

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 Director,
Central Bureau of Investigation,
6th Floor, Lodhi Road, Plot No. 5-B,
Jawaharlal Nehru Stadium Marg, CGO Complex,
New Delhi, Delhi-110003.
(Email: information@cbi.gov.in)

Sub: Request to initiate proceedings under appropriate laws and relevant sections of Banning of unregulated deposits scheme (BUDS) Act, 2019 against 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 on the issues raised in the abovesaid complaints 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. The report was sent to the Society vide letter dated 22.04.2025 for seeking comments, however, no reply was received from the Society.

3. Moreover, Co-operative Ombudsman had passed an Order dated 17.02.2025 (copy enclosed) with the direction to the 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.

4. A new Board of Directors of Steel Authority of India Employees' Co-operative Credit Society Limited was elected on 26.06.2025. Vide order dated 14.08.2025 (Copy enclosed), CRCS directed the newly elected managing committee of the Society to repay the matured deposits of depositors of the Society within a period of 15 days from the date of issue of order and submit a plan of action detailing therein the steps it is going to take to safeguard the interests of the depositors. However, Society has not complied with the order of Cooperative Ombudsman dated 17.02.2025, CRCS's order dated 14.08.2025 and has also not filed an appeal under Section 85A of the MSCS Act, 2002.

5. 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).

6. 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).

7. Further, based on the order dated 25.09.2025 of Hon'ble High Court of Delhi, (copy enclosed), forensic audit was conducted. The forensic audit report (copy enclosed) highlights significant financial and governance irregularities with quantifiable losses and persistent compliance failures.

8. The report submitted by IPAI and forensic auditor indicates that the member of erstwhile Board and former CEO of the Society have indulged in widespread fraudulent activities which needs to be investigated by an agency to bring the defaulters to justice and also to recover the assets and properties.

9. Further, as the Central Registrar of Cooperative Societies (CRCS) is a regulator as per the First schedule of the Banning of unregulated deposits scheme (BUDS) Act, 2019, therefore kind attention is invited to Section 11(2) of BUDS Act, 2019 which is reproduced below:

(2) The appropriate Government, any Regulator, income-tax authorities or any other investigation agency, having any information or documents in respect of the offence investigated under this Act by the police or the Central Bureau of Investigation, shall share all such information or documents with the police or the Central Bureau of Investigation.

10. Accordingly, it is requested to initiate further proceedings under the applicable laws as well as relevant sections under BUDS Act, 2019 against former members of Board of Directors and erstwhile CEO of Steel Authority of India Employees Cooperative Credit Society Ltd., Kolkata.

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

Encl: as above

Yours faithfully,



(Arun Kumar Singh)

Under Secretary to the Government of India

Copy to:

The Director, Directorate of Enforcement, Pravartan Bhawan, APJ Abdul Kalam Road, New Delhi -110011 for appropriate action under PMLA Act by filing ECIR.