



IN THE HIGH COURT OF KARNATAKA AT BENGALURU
DATED THIS THE 2ND DAY OF JULY, 2026
BEFORE
THE HON'BLE MR. JUSTICE S RACHAIAH
CRIMINAL APPEAL NO. 973 OF 2026 (KPIDFE)

BETWEEN:

1. SHASHIKANT APPANNA PAKIR,
S/O APPANNA,
AGE ABOUT 58 YEARS,
R/O JANTHA PLOT,
GIRGAN TALUK CHIKKODI,
BELGAVI - 591 201.
2. RANJENDRA GHASTE,
S/O NINGAPPA,
AGE ABOUT 63 YEARS,
R/AT NO.1424 RAJIVNAGAR,
CHIKKODI,
BELGAVI- 591 201.
3. SUJATA RAMESH KAMBLE,
W/O RAMESH KAMBLE,
AGE ABOUT 58 YEARS,
R/O AMBEDKAR TOWN,
NASLAPUR,
BELAGAVI DISTRICT - 591 213.
4. TUKARAM GHATTE,
S/O BHARAM,
AGE ABOUT 58 YEARS,
R/O 3012 BHIMANAGAR,
CHIKKODI,
BELGAVI - 591 201.

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Location:
High Court
of Karnataka

...APPELLANTS



(BY SRI. SYED AKBAR PASHA., ADVOCATE)

AND:

STATE OF KARNATAKA,
BY CHAMARAJANAGAR
TOWN POLICE,
REP BY
STATE PUBLIC PROSECUTOR,
HIGH COURT OF KARNATAKA,
BENGALURU – 560 001.

...RESPONDENT

(BY SRI. M. V. ANOOPKUMAR., HCGP)

THIS CRL.A FILED U/S 16 OF KPID ACT 2004 BY THE ADVOCATE FOR THE APPELLANT PRAYING TO SET ASIDE THE IMPUGNED ORDER PASSED BY THE LEARNED PRL. DIST. AND SESSION JUDGE CHAMARAJANAGARA, ORDER PASSED ON BAIL APPLICATION IN CRL.MISC.NO.162/2026, DATED 06.05.2026 AND FURTHER PLEASE TO GRANT ANTICIPATORY BAIL TO APPELLANTS/ACCUSED NO.10, 12 AND 15 IN FIR NO.90/2024, REGISTERED FOR THE OFFENCE P/U/S 417, 406, 409, 420, 468, 504, 506 R/W 34 OF IPC AND SEC.9 OF KPID ACT REGISTERED BY THE RESPONDENT CHAMARAJANAGARA TOWN POLICE.

THIS APPEAL, COMING ON FOR ADMISSION, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S RACHAIAH



ORAL JUDGMENT

These petitioners are before this Court seeking anticipatory bail in Crime No.90/2024 filed by the respondent-Police for the offences punishable under Sections 417, 406, 409, 420, 468, 504, 506 r/w 34 of Indian Penal Code, 1860 and Section 9 of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 Act.

2. The case of the prosecution is that the complaint came to be registered by Sri.Mahadevappa S. stating that he had opened an account in the bank of the petitioners, namely Vishwaguru Multipurpose Co-operative Society situated at Chamarajanagar. It is further alleged that he was induced to open the account in the said bank and asked him to deposit the amount, whereby he would get interest at the rate of 13.5% per annum. Believing the assurance of the accused, large number of persons had deposited the amount in the bank, however, they had been deceived by the Banker. Hence, a complaint came to be registered by the complainant. The present appellants are accused Nos.8, 10, 12 and 15 and they



are stated to be the Board of Directors of the said Co-operative Society. The investigation is under progress.

3. The submission of the learned counsel for the appellants that the appellants are no way connected with the Bank. Though they are stated to be Directors of the said Co-operative Bank, they never had day-to-day affairs of the Bank. In fact, the concerned CEO of the Bank would be authorized to deal with the customers. The appellant No.1 is the permanent resident of Janatha Plot, Girgan Taluk, Chikkodi, Belagavi; the appellant No.2 is the resident of Rajivnagar, Chikkodi, Belagavi; the appellant No.3 is the resident of Ambedkar Town, Naslapur, Belagavi and the appellant No.4 is the resident of Bhimanagar, Chikkodi, Belagavi. However, the Bank is situated in Chamarajanagar. At the instance of the complainant, they have been arrayed as respective accused. They will abide by the conditions to be imposed by this Court in the event of their release on bail. Making such submissions, learned counsel for the appellants prays to allow the appeal.

4. *Per contra*, learned High Court Government Pleader for the respondent-State vehemently submits that there is a



bar under Section 18(2) of the KPID Act to grant a relief as prayed for in the said application. Therefore, the appeal has to be dismissed.

5. Having heard the learned counsel for the respective parties and also on perusal of the averments of the complaint, it is relevant at this stage to refer Section 18(2) of the KPID Act, which reads as under:

"18. Procedure and powers of Special Court regarding offences.-

(1) xxxxx

(2) The provisions of the Code of Criminal Procedure, 1973 (Central Act II of 1974) except the provisions of section 438 shall, so far as may be, apply to the proceedings before a Special Court and for the purpose of the said provisions, Special Court shall be deemed to be a Court of Judicial Magistrate, First class or Metropolitan Magistrate as the case may be."

6. On reading of the above provision, it makes clear that the bar under Section 438 of Cr.P.C would be applicable to the Special Court, not before this Court.



7. Though it is alleged that these appellant being the Directors of the Bank colluded with others and committed fraud against the customers/depositors, on going through the contents of the complainant, I am of the considered opinion that the petitioners have made out a case to grant them relief. Without adverting to the merits of the case, it is appropriate to pass the following:

ORDER

- i) The appeal is ***allowed***.
- ii) The appellants are ordered to be released on bail in the event of their arrest in Crime No. 90/2024 filed by the respondent-Police for the offences punishable under Sections 417, 406, 409, 420, 468, 504, 506 r/w 34 of Indian Penal Code, 1860 and Section 9 of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 Act on receiving their personal bonds for a sum of Rs.2,00,000/- (Rupees Two Lakhs Only) each with two sureties each to the satisfaction of the Trial Court as well as the Investigating Officer.



- iii) The appellants shall not threaten or tamper with the prosecution witnesses.
- iv) The appellants shall appear before the Trial Court on all hearing dates without fail.

Sd/-
(S RACHAIAH)
JUDGE