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No. R-11017/68/2013-L&M (FTS-52232)
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: 25th September, 2026

NOTICE

(Under Section 86 of the MSCS Act, 2002)

Whereas, Nirmal Ujjwal Credit Cooperative Society Ltd., 193, Nandanvan, Main Road, Nagpur, Maharashtra-440009 (Regd No.: MSCS/CR/272/2008) (hereinafter referred to as "the Society") is a Multi-State Cooperative Society registered under the provisions of the Multi-State Co-operative Societies Act, 2002 and the Rules framed thereunder (hereinafter referred to as "the Act");

2. Whereas, a Criminal Writ Petition No. 1068/2019 was filed before the Hon'ble Bombay High Court, Nagpur Bench, against the Society, wherein allegations were raised regarding acceptance of deposits from nominal members in violation of Section 67 of the MSCS Act, diversion of funds to affiliated/related entities without approval of the Central Registrar and other financial irregularities. The Central Registrar and the Secretary, Department of Agriculture & Cooperation, were impleaded as respondents in the matter and the Office of the Central Registrar filed an affidavit before the Hon'ble High Court in April, 2022.

3. A number of serious allegations relating to financial irregularities, acceptance of deposits from persons who were not eligible under the provisions of the Act, diversion of funds, irregular sanction and disbursement of loans and other acts affecting the financial interests of the members/depositors of the Society have been brought to the notice of this authority. The matter has also been the subject matter of proceedings before the Hon'ble Bombay High Court, Nagpur Bench, as well as proceedings before the Hon'ble Supreme Court of India.

4. Subsequently, a communication dated 29.06.2023 was received from the Commissioner of Police, Nagpur, alleging, inter alia, involvement of an office bearer/director of the Society in continuing financial irregularities, acceptance of deposits from non-members, collection of amounts beyond the permissible limits and diversion of funds without requisite approval. The Police Commissioner also sought appropriate action under the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999, the applicable penal law and the MSCS Act, 2002, besides requesting action concerning the management of the Society.

Central Registrar of Cooperative Societies New Delhi सत्यमेव जयते

5. In view of the aforesaid allegations, a Show Cause Notice dated 13.09.2023 was issued to the Society, followed by a personal hearing of the Society on 29.09.2023. Vide letter dated 18.09.2023, the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra, was requested to conduct inspection of the affairs of the Society under Section 108 of the MSCS Act, 2002. An inspection report dated 27.12.2023 was received by this authority. After examination of the said report, a Show Cause Notice dated 30.01.2024 was issued to the Society. The Society submitted its reply dated 10.02.2024 and after examination of the reply and available records/material available on the subject, no further action under the provisions of the MSCS Act was considered warranted at that stage.

6. The Society instituted Writ Petition No. 16/2024 before the Hon'ble Bombay High Court, Nagpur Bench, while another Criminal Writ Petition No. 811/2025 was also filed raising allegations regarding the affairs of the Society and seeking appropriate action under the MSCS Act, investigation by a central agency and appointment of an administrator in the Society.

7. During the hearing of the aforesaid matters, the Hon'ble Bombay High Court, Nagpur Bench, vide order dated 20.11.2025, took cognizance of serious allegations including misuse and diversion of funds and directed investigation by an appropriate investigating agency, while also recording concerns regarding the functioning of the State investigating agency and the role of the Central Registrar. Against the said order, the Society approached the Hon'ble Supreme Court of India by filing Criminal Appeal Nos. 5111–5113/2025. The Hon'ble Supreme Court, vide order dated 01.12.2025, modified the directions of the Hon'ble High Court and directed constitution of a Special Investigation Team (SIT) by the Director General of Police, Maharashtra, under the supervision of the Hon'ble High Court.

8. Vide order dated 24.03.2026, the Hon'ble Bombay High Court observed that the investigation indicated involvement of certain office bearers of the Society. In compliance with the order dated 24.03.2026 of the Hon'ble Bombay High Court, the Office of the Central Registrar issued a notice dated 08.04.2026 to the Society. The Society failed to furnish a satisfactory response. Thereafter, hearing through video conference notice dated 21.04.2026 for hearing of the Society on 24.04.2026 before this authority was issued. During the hearing, serious irregularities concerning lending to Staff of PNG Corporation, Nirmal Food Product contrary to the statutory framework were brought on record. After hearing the Society, the Central Registrar came to a conclusion that permitting the Society to continue to mobilize deposits without restriction would expose the interest of members / depositors to significant risk and may further aggravate the situation. Therefore, vide order dated 24.04.2026, the Society was prohibited from taking fresh deposits, contributions or investments from its members in any form or renewing any existing deposits until further orders. and thereafter, in the interest of members/depositors of the Society, vide Order dated 24.04.2026, restrictions were imposed upon the Society against acceptance of fresh deposits and renewal of existing deposits.

9. The Society challenged the said order dated 24.04.2026 in Hon'ble Bombay High Court. The Hon'ble High Court vide its order pronounced on 08.05.2026 rejected the plea for interim stay to the effect and operation of the said order.

Central Registrar of Cooperative Societies
सत्यमेव जयते
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10. The Society then preferred an appeal under Section 99(1) of the MSCS Act before the Appellate Authority, the Secretary, Ministry of Cooperation request to suspend the effect and action of the order dated 02.04.2026 and also made submissions dated 02.06.2026. The Appeal was heard by the Appellate Authority on 02.06.2026. The Appellate Authority examined the maintainability of the appeal and concluded that the impugned order dated 24.04.2026 is not one against which the appeal under section 99 may lie. Accordingly, the Appellate Authority disposed off the appeal with a direction to the Central Registrar to examine the submissions / documents furnished by the Society and take such actions as may be considered appropriate in accordance with the provisions of the Act and Rules made thereunder. The Central Registrar considered the submissions and did not find any ground to suspend the effect and action of the order dated 24.04.2026 and disposed off the submission accordingly.

10. The investigation conducted pursuant to the directions of the Hon'ble Bombay High Court and the Hon'ble Supreme Court has further resulted in filing of a charge-sheet in FIR No. 413/2025 before the competent court. As recorded in the material available with this Office, the Economic Offenses Wing (EOW), Nagpur, filed Charge-sheet No. 51/2026 against 11 office bearers/accused persons of the Society before the Court of JMFC, Court No. 8, Nagpur.

11. The investigation, as reflected in the charge-sheet, has disclosed allegations of criminal conspiracy, cheating, criminal breach of trust, fraudulent loan approvals and transfer of funds to related entities, resulting in alleged misappropriation of approximately ₹51.70 crore of the Society's funds. It has further been alleged that loans were sanctioned contrary to the applicable rules in favour of entities including PNG Corporation, Nirmal Food Products, Future Fuels, Nirmal Dairy and Nirmal Textiles, resulting in substantial amounts remaining outstanding. The charge-sheet is stated to contain evidence of 50 witnesses and the matter has been placed before the competent criminal court for trial under the relevant provisions of the Bharatiya Nyaya Sanhita, 2023.

12. In view of the seriousness of the allegations and the necessity of ascertaining the true financial position and affairs of the Society, a forensic audit for the preceding five financial years was ordered on 11.05.2026. However, the forensic audit firm subsequently reported that the Society was not extending the requisite cooperation in the audit process by not providing requisite documents/information to them. Consequently, vide letter dated 09.06.2026, the Society was directed to furnish all documents required for the forensic audit to the forensic audit firm within three days and to extend full cooperation in conducting forensic audit of the Society.

12. The Forensic Auditor informed this Office on 16.06.2026 that the requisite records/documents had not been received from the Society despite repeated requests. A meeting dated 27.08.2026 was held regarding the progress of Forensic Audit in which the Society was directed to remain present at the office of the Forensic Auditor on 31.08.2026 and take action for providing all requisite documents/information to the Forensic Auditor. However, the Forensic Audit Firm, M/s R. Devendra Kumar & Associates, Chartered Accountants, Mumbai, vide email dated 21.09.2026 has informed that details of Assets and Liabilities for FY 2024-25 are still awaited. The Auditor has further stated that the requisite data and records for FY 2020-21 to FY 2023-24 are yet to be provided, despite the requirement list having already been shared with the Society and the information having been discussed on several

Central Registrar of Cooperative Societies
सत्यमेव जयते
New Delhi

occasions. The Auditor has also recorded that, although the appointment for conducting the forensic audit was made vide appointment letter dated 08.05.2026, the Society has not provided the complete data and records required for commencement and effective conduct of the forensic audit despite repeated follow-ups, communications, discussions and meetings. The Auditor has further informed that the continued non-availability of the requisite records is materially affecting the progress of the forensic audit and has affected the timeline for completion and submission of the report, and that the delay is attributable to non-receipt of the requisite information and records from the Society and it appears that the society has failed to provide all requisite documents/information to the forensic auditor. Thus, despite repeated directions of this authority, the Society failed to furnish the requisite records/documents and information to the Forensic Auditor.

13. Further, this Office has also received many representations from members/depositors and public representatives regarding non-payment of matured fixed deposits, Savings Bank balances and other deposits. The complaints referred to above indicate that, despite repeated requests, depositors have not received repayment of their dues. The complaints have also been received through the Economic Offences Wing, Chandrapur and the District Collector, Amravati, specifically raised concerns regarding non-refund/non-payment of deposits and the hardship caused to depositors. This authority accordingly directed the Society to take immediate steps for repayment of matured deposits, and furnish progress regarding repayment to depositors. No reply or compliance on the same has been received from the society to this authority. The non-refund of matured deposits is akin to renewal which amounts to violation of the order of this Authority dated 24.04.2026 which prohibited the society from renewing existing deposits.

14. The aforesaid developments, considered cumulatively, disclose serious concerns regarding the financial management, functioning, lending practices, regulatory compliance and conduct of the affairs of the Society. The allegations are not confined to isolated or technical irregularities but concern substantial financial transactions including acceptance of deposits/funds in excess of the limit prescribed u/s 67 of the Act, alleged acceptance of deposits/ investments from non-members raising issues u/s 68 of the Act alleged violation of investment u/s 64 of the Act, alleged inflation of revenue of the Society in violation of Section 62 of the Act, alleged diversion of substantial funds to other enterprises, alleged irregular sanction and routing of loans, alleged misappropriation/diversion of funds, deficiencies/non-compliance related to submission of statutory returns etc., and the interests of members and depositors. The continuation of the existing state of affairs of the Society and complaints related to non-payment against the Society received in this Office, raises serious concerns regarding the ability of the Society to function in accordance with the provisions of the MSCS Act, 2002, the Rules framed thereunder, its approved bye-laws and the Cooperative Principles.

15. It is further pertinent that the Society has not extended the requisite cooperation to the forensic audit, notwithstanding the specific direction issued by the Office of the Central Registrar vide letter dated 09.06.2026. Such non-cooperation assumes significance in the backdrop of the allegations emerging from the investigation and the requirement of determining the complete financial position, assets, liabilities, transactions and utilisation/diversion of funds of the Society.

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16. Therefore, after careful consideration of the facts and circumstances available on record, including the judicial proceedings, investigation conducted by the SIT/EOW, filing of the charge-sheet, serious allegations concerning diversion/misappropriation of funds, irregular lending activities, restrictions imposed upon the Society in the interest of members/depositors, large number of complaints against the Society regarding non-payment of matured deposits to the depositors by the Society, and the reported non-cooperation of the Society in the forensic audit, I have come to conclusion that the Society is not functioning in accordance with the provisions of the MSCS Act, 2002 and Rules framed thereunder, approved bye-laws, and Cooperative Principles. Therefore, the undersigned is of the opinion that winding up process under the provisions of the MSCS Act, 2002 and Rules framed thereunder be initiated against the society in order to protect the interest of depositors. If society or any person, has any objection thereto, the same may be brought to the notice of this authority within 15 days from the date of uploading of this Notice on the official website i.e., crcs.gov.in failing which, it will be presumed that the Society or any other person has nothing to say and further action would be initiated for winding up of the Society under the provisions of the MSCS Act, 2002 and rules framed thereunder.

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(Shiv Pal Singh)
Central Registrar of Cooperative Societies

To,

The Chairman/Chief Executive Officer,
Nirmal Ujjwal Credit Cooperative Society Ltd.,
193, Nandanvan, Main Road,
Nagpur, Maharashtra-440009

Distribution to:

i. Commissioner for Cooperation and Registrar of Cooperative Societies, Govt. of Maharashtra, for information and necessary action;
ii. Registrar of Cooperative Societies, Govt. of Madhya Pradesh for information;
iii. Office of the Economic Offences Wing/Special Investigation Team, Maharashtra, for information;
iv. IT Cell, O/o CRCS, for uploading this Notice on the official website.