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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CRIMINAL APPELLATE JURISDICTION**

CRIMINAL REVISION APPLICATION NO. 188 OF 2023

**VAISHALI
ANIL
TIKAM**

Prakash Chandra Srivastava S/o
Rameshwar Dayal

...Applicant

VERSUS

State Of Maharashtra & Anr.

...Respondents

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Mr. Vaibhav Swami i/b Satyadev Joshi, Advocate for Applicant.
Mr. Kuldeep S. Patil, SPP a/w. Digvijay S. Kachare a/w. Saili Dhuru a/w.
Anay Joshi a/w. Sumitkumar Nimbalkar a/w. Yukta Sawant a/w. Sanika
Joshi for Respondent No.2.
Mr. S.M. Mangaonkar, APP for Respondent-State.

CORAM : SHIVKUMAR DIGE, J.

DATE : 28th SEPTEMBER 2026.

P.C. :

1. The challenge in this application is to the order of framing charges against the Applicant, by the learned Special Judge, CBI Special Court, City Civil & Sessions Court, Greater Bombay. Earlier this Court (Coram: Justice Shri. Sandeep Marne) had rejected the discharge application of the Applicant. The said order was challenged before the Hon'ble Apex Court. The Hon'ble Apex Court remanded matter to this Court for fresh hearing, as the chargesheet had not been filed while passing said order.

2. It is prosecution's case that the present case came to be registered on the basis of a written complaint filed by Shri A. W. Sathe,

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Deputy General Manager, Corporate Finance Branch (for short, “CFB”), Central Bank of India (for short, “Bank”), Mumbai against M/s Biotor Industries Ltd. (for short, “M/s. BIL”), its directors, employees, agents and other unknown public servants under Sections 120-B, 420, 467, 468, 471 of the Indian Penal Code, 1860 and Section 13(2) read with Section 13(1) (d) of the Prevention of Corruption Act, 1988. In the complaint, it had been alleged that M/s BIL was engaged in the business of manufacturing castor oil and other derivatives and, in furtherance of a conspiracy to cheat the Bank through its representatives, had approached the Bank for sanction of a Sales Bill Financing Facility of Rs. 50 Crores, for financing the farmers who were supplying castor seeds (raw material) to M/s BIL. The said company, through its representatives, dishonestly represented to the Bank that the said finance was intended for the farmers who were supplying castor seeds (raw Material) to said company and it would act as a Management and Collection Agent (M&C Agent) i.e. an intermediary between the bank and the beneficiary farmers under the said loan facility and assist the bank in ascertaining eligible farmers and then disburse the loan proceeds to such farmers. In furtherance of the said conspiracy, relying on the said representation and on executing M&C agreement, the Bank sanctioned the requested loan facility to M/s BIL and opened loan accounts in the names of 1597 fictitious farmers on the basis of forged and

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fabricated documents submitted by M/s BIL. In furtherance of this conspiracy, M/s BIL through its representatives, got the loan disbursements in its own accounts and thereafter in accounts of 10 different persons. The said loan amounts were thereafter routed back to M/s BIL, and the proceeds did not reach the farmer beneficiaries. It is alleged that Applicant (i.e. Accused No. 14) was working as General Manager at Priority Sector Department, Central Bank of India, Mumbai, at the relevant time. It is alleged that the Applicant was involved in processing and recommending the loan facility despite adverse financial position of M/s BIL and thereby acted in furtherance of the alleged conspiracy to cause wrongful loss of approximately Rs. 56.25 crores to the bank.

3. It is contention of learned counsel for the Applicant that executive briefs dated 08/07/2009 (D-15) and 18/07/2009 (D-19) were prepared by Corporate Finance Branch (for short, "CFB") and Priority Sector Department copied executive brief dated 18/07/2009 (D-19) of CFB on its executive brief dated 20/07/2009 (D-22). Thus, the contents of executive brief (D-19) were merely reproduced in executive brief (D-22). It is submitted that Applicant had no role in preparing, drafting or formulating either executive brief (D-19) or executive brief (D-22). Applicant's signature on executive brief (D-22) was only in his ministerial capacity as forwarding authority along with two General Managers.

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Applicant recommended the executive brief (D-22), many seniors including Deputy General Manager and Assistant General Manager of CFB had already recommended it. Also, after Applicant's recommendation, the said executive brief (D-22) was further recommended by Chairman and Managing Director (for short, "CMD"), Executive Director (for short, "ED") and two General Managers (LAC members). It is further submitted that the Management Committee of the Board, being supreme decision-making body, was authorised to sanction any loan, including new kind of loan in the interest of Bank. It is submitted that normal procedure was followed in sanctioning the loan, and there was no deviation in the loan policy in respect of M/s BIL, and in case of deviation, ED and CMD are empowered as per the loan policy to allow deviation. It is submitted that applicant was not even distinctly connected in preparation of executive brief proposal (D-19).

4. Learned Counsel further submitted that M/s BIL was a client of CFB branch and after the sanction of said Rs. 50 Crores, the Bank board sanctioned another loan facilities on 12/10/2009 towards M/s BIL on the recommendation of CFB. As per the statement of HK Vesuna, GM-credit, (PW-36) the Priority Sector Department never dealt with loan proposals and all the loans including agriculture, loans were dealt by the Credit Department of the Bank for decades and in May 2019, it was decided by

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CMD–Shri. S. Sridhar and ED-Shri. Ramnath Pradeep, that agriculture loans shall be dealt with by the Priority Sector Department, even though they did not have infrastructure or expertise to handle the new assignment. Furthermore, while sanctioning the said loan, there was an important condition that M/s BIL shall submit post-dated cheques of the equal amount i.e. Rs. 50 Crores as collateral security. However, said cheques were lost by CFB Department.

5. Learned counsel further submitted that Staff Accountability Reports, marked D-155 and D-156, were prepared after internal scrutiny, and they do not attribute any lapse, omission or misconduct to Applicant and instead identify other officers as responsible for the alleged irregularities. It is submitted that the prosecution cannot rely selectively upon inculpatory portions of its own material while ignoring exculpatory findings contained in the same record. The omission to consider these reports shows selective and arbitrary prosecution. Moreover, as per Loan Policy Document (D-33), Applicant has not violated any provision or policy. No specific clause or provision allegedly breached by him has been identified by the prosecution. The RBI Circular forming produced on record also does not disclose any deviation or non-compliance attributable to the Applicant. It is submitted that not a single witness statement forms part of the charge-sheet which shows any act of commission, omission, misconduct

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or conspiracy to him. On the contrary, the statement of Shri B. Akbalary, Deputy General Manager, records that during a one-to-one meeting the ED had explained the new model of financing agricultural activities and decided to adopt the IDBI model, without any allegation against the Applicant.

6. Learned Counsel further submitted that the prosecution has failed to establish even the basic ingredients of criminal conspiracy. The charge-sheet contains only a general and omnibus allegation of conspiracy without identifying any agreement, meeting of minds, communication, correspondence or specific conduct connecting the Applicant with the other accused.

7. Learned Counsel further submitted that Applicant had no role in sanctioning or disbursing the loan. The loan proposal was processed through a well-defined, multi-layered institutional mechanism, involving several independent stages of scrutiny, recommendation and approval. The sanction of the loan was not an individual decision, but followed a structured hierarchy culminating in the Management Committee of the Board of Directors, comprising top-level decision makers, including CMD and ED, which was the highest decision-making authority. Learned counsel further submitted that the Applicant was not a member of the Management Committee. The entire loan process was institutional and collective in

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nature involving multiple levels of scrutiny and decision making. The Applicant's role was limited to forwarding the proposal. Mere forwarding the proposal cannot be construed as participation in decision making process or endorsement of the contents of the proposal. However, this fact has not been considered by the learned Special Judge and framed charges against the Applicant, which is erroneous and requested to allow the Application.

Learned Counsel for the Applicant has relied upon following judgments:

- 1) *Union of India v. Prafulla Kumar Samal*, (1979) 3 SCC 4
- 2) *State of Karnatak v. L. Muniswamy*, (1977) 2 SCC 699
- 3) *Dilawar Balu Kurane v. State of Maharashtra*, (2002) 2 SCC 135
- 4) *State (NCT of Delhi) v. Navjot Sandhu*, (2005) 11 SCC 600
- 5) *CBI v. K. Narayana Rao*, (2012) 9 SCC 512
- 6) *Sunil Bharti Mittal v. CBI*, (2015) 4 SCC 609
- 7) *Hridaya Ranjan Prasad Verma v. State of Bihar*, (2000) 4 SCC 168

8. It is contention of learned SPP that the letter dated 06/07/2009 was sent by the Applicant to the CFB for processing the loan proposal despite the fact that CFB dealt with large corporate advances and not small farmers, and processing of loans to farmers was generally the responsibility of the local branch. It is submitted that this loan, in which company acted as Management and Collection Agent (M&C Agent), an intermediary, was a new kind of loan which had never earlier been sanctioned in the Central Bank and deviated from the normal procedure which were to be followed

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while processing and recommending such a proposal. The Applicant facilitated the taking of the loan proposal out of the ordinary channel and routed it through the CFB. M/s BIL submitted forged and fabricated documents and opened loan accounts of 1597 farmers within three days. In furtherance of this conspiracy, applicant and co-accused got the loan disbursements done in its own accounts and thereafter into 10 different accounts opened in the names of farmers at OBC Ashram Road branch, Ahmedabad. These loan disbursements were eventually routed back to the company and the proceeds did not reach farmer beneficiaries resulting in wrongful loss to the Central Bank and wrongful gain to M/s BIL and its representatives.

9. Learned SPP further submitted that executive brief was first prepared on 8/07/2009 and it was subsequently redrafted on 18/07/2009. Several material changes were made in the said proposal, which were favourable to the borrower and diluted the safeguards containing in the first proposal. The major differences between the two executive briefs were that more thrust was given for compliance of KYC, disbursement of loan proceeds, collection of documents, the preparation of documents by M&C i.e. M/s BIL and not the disbursing branch. Further obtention of application of loan from each farmer, and the sanction to be accorded by the disbursing branch separately in the name of individual farmers and

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pre-sanction inspection was done away in the second executive brief (D-19).

10. Learned SPP further submitted that the Applicant was not just General Manager, Priority Sector Department, but was also a Member of Loan Advisory Committee and he recommended the second executive brief without raising a single objection despite the fact that the proposal was not in accordance with RBI Policy and the Bank's prudential norms and posed a higher risk to the Bank. Learned SPP further submitted that the Applicant did not merely sign the documents but knowingly recommended the altered proposal despite the irregularities appearing on face, particularly the outsourcing of the KYC verification of the farmers to the M&C Agent, which was contrary to RBI norms and also violated Clause 5.2 of the Bank's loan policy. Learned SPP further submitted that the RBI policy did not permit classification of the loan as agricultural finance loan to an Artiya/Middleman for onwards lending to farmers. Learned SPP further submitted that financial position of M/s. BIL was not disclosed in second executive brief (D-19). Though, the financial condition of the said company was available in the first executive brief (D-15), but it was not shown in second executive brief (D-19). Despite the financial weakness of the borrower being apparent, Applicant recommended the subsequent

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executive brief. He further submitted that the charges are rightly framed against the Applicant and requested to reject the application.

11. I have heard both learned counsel. Perused documents produced on record. Admittedly, at the relevant time, Applicant was General Manager - Priority Sector Department, Central Bank of India. It is alleged that he was involved in processing and recommending the loan facility despite adverse financial position of M/s BIL and thereby caused wrongful loss to the Bank. Executive briefs dated 08/07/2009 (D-15) and 18/07/2009(D-19) were prepared by CFB. The second executive brief was less transparent, involved higher risk, and diluted diligence to be undertaken by the Bank before sanctioning the loan. Subsequently, Applicant got another executive briefs prepared, which were reproduction of the terms and conditions of executive brief (D-19), without any independent modification or decision-making, with cover pages dated 20/07/2009, 22/07/2009 and 28/07/2009. The executive brief (D-19) was designed in a manner to unduly benefit M/s BIL and not the farmers. It is alleged that in the executive brief (D-15), the financial condition of M/s. BIL was specifically mentioned. But, in executive brief (D-19), the said financial position was not mentioned. It is alleged that several material changes, which were favourable to the borrower, which diluted the safeguards contained in the executive brief (D-15) were made in the

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second executive brief (D-19). It is alleged that Applicant recommended the subsequent brief. Applicant was one of the authorities, involved in the process of approving the loan proposal. The statement of Shri Paul Mathew (PW-8) shows that he received a call on 04/07/2009 from ED-Ramnath Pradeep and was informed about the proposal for financing farmers supplying castor seeds to M/s. BIL. He has further stated that the proposal was to be processed through CFB and Applicant had also called him over the phone and informed him that the party would come with a proposal and that they were interested in getting finance for farmers supplying Castor seeds to M/s. BIL. This witness further stated that Applicant and ED-Ramnath Pradeep discussed the proposal and the matter in which it was to be processed. The statement of the witness R. B. Gupta (PW-12) shows that there were major differences between the first and second executive brief with regard to the repayment terms, compliance with KYC norms, history and details of the account, monitoring of the account, identification of farmers, ownership of land, documentation, hypothecation of receivables/crop, and prevention of double financing. These conditions constituted material safeguards in relation to the loan facility, and the executive brief (D-19) appears to have shifted or diluted several of these safeguards in favour of the M&C Agent/company. The statements of these witnesses shows the active involvement of the Applicant in the loan process

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and there was conspiracy to make favourable changes in the second executive brief. Applicant had participated in the process leading to the alteration and recommendation of the second executive brief without raising any objection, despite the fact that the proposal was not as per RBI policy and bank prudential norms and posed higher risk to the Bank.

12. It appears that the final authority to sanction the loan was the Management Committee and that the Applicant was not a member thereof. However, the Applicant was not the final sanctioning authority cannot be considered in isolation at this stage. Applicant along with co-accused participated in the process of getting the executive brief redrafted and was involved in the process leading to the consideration and recommendation of the proposal. The Applicant was a member of loan advisory committee, and he was General Manager of Priority Sector Department. The statements of the witnesses and documents produced on record gives rise to a *prima facie* case requiring consideration at trial.

13. I have gone through the case laws cited by learned counsel for the Applicant, the facts of cases cited are different from the present case, hence not applicable. In view of above, I pass following order.

ORDER

- (i) Criminal Revision Application is rejected.
- (ii) All pending Applications are disposed of.

(SHIVKUMAR DIGE, J.)