

In The High Court for the States of Punjab and Haryana
At Chandigarh

(I)	CRM-M-18354-2020 (O&M) Date of Decision:- 15.03.2023
Rakesh Kumar	... Petitioner
Versus	
State of Punjab	... Respondent
(II)	CRM-M-24718-2020 (O&M)
Ram Kishore	... Petitioner
Versus	
State of Punjab	... Respondent
(III)	CRM-M-38007-2021 (O&M)
Sukhbir Singh	... Petitioner
Versus	
State of Punjab	... Respondent
(IV)	CRM-M-40546-2021 (O&M)
Kulwant Singh	... Petitioner
Versus	
State of Punjab	... Respondent

(V)

CRM-M-46726-2022 (O&M)

Jaspal Singh @ Raju

... Petitioner

Versus

State of Punjab

... Respondent

(VI)

CRM-M-56907-2022 (O&M)

Pritam Singh

... Petitioner

Versus

State of Punjab

... Respondent

(VII)

CRM-M-7998-2023 (O&M)

Jagjit Singh Chahal

... Petitioner

Versus

State of Punjab

... Respondent

CORAM: HON'BLE MR. JUSTICE GURVINDER SINGH GILL

Present:- Mr. Pushp Jain, Advocate, for the petitioner
in CRM-M-18354-2020.

Mr. B.S.Kathuria, Advocate, for the petitioner
in CRM-M-24718-2020.

Mr. Shivam Joshi, Advocate, for the petitioner/s
in CRM-M-38007-2021 & CRM-M-46726-2022.

Mr. Sandeep Singh Majithia, Advocate,
for the petitioner in CRM-M-40546-2021.

Mr. Sohrab Dhanda, Advocate, for the petitioner

in CRM-M-56907-2022.

Mr. Karnail Singh Ahhi, Advocate,
for the petitioner in CRM-M-7998-2023.

Mr. Luvinder Sofat, DAG, Punjab
assisted by Inspector Inderjeet Singh.

Mr. Ashwani Prashar, Advocate, for the complainant.

GURVINDER SINGH GILL, J. (ORAL)

1. This order shall dispose of the above mentioned seven petitions wherein petitioners Rakesh Kumar, Ram Kishore, Sukhbir Singh, Kulwant Singh, Jaspal Singh @ Raju, Pritam Singh and Jagjit Singh Chahal, seek grant of regular bail in a case registered vide FIR No.11 dated 18.2.2020, Police Station Tarsikka, Amritsar, under Sections 420, 409, 120-B, 419, 465, 467, 468, 471, 477-A IPC, Sections 7/13 of Prevention of Corruption Act and Sections 43(a), 43(i), 66, 66-D of I.T. Act.
2. The FIR in question was got registered at the instance of Kulbir Singh, Branch Manager, Branch Tarsikka of Amritsar Central Cooperative Bank, on the allegations of commission of large scale irregularities and embezzlement/ misappropriation of an amount of Rs.2,82,43,958 /- against co-accused Rakesh Kumar son of Hazara Mal, Manager of Tarsikka Branch of the Amritsar Central Cooperative Bank and co-accused Ram Kishore, cashier in connivance and conspiracy of the co-accused Sukhdev Singh, being a Secretary of the Bhattike Multipurpose Cooperative Society and co-

accused Sukhbir Singh, Secretary of the Saidolehal Multipurpose Cooperative Society. Thereafter, co-accused Kulwant Singh, Secretary of the Tarsikka Multipurpose Cooperative Society, and Gurinderjit Kaur @ Sonia wife of Sukhbir Singh resident of village Bhattike, Tehsil Baba Bakala, District Amritsar, were nominated as a co-accused during the investigation of the case.

3. The matter was investigated by the police and as per investigation the modus operandi for commission of crime was that the co-accused Rakesh Kumar, (Manager of the Branch Tarsikka) and Ram Kishore (Cashier of the Branch Tarsikka) used to make false entries in the accounts of the three Cooperative Societies namely Bhattike Cooperative Society, Saidolehal Multipurpose Cooperative Societies and Tarsikka Multi-purpose Cooperative Societies at the behest of the co-accused Sukhdev Singh, Kulwant Singh and Sukhbir Singh, who were holding the post of secretaries and by virtue of this, these secretaries were the only link with the bank for undergoing all banking operations as the end beneficiary used to liaison only with the secretary of the Society for all his banking needs and operations. The co-accused Sukhdev Singh, Kulwant Singh and Sukhbir Singh being secretaries misused their official positions and took undue advantage of the member's ignorance and used to take blank cheques from them.
4. The investigating agency concluded that it was in the following manner that embezzlement was committed:

- (a) Take blank signed cheques from the farmers on the pretext of renewing their loan limits;
- (b) After securing these blank cheques, the co-accused Sukhdev Singh, Kulwant Singh and Sukhbir Singh being Secretaries of the cooperative societies in connivance with the co-accused Rakesh Kumar (Manager) and Ram Kishore (Cashier) used to manipulate banking entries so as to show that the concerned farmer/ member has re-paid the earlier loan;
- (c) Thereafter, the loan limit was renewed on the basis of forged recovery of earlier loan, and fresh cash advances /loans were made to the respective accounts of the loanees from the renewed loan limits;
- (d) Then the blank cheque in possession of the aforesaid secretaries were misused and funds were either diverted to their personal accounts and accounts of friends or cash were withdrawn from the Bank;
- (e) All the instructions for conducting every activity of recovery of loan, renewal of limit, and further cash advances were made by the secretaries without the knowledge and consent of the member/farmer;
- (f) Wherever, the farmer/ member got suspicious due to discrepancy of amounts in his loan accounts, the aforesaid secretaries along in connivance with the co-accused

Rakesh Kumar (Manager) and Ram Kishore (cashier) used to cover up in that respective account by putting fake and forged entries from the OFL Settlement Account which is an 'offline account' maintained with the bank and is subject to easy manipulation since it is not linked to the live balances and other online ledgers of the Bank;

- (g) The aforesaid secretaries also misused the funds to the extent that any scheme of loan waiver issued by the Government was passed on to the member / farmer only after obtaining signed blank cheques which were obliquely used for the purposes of renewing loan limits, obtaining cash advances in the name of the member / farmer and thereafter diversion of these funds;
- (h) The scam has been carried out for the last more than 6 years wherein the victims are illiterate farmers and various Cooperative Banks.
- (i) It is pertinent to mention here that the 'OFL Settlement Account', 'OFL Interest Settlement Account' are accounts solely for the personal use of the bank in which no transactions of private parties are done. The co-accused Rakesh Kumar (Branch Manager) and Ram Kishore (cashier) misused their I.Ds at the behest of the aforesaid secretaries to transfer huge amounts from the 'OFL Settlement Account' in the account of the Bhattike

Cooperative Society, Saidolehal Multipurpose Cooperative Societies and Tarsikka Multipurpose Cooperative Societies to show as a disbursement of loan amounts to the members of the society which were in fact without their instructions, knowledge and consent and thereafter the deposited amounts were withdrawn from the accounts of the respective Cooperative Societies by the co-accused Sukhdev Singh, Kulwant Singh and Sukhbir Singh being the secretaries of the respective cooperative societies through dummy accounts by forging false verifications, or by forging signatures of the dummy account holders. In some cases, the amounts were withdrawn without any cheque, or verification of the concerned Secretary.

5. Learned counsel representing the petitioners have submitted that they have falsely been implicated in the present case and that there is no evidence worth credence to establish their involvement. It has further been submitted that the investigation have been completed since long and challan stands presented and the accused have been behind bars for a long period ranging from 4 months to more than 3 years.
6. Sh. Karnail Singh Ahhi, Advocate, representing accused Jagjit Singh Chahal has submitted that he is commission agent and has nothing to do with the alleged embezzlement in the bank committed by officials of the bank.

7. Opposing the petitions, learned State counsel has submitted that it is a scam of embezzlement of colossal amount of Rs.24 crores and that during the course of investigation, concrete evidence has been collected against the petitioners and that in some cases the embezzled amount has been directly credited in the account of the accused. Learned State counsel has however, not disputed that investigation already stands concluded and the trial is yet to commence and as many as 346 PWs have been cited.
8. This Court has considered the rival submissions.
9. It is certainly not in dispute that there are specific and crisp allegations in the FIR and in respect of which the investigating agency has been able to collect substantive evidence. However, this Court cannot lose sight of the fact that the accused have been behind bars for a substantive period. Their period of custody, as evident from their custody certificates filed by State counsel, are stated herein under:

Name of petitioner	Custody
Rakesh Kumar	3 years and 16 days
Ram Kishore	3 years and 16 days
Sukhbir Singh	2 years, 3 months and 8 days
Kulwant Singh	2 years, 3 months and 13 days
Jaspal Singh	2 years, 2 months and 9 days
Pritam Singh	8 months and 9 days
Jagjit Singh Chahal	4 months and 14 days

10. Having regard to the aforestated facts and circumstances particularly the long custody of the petitioners and also the fact that a large

number of witnesses have been cited and the trial has not even commenced till date, further detention of the petitioners will not serve any useful purpose. The petitions, as such, are accepted and the petitioners are ordered to be released on bail subject to their furnishing bail bonds to the satisfaction of learned trial Court/Chief Judicial Magistrate/Duty Magistrate concerned.

11. Pending applications, if any, are also stand disposed of accordingly.
12. A photocopy of this order be placed on the file of each connected case.

15.03.2023
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(GURVINDER SINGH GILL)
JUDGE

Whether speaking /reasoned	Yes / No
Whether Reportable	Yes / No