IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

BAIL APPLICATION NO. 11 OF 2025

Satish S/o Gangadhar Savant,
Age : 35 Yrs., Occ. Business,
R/o : Patil Galli Majalgaon,
Taluka Majalgaon, District Beed. … applicant

Versus

The State of Maharashtra,
Through Majalgaon City Police Station,
Taluka Majalgaon, District Beed. … Respondent

WITH
CRIMINAL APPLICATION NO. 494 OF 2025
IN
BAIL APPLICATION NO. 11 OF 2025

Shriram s/o Machhindrarao Bahir,
Age : 45 years, Occ. Business & Agriculture,
R/o: Samata Colony, Taluka Majalgaon,
District : Beed. … Applicant
[Orig. Informant]

Versus

1. Satish s/o Gangadhar Savant
Age 35 years, Occ. Business,
R/o: Patil Galli, Taluka Majalgaon,
District : Beed.

2. The State of Maharashtra
Through In-charge Police Station Officer,
Majalgaon City Police Station,
District : Beed. … Non-Applicants
[No.1 is Accused No.1]

.....

Mr. V. D. Sapkal, Senior Advocate i/by Mr. S. R. Sapkal a/w Mr. Yash A. Jadhav, Advocates for the Applicant in Bail Application No. 11 of 2025.

Mr. R. S. Deshmukh, Senior Advocate i/by Mr. Devang R. Deshmukh, Advocate for the Applicant in Criminal Application No. 494 of 2025.

Mr. V. M. Jaware, APP for Respondent-State in both Applications.

.....

CORAM : ABHAY S. WAGHWASE, J.

Reserved on : 30.04.2025
Pronounced on : 05.05.2025

ORDER :

1. Criminal Application No. 494 of 2025 is at the instance of original informant, thereby seeking permission to assist learned APP in opposing the bail application. For the reasons mentioned in the application, the applicant-original informant is permitted to assist learned APP. Criminal Application No. 494 of 2025 is accordingly disposed off.

2. Vide instant bail application, prayers are put up for grant of regular bail on account of arrest on applicant in crime no. 0017 of 2024 of registered at Majalgaon City Police Station, District Beed for offences punishable under Sections 420, 409, 467, 468, 471, 120(B)

r/w 34 of IPC and Sections 3 and 4 of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999 [for short, "MPID Act"].

3. Apart from keeping written notes of arguments on record, learned senior counsel Shri Sapkal, would point out that the applicant, who is Chairman of the Marathawada Urban Co-operative Credit Society Ltd., Majalgaon (for short, "society"), is arrested on 24.01.2024 and is thus behind bars since more than a year and he is the sole person who is arrested. He further pointed out that, though others are involved, surprisingly, none of them are apprehended and are rather shown to be absconding. Resultantly, according to learned senior counsel, intention of both, complainant and investigating machinery, is explicit. Fundamentally, learned senior counsel urges for relief on the ground of long incarceration and citations to that extent are enumerated and rather, relevant paras are reproduced to that extent in the written notes of arguments. Learned senior counsel further added that in above rulings, both, Hon'ble Apex Court as well as this Court, considering the importance of personal liberty and more particularly when there is long incarceration, even in economic offences, have granted bail.

4. Learned senior counsel further pointed out that, since December 2023, Administrator has been appointed to look into the affairs of the society. Thus, according to him, credit society is currently functioning. It is further pointed out that, learned senior counsel has credible information that process of recovery of loan is also going on and from the amount so recovered, some persons have received their invested amounts. Consequently, it is submitted that, there is no attempt to defraud or deprive any of the depositors from the returns which were assured. It is pointed out that, applicant himself never interacted with the depositors and never lured any of them including informant, of huge returns, as is posed in the FIR. Lastly it is submitted that, considering the long incarceration and no prospects whatsoever of matter going for trial and further, applicant being ready to secure his immovable properties if need arises, relief of regular bail is prayed for.

He has placed on record papers showing appointment of Administrator and functioning of the credit society to be going on. Apart from referring to the judgments of the Hon'ble Apex Court, he has also placed on record order dated 18.03.2025 passed by this Court in Anticipatory Bail Application No. 878 of 2024 with connected applications, order fo this court dated 10.10.2024 dismissing the Application for Cancellation of Bail No. 84 of 2024 and other connected applications as well as orders passed by learned trial court granting anticipatory bail to the co-accused persons.

5. Above application is strongly opposed and resisted by both, learned senior counsel Mr. Deshmukh appearing for the informant as well as learned APP. Learned senior counsel Mr. Deshmukh pointed out that there is re-audit fixing role of present applicant, who was Chairman. He further emphasized that, present FIR is by a person who has reported that present applicant used to approach him regularly and was inducing him to invest money by assuring handsome returns. However, neither any interest accrued on amount, nor deposits were ever paid in spite of getting matured. That, serious economic fraud has been played on several persons. It is pointed out that, it is hard earned money of such investors. That, applicant being Chairman, has committed the above fraud along with other office bearers, who are still at large. Learned senior counsel also refutes submissions about credit society to be currently functional or any amount allegedly recovered being distributed to investors. Learned senior counsel took this Court through the contents of re-audit and would point out that, there is every possibility of misuse of liberty and

more possibility of flight, thereby evading process of trial. For all above reasons, relief of bail is opposed.

6. Learned APP also joined in opposing relief of bail. Apart from making oral submissions, he has also placed on record synopsis of events and what is revealed upon investigation and re-audit. According to him, economic fraud in the case is said to be running into around Rupees fifteen crores. That, out of 6 accused, 5 are still absconding and steps under Section 299 Cr.P.C. are already taken. That, present applicant is a Chairman of not only Co-operative Society at Majalgaon, but also of other co-operative credit societies. That, there are allegations that fraud is played on present informant and several other depositors, who are senior citizens and have attained age of over 65 years, and they were also lured for investing by way of deposits by assuring handsome returns at higher rate of interest, but said promise was not kept and rather, their hard earned money was misappropriated and diverted by indulging in several irregularities.

7. Learned APP further pointed out that, investigation revealed that over Rupees eight crores have been illegally granted by way of cash credit to another society namely Samruddha Marathawada Multi-State Vehicle Services Co-operative Society Ltd., Majalgaon by

way loan and he is found to be Chairman of said credit society also. That, there are allegations of issuing sanction letter under his signature and has also posed himself to be borrower as well as guarantor and to such extent he has misused his position. That, even various crimes of committing fraud are to his credit bearing CR Nos. 17 of 2024, 50 of 2025, 129 of 2025, 134/25, 137/25 and 157/25 for IPC as well as MPID Act. Learned APP also seeks reliance on the Judgment of the Hon'ble Apex Court in the case ***Y. S. Jagan Mohan Reddy v. CBI*** [(2013) 7 SCC 450], ***Manik Madhukar Sarve and others v. Vitthal Damuji Meher*** [(2024) 10 SCC 753], ***Tarun Kumar v. Assistant Director, Directorate of Enforcement*** ... [2023 SCC OnLine SC 1486].

8. Heard at length. Perused the written notes and synopsis of each of the sides. Sum and substance of the FIR dated 24.01.2024 at the instance of one Shriram Bahir is that, he conducts business of selling seeds and fertilizers. He reported that, present applicant, who is Chairman of Marathwada Urban Co-operative Credit Society, regularly visited his shop and urged to invest by way of fixed deposits, assuring returns at the rate of 18%. He claims that accordingly, he invested by way of fixed deposits in his own name, his wife's name as well as his sons' names, various amounts at various times. He claims

that, when he was in need of funds to pay education fees of his son, he visited the credit society to seek encashment of FD which was matured, but he was asked to come after two days and again, time to time when he approached, he did not receive the amount. He has alleged that on some or the other reason, there was refusal to encash the fixed deposits. He also claims that after procuring statement of FDs, FD receipts bearing nos. 1529, 1530 and 1531 were missing from the statement. He claims to have even contacted other account holders and investors and they also were not given returns and so, on his above report, crime seems to have been lodged.

9. There is no dispute that applicant is Chairman. There is further no dispute that he is behind bars since a year. Learned APP as well as learned Senior Counsel Shri Deshmukh, who seek reliance on re-audit, have pointed out that alleged fraud is running in Rupees fifteen crores. Learned APP has pointed out that in charge sheet, as many as six persons are arraigned as accused and present applicant is shown as accused no.1 in the capacity of Chairman. As stated above, he has also specifically pointed out that investigation revealed that, crores of rupees are extended by way of cash credit by acting in duel capacity of sanctioning authority as well as guarantor and such funds are allegedly diverted to another credit society, of which applicant

himself is a Chairman. If it is so, then, definitely there is a serious allegation and the economic offence assumes distinct dimension than other economic frauds. That apart, list of criminal antecedents regarding present applicant to be involved in, goes to show that, repeatedly such economic frauds are allegedly committed by him. The ultimate effect of economic fraud is on common people who entrust their hard earned money with a hope of getting financial security for future contingencies. If such funds are utilized for personal gain, then, the magnanimity of the economic fraud gets enormous. Apparently, it is misuse of position by gaining trust.

10. As stated above, the sole ground for bail is long incarceration. There is no doubt that there are rulings of Hon'ble Apex Court highlighting the importance of personal liberty, but each case has its own distinct features. Merely because in some economic offences bail is granted, it cannot be said to be a precedent. Each case has to be distinguished on the facts and circumstances involved therein. It would be fruitful to quote the observations of the Hon'ble Apex Court in the case of such nature i.e. ***Tarun Kumar v. Assistant Director, Directorate of Enforcement*** AIR 2024 SC (Criminal) 217, in para 21 and 22 as under :

"21. The apprehension of the learned counsel for the appellant that the trial is likely to take long time and the appellant would be incarcerated for indefinite period, is also not well founded in view of the observations made by this Court in case of Vijay Madanlal (supra). On the application of Section 436A of the Code of Criminal Procedure, 1973, it has been categorically held therein that:

> *"419. Section 436A of the 1973 Code, is a wholesome beneficial provision, which is for effectuating the right of speedy trial guaranteed by Article 21 of the Constitution and which merely specifies the outer limits within which the trial is expected to be concluded, failing which, the accused ought not to be detained further. Indeed, Section 436A of the 1973 Code also contemplates that the relief under this provision cannot be granted mechanically. It is still within the discretion of the Court, unlike the default bail under Section 167 of the 1973 Code. Under Section 436A of the 1973 Code, however, the Court is required to consider the relief on case-to-case basis. As the proviso therein itself recognises that, in a given case, the detention can be continued by the Court even longer than one-half of the period, for which, reasons are to be recorded by it in writing and also by imposing such terms and conditions so as to ensure that after release, the accused makes himself/herself available for expeditious completion of the trial."*

22. Lastly, it may be noted that as held in catena of decisions, the economic offences constitute a class apart and need to be visited with a different approach in the matter of bail. The economic offences having deep-rooted conspiracies and involving huge loss of public funds need to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country. Undoubtedly, economic offences have serious repercussions on the development of the country as a whole. To cite a few judgments in this regard are Y.S. Jagan Mohan Reddy vs. Central Bureau of Investigation (2013) 7 SCC 439, Nimmagadda Prasad vs. Central Bureau of Investigation (2013) 7 SCC 466, Gautam Kundu vs. Directorate of Enforcement (supra), State of Bihar and Another vs. Amit Kumar alias Bachcha Rai (2017) 13 SCC 751. This court taking a serious note with regard to the economic offences had observed as back as in 1987 in case of State of Gujarat vs. Mohanlal Jitamalji Porwal and Another (1987) 2 SCC 364 as under:-

> *"5... The entire community is aggrieved if the economic offenders who ruin the economy of the State are not brought to books. A murder may be committed in the heat of moment upon passions being aroused. An economic offence is committed with cool calculation and deliberate design with an eye on personal profit regardless of the*

> *consequence to the community. A disregard for the interest of the community can be manifested only at the cost of forfeiting the trust and faith of the community in the system to administer justice in an even-handed manner without fear of criticism from the quarters which view white collar crimes with a permissive eye unmindful of the damage done to the National Economy and National Interest…"*

Similar views are also echoed in the rulings relied by learned APP i.e. ***Y.S. Jagan Moham Reddy*** (supra), ***Manik Madhukar Sarve*** (supra) and ***Tarun Kumar*** (supra).

11. In the light of above discussion, considering the enormity, magnanimity and modus adopted for alleged fraud, though applicant is shown to be behind bars since a year or so, this Court is not in favour of granting relief as prayed. Hence, I proceed to pass the following order :

ORDER

The application is rejected.

[ABHAY S. WAGHWASE, J.]

vre