

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

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

Dated: 16th October, 2026

ORDER

(Under Section 86 of the Multi-State Co-operative Societies Act, 2002)

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

2. As per the Inspection Report email dated 20.05.2026 received from the Commissioner for Cooperation and Registrar of Cooperative Societies, Government of Maharashtra, pursuant to inspection conducted under Section 108 of the Act, serious statutory violations, governance failures and financial irregularities were reported, including non-production of election and statutory records; failure to frame Service Rules; appointment of employees who are relatives of Directors/Chief Executive Officer; failure to maintain Employees' Provident Fund compliance; failure to produce membership records, share registers, share certificates, transfer registers and Board/General Body proceedings; failure to conduct statutory audit; violation of borrowing, unsecured loan and exposure limits; grant of unsecured loans to Directors and their relatives; misuse of official position and suspected misappropriation of Society funds; violation of Sections 64 and 67 of the Act; failure to maintain statutory investments and SLR; financial statements not presenting a true and fair view; disbursement of loans contrary to the registered Bye-laws; and failure to produce records required for statutory inspection.
3. Further, the Statutory Audit Reports for the financial years 2021-22, 2022-23 and 2023-24 disclosed serious financial irregularities, fraud indicators and governance failures, including diversion/related-party lending of approximately ₹47.70 crore involving the General Manager, his family members and controlled entities; approximately ₹10.58 crore involving the Chairman's family and related entities; approximately ₹8.89 crore involving Directors, their relatives and associated concerns; and approximately ₹0.79 crore involving the Cashier's family members. The reports also disclosed fictitious advance loan accounts, bogus land development/building advance accounts, proxy borrower loans, window dressing, round-tripping through a sister concern, accommodation entries, conflict of interest, suspected diversion/misappropriation of Society funds and serious failure of internal controls.
4. Whereas, the Statutory Auditor proposed Audit Classification "D (Bad)" for FY 2021-22, FY 2022-23 and FY 2023-24 and expressed Disclaimer Opinion in the Audit Reports. Non-filing of Annual Returns within the prescribed period, irregularities relating to Annual General Meetings and elections, and serious adverse remarks regarding unsecured loans to Directors and their relatives, illegal elections, non-production of records and governance failures were also reported. The Auditor specifically recommended examination of the matter for fixing responsibility and initiation of statutory and legal proceedings.
5. Whereas, the Commissioner for Cooperation & Registrar of Cooperative Societies, Maharashtra letter no CR-5/Cr.Soc/MSCS/Saiseva/Ahilyanagar/insp/132/2026 dated 21-04-2026 has suggested to appoint an Administrator u/s 123 to manage the affairs of the society or to appoint a liquidator as per section 86 of the MSCS Act, 2002.

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6. Whereas, a Show Cause Notice dated 01.06.2026 was issued to the Society calling upon it to furnish its explanation/compliance in respect of the aforesaid inspection findings, but no explanation/compliance was received within the stipulated period. Thereafter, a Notice dated 15.07.2026 was issued proposing initiation of winding-up proceedings under Section 86 of the Act and inviting objections within 15 days.

7. Whereas, the Society and its Directors submitted a joint Objection/Representation dated 21.07.2026, received vide Receipt No. 980658/2026/CONSULTANT(CRCS), requesting that the proposed winding-up proceedings be dropped/kept in abeyance and that a certified copy of the Inspection Report be supplied. The Society has referred to FIR No. 0505/2026 registered at Shrigonda Police Station and has stated that criminal investigation is in progress against the persons responsible. The Society also proposed recovery proceedings, fresh elections, concurrent audit, inquiry/action against responsible persons and a time-bound revival and recovery plan.

8. Whereas, in order to ensure reasonable opportunity to the Society, a copy of the Inspection Report dated 20.05.2026 was again forwarded to the Society vide letter dated 12.08.2026 along with directions to submit a detailed para-wise reply, supporting documentary evidence/information and a specific time-bound Revival and Recovery Plan. The said communication was sent through Speed Post to the registered address of the Society; however, the postal article was returned with the endorsement "Refused - RTS 17-08-2026". Accordingly, the opportunity afforded to the Society was treated as duly provided and the matter was processed further on the basis of the records and material available on file.

9. Whereas, after careful consideration of the Inspection Report, Statutory Audit Reports, the Objection/Representation of the Society and the material available on record, it is observed that the serious statutory, financial and governance irregularities, including related-party exposures aggregating approximately ₹67.96 crore, fictitious/bogus loan accounts, proxy loans, round-tripping, suspected diversion/misappropriation of Society funds, failure of statutory compliance and three consecutive "D (Bad)" audit classifications, establish that the Society is not functioning in accordance with the provisions of the Act and the Rules made thereunder. The representations/undertakings submitted by the Society do not satisfactorily establish restoration of statutory compliance, recovery of the related-party exposures, repayment capacity towards depositors/members or a viable and implemented revival mechanism.

10. Whereas, the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra State, Pune, vide letter dated 06.10.2026, has suggested appointment of the Assistant Registrar, Cooperative Societies, Shrigonda, District Ahilyanagar, as Liquidator of the Society, stating that the officer holds adequate experience to work as Liquidator.

11. Now, therefore, after careful consideration of the facts and circumstances of the case and in exercise of the powers conferred under Section 86 of the Multi-State Co-operative Societies Act, 2002, I, Shiv Pal Singh, Central Registrar of Cooperative Societies, hereby direct the winding up of Sai Seva Multi State Co-operative Credit Society Ltd., Kashti, Taluka Shrigonda, District Ahilyanagar, Maharashtra, and appoint the Assistant Registrar, Cooperative Societies, Shrigonda, District Ahilyanagar, Maharashtra, as Liquidator under Section 89(1) of the Act to wind up the affairs of the Society in accordance with the provisions of the Multi-State Co-operative Societies Act, 2002 and the Rules made thereunder.



Shiv Pal Singh

12. The Liquidator shall take into custody and control the property, effects, actionable claims, books, records and other documents of the Society and shall take all necessary steps for completion of the liquidation proceedings in accordance with the provisions of the Act and the Rules made thereunder.

13. The Liquidator shall endeavour to finalize the liquidation proceedings within a period of three months from the date of this Order and shall submit a status report to this Office indicating the progress made in the liquidation proceedings.



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(Shiv Pal Singh)

Central Registrar of Cooperative Societies

Distribution:

1. Assistant Registrar, Cooperative Societies, Shrigonda, District Ahilyanagar, Maharashtra – Liquidator of the Society – through Commissioner for Cooperation & Registrar of Cooperative Societies, Maharashtra State, Pune.
2. Commissioner for Cooperation & Registrar of Cooperative Societies, Maharashtra State, Pune – for information and necessary action.
3. Registrar of Cooperative Societies, Rajasthan State– for information and necessary action.
4. Chairman/Chief Executive Officer, Sai Seva Multi State Co-operative Credit Society Ltd., Kashti, Taluka Shrigonda, District Ahilyanagar, Maharashtra – for information, compliance and handing over of records/assets to the Liquidator.
5. IT Cell, CRCS – for uploading the Order on the official website
6. Copy for information and necessary action to Shri R.K. Mishra, Deputy Secretary, Admin & Coordination Division