder.

Shiv 15/7/26

(Shiv Pal Singh)

Central Registrar of Cooperative Societies

Distribution:

1. The Chairman /Chief Executive Officer, Sai Seva Multi State Co-operative Credit Society Ltd., Kashti, Tal. Shrigonda, District Ahilyanagar, Maharashtra.
2. Registrar of Cooperative Societies, Government of Maharashtra and Rajasthan for information with the request to publish this notice in a local newspaper for its wider publicity.
3. IT Cell for uploading this notice on CRCS website.