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No. M-11027/61/2025-L&M (FTS-13519)
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: 28th November, 2025

ORDER

(Under Section 83(1) of the MSCS 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 the Society, alleging various irregularities and mismanagement including non-payment of matured deposits by the Society.
3. Co-operative Ombudsman has also passed an Order dated 17.02.2025 directing the Society to pay to the members their matured deposits along with interest thereon in view of the large no. of complaints related to non-payment of deposits received in the Office of Cooperative Ombudsman. However, the order of Cooperative Ombudsman was not complied with.
4. On an inquiry, it was found that there are serious financial irregularities, liquidity crunch, and governance issues within the Society. The inquiry revealed mismanagement of funds, unauthorized schemes, violations of cooperative laws, excess borrowing, speculative investments, dividend payments out of capital, severe financial distress threatening the survival of the Society including multiple violations of the MSCS Act, 2002. The inquiry also highlighted the long-standing dominance of the former Chairman, Shri Jyotirmoy Chakraborty and involvement of the member of former Board of Directors of the Society.
5. In compliance of directions of Hon'ble High Court of Delhi dated 25.09.2025 in the Writ Petition (C) No. 5699/2025 filed by Mrityunjay Kumar vs Union of India and other connected writ petitions, a forensic audit firm was appointed to conduct forensic audit of the Society. The firm vide email dated 30.10.2025 has furnished Forensic Audit Report (copy enclosed) to this Office highlighting 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.
6. As per section 83 of the MSCS Act, 2002, Central Registrar of Cooperative Societies (CRCS) has been conferred with the power to conduct inquiry if it is found that any person, who is or was entrusted with the organisation or management of the Society or who is or has at any time being an officer or an employee of the Society, has made any payment contrary to this Act, or the bye-laws or has caused any deficiency in the assets of the Society by breach of trust or wilful negligence or has misappropriated or fraudulently retained any money or other property belonging to the Society.

7. Now, therefore, after careful consideration of the facts, I, Rabindra Kumar Agarwal, Central Registrar of Cooperative Societies, in exercise of the power conferred under section 83(1) of the MSCS Act, 2002 hereby authorise Institute of Public Auditors of India (IPAI), 223, 2nd Floor, C Wing, Audit Bhawan, Indraprastha Estate, New Delhi-110002 to conduct an inquiry into the conduct of person(s) involved in payments made in contravention of the Act and bye-laws, causing deficiency in the assets of the Society by breach of trust, wilful negligence, misappropriation, fraudulent retention of money and property belonging to the Society and furnish a detailed report within 02 month to this Office for taking further necessary action in the matter.


(Rabindra Kumar Agarwal)

Central Registrar of Cooperative Societies

Distribution to:

- i. President, Institute of Public Auditors of India, 223, 2nd Floor, C Wing, Audit Bhawan, Indraprastha Estate, New Delhi-110002.
- ii. CEO and Chairman, Steel Authority of India Employees' Co-operative Credit Society Limited, ISPAT Cooperative House, 12, Charu Chandra Place (East) Kolkata – 700033, with a direction to provide all necessary assistance to IPAI for conducting inquiry of the Society.

Copy also to:

Registrar of Cooperative Societies, Government of West Bengal.