IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR.

CRIMINAL WRIT PETITION NO. 16 OF 2024

Nirmal Cooperative Society through General Manager Sau. Nanda Dinesh Bante
Vs.
The State of Maharashtra, through its Secretary, Department of Home & Ors.

WITH

CRIMINAL WRIT PETITION NO. 1068 OF 2019

Sau. Pranali W/o. Ravindra Puttewar & Anr
Vs.
Union of India & Ors.

WITH

CRIMINAL WRIT PETITION NO. 811 OF 2025

Ravindra Balaji Puttewar
Vs.
The Central Registrar of Co-operative Societies & Ors.

Office Notes, Office Memoramda of Coram, appearances, Court's orders of directions and Registrar's Orders.	Court's or Judge's orders.

WRIT PETITION NO. 16/2024
Mr. Bhushan Dafle, Advocate with Mr. A.P. Chaware, Advocate for the Petitioner.
Mr. S.S. Doifode, APP for Respondent Nos.1 & 2/State.
Mr. Firdos T. Mirza, Senior Advocate a/b. Ms. Neerja Choube, Advocate for Respondent No.3.
Mr. A.M. Ghare, Advocate with Mr. Z.Z. Haq, Advocate for Respondent No.4.

WRIT PETITION NO. 1068/2019
Mr. A.M. Ghare, Advocate with Mr. Z.Z. Haq, Advocate for the Petitioners.
Mr. Firdos T. Mirza, Senior Advocate a/b. Ms. Neerja Choube, Advocate for Respondent Nos.1 to 3.
Mr. S.S. Doifode, APP for Respondent Nos.4 to 7, 9 & 10/State.
Mr. K.N. Shukul, Advocate for Respondent No.8.
Mr. Bhushan Dafle, Advocate with Mr. A.P. Chaware, Advocate for Respondent No.11.

WRIT PETITION NO. 811/2025
Mr. A.M. Ghare, Advocate with Mr. Z.Z. Haq, Advocate for the Petitioner.
Mr. Firdos T. Mirza, Senior Advocate a/b. Ms. Neerja Choube, Advocate for Respondent No.1.
Mr. S.S. Doifode, APP for Respondent Nos.2 & 5/State.
Mr. Bhushan Dafle, Advocate with Mr. A.P. Chaware, Advocate for Respondent No.3.
Mr. P.K. Sathianathan, Advocate for Respondent No.4.

CORAM : ANIL L. PANSARE AND RAJ D. WAKODE, JJ.
DATE : 20th NOVEMBER, 2025.

Leave to add Police Station, Nandanvan as party respondent No.6 in Criminal Writ Petition No.811/2025.

2. Issue notice to respondent No.6.

3. Learned APP waives service of notice for respondent No.6.

4. Heard.

5. The present petitions arise out of allegations against the Society, namely Nirmal Ujjwal Credit Co-operative Society Ltd., Nagpur (Multi-State). The petitioner in Criminal Writ Petition No.16/2024 is the Society. It has approached this Court seeking direction against the Commissioner of Police, Nagpur City, Nagpur, to take into consideration the material which would be produced by the Society before taking any coercive action on the basis of the allegations made in communication dated 29th June, 2023, issued by Commissioner of Police to the Central Registrar of Co-operative Societies, Ministry of Cooperation, CGO Complex, New Delhi. Another relief sought is to quash and set aside the said communication dated 29th June, 2023.

6. The communication refers to the chart of the crimes registered against two persons. One is Mrs. Nirmala Pramod Manmode and another is Mr. Pramod Nathuji Manmode. Both are/were Members of Managing Committee of the Society as also the Nirmal Urban Co-operative Bank. What is relevant for us is the allegations against the Society. The communication

spells out following illegalities and irregularities allegedly committed by Pramod Nathuji Manmode and others, who are running the Society:

1) Nirmal Ujjwal Credit Co-op Society Limited, Nagpur is accepting investments illegally (even from non-members) and as on 31.03.2023, the total deposits accepted by the society are to the tune of 1303.52 Crore. It has been noticed that even deposits from non-members were being accepted by the society. This fact finds a clear mention in the inspection report done on the order of Cooperative Commissioner and Registrar, Maharashtra State in the year 2018 ***(Annexure 2)****. This office conducted a check and it was noticed that one Sampat Amit Bharat, who is a non-member of the society deposited 11,100 in the society. This clearly violates Sec 68, MSCS Act, 2002. [Sec 68: Restrictions on other transactions with non-members: Save as provided in sections 66 and 67, the transaction of a multi-state cooperative society with any person other than a member, shall be subject to such prohibitions and restrictions, if any, as may be specified in the bye-laws.]*

2) The said society is authorized to accept deposits not more than ten times of share capital + reservès - accumulated loss, as per the MSCS ACT 2002. In case of the mentioned society, the amount of 10 times the net worth is 1072 Crore and accumulated losses mentioned in the balance sheet are zero (FY 22-23). As against this, the society has raised funds to the tune of 1497 Crore in 2022-23 (Annexure 3). Thus, the society has raised 425 Crore in excess of the amount permitted by the Sec 67, MSCS Act, 2002, as on March 31, 2022.

This is a grave legal violation as well as antithetical to the banking norms and puts the investments of the depositors to a serious risk. [Sec 67: Provided that the total amount of deposits and loans received during any financial year shall not exceed ten times of the sum of *subscribed share capital and accumulated reserves: Provided further that white calculating the total sum of subscribed share capital and accumulated reserves, the accumulated losses shall be deducted.]*

3) The society has been showing the income through NPA as profits, which is violative of standard & prudent auditing principles as per ICAI. For example - Total NPA of the said society was 119.11 Crore as on 31.03.2021. Interest on that NPA amount of 119.11 Crore at the rate of 16% interest amounting to 19.05 Crore is also shown as profit. It is pertinent to mention that only due to this interest of NPA being shown as income, is the society being shown to its members as running in 'profit'. This has been observed to be done to primarily induce and lure investors to deposit more funds with the society.

4) A total of 317.73 Crore (FY 2021 figure, as mentioned in inspection report by Mr. R.D. Birle, Joint Registrar - Annexure 4) has been diverted to other enterprises without the permission of the Central Registrar and many of those enterprises are making losses. This is another legal violation of the MSCS Act and against prudent banking principles. It amounts to laundering of public money and is further detrimental to the interest of the depositors.

5) There are various other financial irregularities, which raise a serious concern and have come to our notice with just a preliminary look at the audit report by a certified auditor, whose preliminary report has been annexed. ***(Annexure 3)****.6) It is also worth mentioning that a series of offences were registered in recent times against Pramod Manmode. The investigation in these offences revealed that the officials and management of the society have indulged in misappropriation of funds and with a view to repay the misappropriated amount after offences were registered, they have again cheated other depositors to continue the vicious cycle. The misappropriation from the society was also done to* *compensate for the frauds perpetrated by Nirmal Urban Cooperative Bank (President of which is Mr. Pramod Manmode's daughter). The FIR 327/2022 Nandanwan PS was registered in this regard. The Joint Registrar (Cooperatives) RD Birle's audit report mentions this in detail.* ***(Annexure 4)****.*

To conclude, it is prima facie evident that deposits worth more than 1400 Crore are at a grave stake since the very foundations of the society are substantially weak owing to blatant legal violations, financial impropriety, mismanagement and misconduct. The very fact that there are a series of offences registered against the society's founder and current Director, Mr. Pramod Manmode, depicts a mala fide intention to defraud the depositors in the long run. It is a matter of grave concern as at some point of time, this can lead to collapse of the whole society, which would be extremely detrimental to public interest at large.

This office has continuously received many such complaints from the members depicting various illegalities and irregularities. The Central Registrar is the nodal authority to legally act upon complaints received regarding such multistate cooperative societies, as per the MSCS Act, 2002. Since, deposits worth more than 1400 Crore of public at large are at a grave stake and since this financial establishment has failed to render services promised to depositors and is indulging into deployment of, money and assets acquired out of the deposits in such a manner that it involves inherent risk in recovering the same when needed, the said financial establishment has deemed to have committed a default and fraudulently failed to render the specific services and hence these illegalities being committed also attract the penal sections 3 & 4 of the Maharashtra Protection of Depositors (in Financial Establishments) Act, 1999 read with other relevant sections of IPC, MSCS Act, 2002. It is submitted that the illegalities mentioned in the preceding paragraphs are all a matter of record as *per various audit reports and related documents.*

In view of the aforesaid, it is kindly requested as follows:

1. Authorize a competent officer to vet and lodge a formal complaint before the police under sections 3, 4 of the MPID Act, 1999 read with relevant sections of IPC, MSCS Act 2002 etc. to set the law in motion and take legal action to protect the interest of the depositors within the mandated provisions of law.

2. To take steps to dissolve the present body running the society and appoint an administrator to run the affairs of the society and to take steps for protecting the interest of the depositors.

The above steps are urgently warranted, as there is a likelihood of the society collapsing causing huge loss to the depositors. It must be noted that the Director Pramod Manmode is facing several criminal charges with 7 offences of cheating etc. registered in the recent past.

There is already negativity in respect of the society's officer bearers brewing amongst the depositors. Urgent action is hence required to prevent this negativity escalating and leading to a bank run or other major crimes being committed including siphoning off of funds/deposits by Pramod Manmode and others."

7. As could be seen, the Commissioner of Police made a communication to the Central Registrar stating the position as on 31st March, 2022. It further indicates that during the financial year 2022-23, the Society raised funds to the tune of Rs.1497 crores. Thus, the Society has allegedly raised Rs.425 crores in excess of the amount permitted under Section 67 of

MSCS Act, 2002. According to the Commissioner of Police, such a grave legal violation would put the investments of the depositors to a risk. He then speaks of the illegalities through NPA, where an amount of Rs.19.05 crores is shown as profit. The communication also indicates that an amount of Rs.317.73 crores has been diverted to other enterprises without the permission of the Central Registrar. There are other financial irregularities as well. According to the Commissioner of Police, deposits worth more than Rs.1400 crores are at a grave stake since the very foundations of the Society are substantially weak owing to blatant legal violation, financial impropriety, mismanagement and misconduct.

8. The Commissioner of Police, considering the above illegalities, requested the Central Registrar, to authorise a competent officer to vet and lodge a formal complaint before the police under Sections 3 and 4 of the MPID Act, 1999 read with the relevant provisions of the IPC, MSCS Act, 2002 etc., so as to set the law in motion. The Commissioner of Police also made a request to take steps to dissolve the present body running the Society and to appoint an Administrator to run the affairs of the Society and to take steps for protecting the interest of the depositors.

9. Thus, the Commissioner of Police was well aware of the grave illegalities committed by the Society. He was also aware that the provisions of Sections 3 and 4 of the MPID Act will be attracted so also the provisions of IPC and MSCS Act, 2002. The law was to be set in motion. Thus, the Commissioner of Police was wanting a formal complaint to be registered for

setting law in motion. However, the Central Registrar responded to the Commissioner of Police, Nagpur *vide* letter dated 18th September, 2023 stating therein that as per the provisions of MSCS Act, 2002 and Rules therein, no permission or complaint from the office of Central Registrar is required to initiate legal action in case of criminal misconduct against the Society. Accordingly, the Central Registrar requested the Commissioner of Police to take action as deemed appropriate as per law.

10. Nothing has been, however, done by the Commissioner of Police till today.

11. The petitioner in Criminal Writ Petition No.811/2025, who is a member of the Society, then approached this Court with a prayer to direct investigation at the hands of Central Bureau of Investigation as also by Commissioner of Police, Nagpur. Admittedly, the investigation cannot be carried out by both. The emphasis of the petitioner, however, is to direct investigation by Central Bureau of Investigation.

12. The Counsel for the petitioner submits that prior to filing this petition, the petitioner and his wife had filed yet another petition being Criminal Writ Petition No.1068/2019 seeking direction against the Commissioner of Police, Nagpur, as also the Deputy Director of Enforcement Directorate to take cognizance of representation/report dated 27th July, 2019 submitted by them and to direct them to register FIR under various provisions of law. A prayer was also made against the

Central Registrar to take appropriate action against the Society. The grievance is that nothing has been done.

13. The petitioners, in these two petitions, shall be hereinafter referred to as the ‘petitioners’.

14. The learned counsel for the Society submits that the police had taken cognizance of the aforesaid report, FIR was registered and investigation done. Ultimately, since no evidence was found against the Society, the investigating agency lodged summary, which is being contested by the petitioners. The counsel further submits that, by filing yet another petition, the petitioners are reiterating the allegations and are trying to reopen the matter, which is otherwise closed. This is being done to settle the score because of internal dispute.

15. As against, the petitioners allege that they have brought to the notice of Police and Central Registrar subsequent illegalities. They have lodged various complaints with Police and Central Registrar, but in vain. The counsel further submits that closure report/summary submitted by the investigating agency in earlier round, is an outcome of favourism. He further submits that the State Investigating Agency is not willing to take action against the Society. He has invited our attention to certain events to show as to why petitioners have approached this Court with the aforesaid prayer. He submits that the Commissioner of Police, Nagpur, despite noting the grave illegalities and despite wanting to set law in motion way back in the year 2023 has not done anything even after receiving clearance from the Central Registrar.

16. In fact, the succeeding Commissioner of Police has, by filing reply in Criminal Writ Petition No.16/2024, stated that he does not want to take any coercive steps against the Society saying that the communication issued was suggestive in nature and no action was to be taken.

17. This modified stand speaks volumes about the law enforcing agency. Firstly, the then Commissioner of Police despite receiving clearance from Central Registrar did not take any action till he was holding office. His successor took a somersault saying that communication was suggestive in nature. Thus, the allegation that Rs.1400 crores invested by the investors is at stake is let go by succeeding Commissioner of Police.

18. Thus, the contentions of the petitioners find support that the State Investigating Agency is reluctant to take action against the Society.

19. Another instance putforth by the petitioner is the show cause notice dated 30th January, 2024 issued by the Central Registrar to the Society. The show cause notice is based on the letter dated 27th December, 2023 issued by Registrar of Co-operative Societies to the Central Registrar submitting an inspection report of the Society. The allegations were of violation of Section 67 by accepting deposits and loans more than ten times the paid-up share capital and reserve fund. The report further highlights violation of other provisions and accordingly show cause notice was issued as to why action should not be taken against the Society within fifteen days. The

Society filed reply on 10th February, 2024. Thereafter, the Central Registrar kept quiet. It is only when the petitioners approached this Court, the Central Registrar has on 11th November, 2025 made certain observations.

20. We have gone through the observations to find that the observations are vague. As regards violation of Section 67 of MSCS Act, 2002, the Society's say was that it's borrowing in each year is well within the annual permissible limit and therefore there is no violation. The Central Registrar observed that provisions under Section 67 refers to total amount of deposits and loan received during any financial year. Except for these lines, there is absolutely nothing as to how the borrowing has met the requirement under Section 67 of the Act of 2002.

21. So far as the other allegation is concerned, which pertains to violation of Section 64 of the Act of 2002, the Society's say was that the investment has been made in compliance to Clauses (h) and (i) of DEA notification. Upon this reply, the Central Registrar has made observations that *prima facie* there appears no violation of Section 64 of the Act of 2002. The Central Registrar has assigned no reason of whatsoever nature for recording prima facie opinion. Similar is the observation as regards interests, income on overdue loan shown without actual recovery over statement of profit.

22. This is how the Central Registrar has responded to the reply filed by the Society. The allegation of multiple frauds has been dealt with in this matter that too after petitioners coming to the Court seeking investigation by central agency.

This conduct of Central Registrar is questionable. We did not get any reasonable cause why Central Registrar kept quiet for the period from February, 2024 till the petition was filed.

23. This is yet another instance where the petitioners' request to have investigation at the hands of central agency finds support.

24. The third instance is that petitioners approached Nandanvan Police Station with a complaint dated 12th November, 2025 alleging illegalities committed in terms of inspection report dated 27th December, 2023 with further allegation of Society indulging into committing fraud by selling properties without approval and by committing forgery and presenting false financial statement etc. According to the petitioners, the offence under Sections 316(5), 319(2), 314, 316(1), 336(3), 432 and other Sections of Bharatiya Nyaya Sanhita, 2023 along with Sections 64, 67, 104, 110 of the Multi State Co-operative Societies Act, 2002, along with the relevant provisions of Banking Regulation Act, 1949 and Sections 3 and 4 of the MPID Act will be attracted. The Nandanvan Police did not register FIR in terms of Section 173 of the BNSS (Section 154 of the Code).

25. When we enquired with learned APP as to why was FIR not registered, he submits, on instructions, that petitioners have earlier lodged report on 18th July, 2025, which fact has been suppressed by the petitioners. The learned APP has shown us across the bar the said report. We have gone through the same to find that submissions made by learned APP are

misleading. The report, as lodged, was in respect of township named “Nirmal Nagari, Umred”. This township was constructed by the Society and handed over to buyer’s condominium. The Society got detached thereafter. The complaint is against the Members of the Condominium Board of Managers, Nirmal Nagari, Umred. There is absolutely nothing about the illegalities committed by the Society. Thus, we did not get satisfactory answer from learned APP as regards not taking cognizance of the complaint made by petitioners dated 12th November, 2025. Further, it is not the case of Police that report lodged by petitioners does not disclose a cognizable offence.

26. At this stage, learned APP submits that the police made several attempts to call petitioners to produce documents in support but petitioner did not attend saying that he is in London. We fail to understand as to why should police call for supporting documents from the petitioners once the cognizable offence is disclosed. The proper course would be to register FIR and then to collect evidence. In the event, there is no evidence, it is always open to the investigating agency to file appropriate summary; however the reluctance of the police to register FIR is something that would favour petitioners’ contentions that the State Investigating Agency is not willing to take action against the Society.

27. Another reason why the petitioner is seeking investigation at the hands of Central Bureau of Investigation is that the Society is registered under the Multi State Co-operative Societies Act, 2002. It has a branch in Madhya Pradesh and therefore State Agency will have its own limitation to

investigate the crime.

28. We find substance in what petitioners have stated. The manner in which the then Commissioner of Police, Nagpur has made a communication with the Central Registrar and thereafter he keeping quiet despite receiving clearance from Central Registrar and the succeeding Commissioner of Police taking U-turn would show that the State Investigating Agency is reluctant to find out the truth. The conduct of Central Registrar is also questionable and projects his reluctance to take timely action against the Society. Nandanvan Police is yet another instance where we find that the police not willing to entertain the complaint.

29. That being so and considering huge amount allegedly involved in the matter, we deem it appropriate to direct Central Bureau of Investigation, the respondent No.4 in Criminal Writ Petition No.811/2025, to investigate into the matter by taking recourse to appropriate provisions of law. The Central Bureau of Investigation shall also examine the role played by Police and Central Registrar.

30. Needless to say that while conducting investigation, the Central Bureau of Investigation shall proceed without getting influenced by the observations made by this Court. In other words, if after investigation no offence is made out, it will be duty of the investigating agency to file appropriate summary before the Court. At the same time, if the offence is made out, the investigating agency shall file charge-sheet. We may reiterate that ultimate aim of investigation is to find out truth.

The Central Bureau of Investigation shall proceed accordingly.

31. Having said so, there would not arise any question of quashing communication dated 29th June, 2023 issued by the Commissioner of Police, Nagpur to the Central Registrar, Nagpur.

32. Accordingly, we proceed to pass following order:

O R D E R

(i) Criminal Writ Petition No.16/2024 is dismissed. Criminal Writ Petition Nos.1068/2019 and 811/2025 are partly allowed.

(ii) The Central Bureau of Investigation, the respondent No.4 in Criminal Writ Petition No.811/2025, shall investigate into matter by taking recourse to appropriate provisions of law and in terms of what has been observed in the body of the order. The investigation shall be completed as expeditiously as possible.

(iii) So far as the prayer made by the petitioners to appoint Administrator, we grant liberty to the petitioners to pursue the cause in independent proceedings, if so desired.

33. The petitions are disposed of in above terms.

(RAJ. D. WAKODE, J.) **(ANIL L. PANSARE, J.)**

Vijaykumar