

R.M. AMBERKAR  
(Private Secretary)

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 5036 OF 2019

Ashok Laxman Nikam & Ors.

.. Petitioners

**Versus**

The State of Maharashtra & Ors.

.. Respondents

.....

- Mr. Shriniwas S. Patwardhan for Petitioners
- Mr. P.P. Pujari, AGP for Respondent Nos. 1 to 3
- Mr. Abhinav Bhatkar i/by Mr. Vijay Killedar for Respondent Nos. 6 & 9

.....

**CORAM : MILIND N. JADHAV, J.**

**DATE : JANUARY 25, 2023**

**P.C.:**

- 1.** Heard learned Advocates appearing for the parties for sometime.
- 2.** The order impugned in the present Petition is the order in revision passed by the State upholding the inquiry report under Section 88 of the Maharashtra Co-operative Societies, Act 1960 indicting the Petitioners (8 in numbers) for the loss caused to Respondent No. 4 - Bank. All eight Petitioners were the former directors of the Bank.
- 3.** Mr. Patwardhan, learned Advocate for Petitioners would argue that under the extant policy, the Bank had invested its funds in the Government of India Deep Discount Bond Scheme issued by IIBI sometime in 2004-05 during the tenure of the Petitioners. Admittedly, Petitioners being directors took a decision on the basis of the

notification / circular issued by the Reserve Bank of India in respect of the investment for Urban Co-operative Banks and made the said investment. However, subsequently due to the change in policy, the said Deep Discount Bonds were redeemed and on the date of redemption, their value was lower than the value on the date of their investment. Hence, there was an imminent loss.

**4.** The facts in the present case are also slightly gross in as much as the Petitioners were all exonerated twice in the Section 88 inquiry and were subsequently indicted in the third inquiry by the Inquiry Officer. Record indicates that no oral evidence was led by either parties but they had based their case on the basis of documentary evidence.

**5.** Mr. Pujari, learned AGP would submit that he would like to obtain instructions and file affidavit-in-reply within one week from today with copy to the other side. Rejoinder if any shall be filed within one week thereafter.

**6.** In the meanwhile, no coercive steps shall be taken against the Petitioners.

**7.** Stand over to **8<sup>th</sup> February, 2023.**

**8.** It is clarified that if pleadings are completed, then the Petition shall be taken up for hearing and final disposal on 08.02.2023.

[ MILIND N. JADHAV, J. ]

Digitally  
signed by  
RAVINDRA  
MOHAN  
AMBERKAR  
Date:  
2023.01.25  
19:15:52  
+0530