**File No.– L-11014/05/2026-Banking**
**Government of India**
**Ministry of Cooperation**
**(Office of the Appellate Authority and**
**Central Registrar of Cooperative Societies)**

9th Floor, Tower 'E', World Trade Centre,
Nauroji Nagar, Safdarjung Enclave,
New Delhi 110029.

## ORDER

**(Appeal filed u/s 85A(3) of the Multi State Cooperative Societies Act, 2002)**

An appeal dated 05.05.2026 has been filed by Godavari Multistate Cooperative Credit Society Ltd., Beed, Maharashtra under Section 85A(3) of the Multi-State Co-operative Societies Act, 2002 read with Rule 30J of the Multi-State Co-operative Societies Rules, 2002 against the Order dated 10.04.2026 passed by the Co-operative Ombudsman in the matter of Latur Multi State Cooperative Credit Society Ltd., Latur, Maharashtra versus Godavari Multistate Cooperative Credit Society Ltd., Beed, Maharashtra.

2. The dispute arises out of a Fixed Deposit of ₹1.0 crore placed by the Respondent with the Appellant Society, which matured on 07.07.2024 at maturity amount of Rs 1.29 Cr. The maturity amount was not paid on maturity. During the proceedings before the Co-operative Ombudsman, the Appellant did not dispute its liability towards the Respondent and stated that, on account of liquidity constraints, its General Body had resolved to repay large deposits in phased installments.

3. After considering the submissions of the parties, the Co-operative Ombudsman, vide Order dated 10.04.2026, directed the Appellant Society to pay to the Respondent the amount of deposit due along with up-to-date applicable interest thereon within thirty days and to furnish a compliance report thereafter.

4. Aggrieved by the said Order, the Appellant preferred the present appeal which has been filed within the prescribed period. The Appellant did not dispute the deposit or its liability to repay the same. The appellant put forward principally two grounds. The Appellant contended that the respondent society was not its member and, therefore, the Co-operative Ombudsman was not competent to entertain its complaint under Section 85A of the Multi-State Co-operative Societies Act, 2002, which provides for complaints by members of multi-State co-operative societies in respect of matters specified therein. The second ground in the appeal was that the Society was facing liquidity constraints and financial difficulties; that its General Body had adopted a policy for phased repayment of large deposits; and that the Co-operative Ombudsman had not adequately considered these



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circumstances while directing repayment of the entire amount. While not disputing the liability of payment, the society submitted that they may either be allowed to pay the amount due over a period of four years along with interest accrued till now as well that accruing in the future, or alternatively the depositor may take ownership of property of equivalent amount currently held by the society.

5. In view of the aforesaid contention regarding non-membership of the respondent, the Appellant was asked to explain how a Fixed Deposit of ₹1 crore with maturity amount of Rs 1.29 Cr had been accepted from the Respondent in view of the fact that such deposit from non-voting members is not allowed under the MSCS Act. The representative of the Appellant submitted that the issue in the present proceedings was not the permissibility of accepting such deposit but the jurisdiction of the Co-operative Ombudsman to entertain a complaint from a non-member.

6. I have carefully considered the records of the case, the grounds raised in the appeal and the submissions made during the hearing.

7. It is significant that the contention regarding the Respondent being a non-member, and therefore lack of jurisdiction of Co-operative Ombudsman was not raised before the Co-operative Ombudsman. The proceedings before the Ombudsman were contested by the Appellant on the basis of its liquidity position and the repayment schedule in respect of large depositors approved by its General Body. The Appellant expressly admitted that an amount of ₹1.29 crore was payable to the Respondent. The impugned Order also does not record any objection regarding the membership status of the Respondent or the jurisdiction of the Ombudsman on that ground. The issue of non-membership was thus raised only during the appellate hearing.

8. In the present case, the objection is founded upon a factual assertion regarding the membership status of the Respondent which was never put in issue before the Co-operative Ombudsman and on which no adjudication was sought at that stage. In the circumstances of the present case, such a contention, raised for the first time before this Authority, cannot by itself displace the proceedings conducted before the Ombudsman, particularly when the Appellant had throughout admitted the deposit and its liability to repay the same and had contested only the manner and time frame of repayment.

9. The Appellant cannot rely upon this newly raised contention as a ground for withholding repayment of an admitted matured deposit. The objection fails in the present appeal because the factual premise on which it is founded was never put in issue before the Ombudsman and has been raised only at the appellate stage after the liability had consistently been admitted.

10. As regards the grounds actually taken before the Co-operative Ombudsman and in the appeal, the Appellant's liquidity constraints and the internal resolution providing for phased repayment cannot, by themselves,

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alter or defer an admitted matured liability towards the Respondent. The Appellant has neither disputed the amount deposited nor its liability to repay the same. I, therefore, find no sufficient ground to interfere with the direction of the Co-operative Ombudsman requiring repayment of the deposit along with applicable interest. The question whether acceptance of the deposit from an entity now stated by the Appellant to be a non-member involves any violation of Section 67 of the Act is distinct from the present appeal and may, if considered necessary, be examined separately in accordance with law.

11. Accordingly, in exercise of the powers conferred under Section 85A(3) of the Multi-State Co-operative Societies Act, 2002 read with Rule 30J(2)(a) of the Multi-State Co-operative Societies Rules, 2002, the appeal filed by Godavari Multistate Cooperative Credit Society Ltd., Beed, Maharashtra is hereby dismissed.

12. Consequently, the directions contained in the Order dated 10.04.2026 passed by the Co-operative Ombudsman shall remain operative and shall be complied with by the Appellant Society. The Appellant shall pay the amount due to the Respondent together with up-to-date applicable interest thereon in terms of the said Order and furnish compliance accordingly.

The appeal stands disposed of accordingly.

Central Registrar of Cooperative Societies
सत्यमेव जयते
New Delhi

Dated: - 03.09.2026

Shiv
3/9/26

**(Shiv Pal Singh)**
**Appellate Authority and**
**Central Registrar of Cooperative Societies**

To,

1. The Chairman/ MD, Godavari Multi State Cooperative Credit Society Limited, S.No. 216/A, Plot No. 3H No. 165, By pass Beed Road, Geori Maharashtra 431127. Email ID- godavarimultistate@gmail.com
2. The Chairman/ MD, Latur Multi State Cooperative Credit Society Limited, Kazi Complex, Opp. S.T Work Shop, Ambajogai Road, Latur 413531. Email ID- laturmultistate51@gmail.com

Copy to:

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2. NIC for uploading on website.