

By Speed Post/E-mail
Court Case Matter

No. M-11027/61/2025-L&M
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: 28th November, 2025

To

The Principal Chief Commissioner of Income Tax,
Income Tax Department,
Aayakar Bhawan, P-7, Chowringhee Square,
Kolkata, West Bengal 700069.
(Email: kolkata.pccit@incometax.gov.in)

Sub: Request for taking cognizance of financial irregularities and suspected tax evasion in Steel Authority of India Employees' Co-operative Credit Society Ltd., registered under Multi-State Cooperative Societies Act, 2002-reg.

Sir,

I am directed to refer to the subject mentioned above and to say that 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 (copy enclosed) with a direction to furnish point-wise comments within 15 days.

2. Further, in light of the complaints received against the Society, Registrar of Cooperative Societies, Government of West Bengal was requested vide this Office's letter dated 24.11.2024 (copy enclosed) to conduct an inspection of the 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 (copy enclosed) had furnished the inspection report, wherein they have reported illegal Membership Admissions, risky & unauthorized Investments which violates section 64 of MSCS Act, 2002, suspicious Banking Practices and governance & election Irregularities.

3. Moreover, Co-operative Ombudsman had passed an Order dated 17.02.2025 (copy enclosed) with the direction to Society to pay the members their 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. No appeal has been filed before CRCS, therefore, order of Cooperative Ombudsman is final. A new Board of Directors of Steel Authority of India Employees' Co-operative Credit Society Limited was elected on 26.06.2025.

4. Further, it is informed that several members of the Society have filed various writ petitions before Hon'ble High Court of Delhi, Hon'ble High Court of Bombay and Hon'ble High Court of Calcutta against Steel Authority of India Employee Cooperative Credit Society Ltd. and the matter is pending. Hon'ble High Court of Delhi has passed several orders in the matter (copy enclosed).

5. CRCS has conducted inquiry through Institute of Public Auditors of India (IPAI), by which it was found that there are serious financial irregularities, liquidity crunch, and governance issues within the Society. The investigation 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 (inquiry report dated 12.09.2025 is enclosed).

6. Further, in compliance of order dated 25.09.2025 of Hon'ble High Court of Delhi, forensic audit of Steel Authority of India Employees Cooperative Credit Society Ltd. was conducted. The Forensic Audit Report (copy enclosed) highlights significant financial and governance irregularities with quantifiable losses and persistent compliance failures.

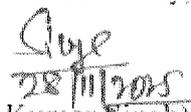
7. The observations made in the forensic audit report and inquiry report warrant immediate attention and investigation by the Income Tax department. Further, these observations indicate potential contraventions of provisions of the Income Tax Act, 1961.

8. In light of the above, this Office hereby request Income Tax authority to examine the forensic audit report and inquiry report for taking appropriate action under Income Tax Act, initiate investigation into unexplained transactions and diversion of funds, take cognizance of personal financial gains made by the person(s) entrusted with the organisation or management of the Society and also share findings with this office for coordinated regulatory and penal action under MSCS Act, 2002.

This issues with the approval of Central Registrar of Cooperative Societies.

Encl: as above

Yours faithfully,


28/11/2025
(Arun Kumar Singh)

Under Secretary to the Government of India