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

CRIMINAL APPLICATION (BA) NO.498/2025
Vitthal Damuji Mehar
..vs..
The State of Maharashtra, through PSO of PS Kotwali, Nagpur and anr

....

Office Notes, Office Memoranda of Coram, appearances, Court orders or directions and Registrar's orders	Court's or Judge's Order

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Shri S.V.Manohar, Senior Counsel assisted by Shri U.P.Dable, Advocate for the Applicant.
Shri N.B.Jawade, Additional Public Prosecutor for the State.
Shri Manik M.Sarve (In person)

CORAM	**: URMILA JOSHI-PHALKE, J.**
CLOSED ON	**: 19/06/2025**
PRONOUNCED ON	**: 24/06/2025**

1. By this application, the applicant seeks regular bail in connection with Crime No.217/2019 registered with the non-applicant/police station for offences punishable under Sections 120-B, 409, 420, 467, 468, and 471 of the Indian Penal Code and under Section 3 of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999 (the MPID Act)

2. The applicant came to be arrested on 28.4.2021 and since then he is in jail.

3. The crime is registered on the basis of a report lodged by Dinesh Wasudeorao Padegaonkar. As per the report, co-accused Khemchand Meharkure. the President of "Jai Shriram Urban Credit Co-operative Society Ltd". (the Society), in connivance with the applicant and other co-accused, misappropriated amount of Rs.79,54,26,963/-. Around 758 depositors disclosed that their deposits aggregating to Rs.29,06,18,748/- were not returned and the amount was misappropriated. The financial irregularities are revealed during investigation under 23 different heads. The crime is registered pursuant to directions issued by learned Magistrate while exercising jurisdiction under Section 156(3) of the CrPC.

4. As per the prosecution, the applicant, who is close friend of master mind Khemchand Meharkure, deposited amount Rs.2,38,39,071/- with the Society in his

name and in names of family members. The applicant obtained loan of Rs.9,67,28,500/-, which he did not repay. Statements of witnesses reveal that, by hatching conspiracy with other co-accused, the applicant committed misappropriation of the public money and purchased various assets. The applicant has withdrawn huge amounts from the Society and purchased five immovable properties of Rs.10.00 crores. On the basis of the said report, the police registered the crime against the applicant.

5. The applicant approached this Court by preferring an application for grant of regular bail bearing Criminal Application (BA) No.867/2021 and he was released on bail by this court by order dated 13.10.2021.

One Manik M.Sarve and others, challenged the said order before the Hon'ble Apex Court by preferring an appeal registered as Criminal Appeal No.3573/2024 (Special Leave Petition (Cri) No.3945/2022). The

Hon’ble Apex Court, considering submissions and analyzing investigation materials, cancelled the bail granted in favour of the applicant. However, liberty was granted to the applicant to apply for bail at a later period or in the event of change in circumstances.

6. Now, the present application is filed by the applicant under change in circumstance that specimen and disputed signatures are forwarded to a Private Handwriting Expert by wife of the applicant and report shows that signature examined are not signatures of the applicant and the same are forged signatures and, therefore, no *prima facie* case is made out against the applicant. As such, the applicant be released on bail.

7. Heard learned Senior Counsel Shri S.V.Manohar for the applicant, learned Additional Public Prosecutor Shri N.B.Jawade for the State.

8. Learned Senior Counsel for the applicant submitted that the entire case of the prosecution is based

on statement of one Prashant Sawai. As per the prosecution, acknowledgments given by the applicant, allegedly on receipt of the money from the Society, are kept by the applicant with said Prashant Sawai. The Society has no record to show that it was the applicant who received the amount. Since the date of arrest, the applicant is behind the bars. The master mind of the crime is already released on bail. The applicant cannot be incarcerated for an indefinite period. For all above these grounds, the applicant be released on bail.

9. *Per contra,* learned Additional Public Prosecutor for the State strongly opposed the application and submitted that there was a Partnership Deed between the applicant and other co-accused Khemchand Meharkure. They agreed to participate as partners in "Chandrabhaga Housing Society". The applicant received amounts from the Society as an advanced amount. The statements of witnesses disclose that employees of the Society time to

time handed over said amounts to the applicant and obtained acknowledgments. The investigation papers reveal role of the applicant and the co-accused, who was the President of the Society, and in connivance with each other, the applicant misappropriated huge amount of Rs.9,67,28,500/- and duly acknowledged receipt of the said amount. He invested the said amount in purchasing properties in his own name and also in names of his relatives. The applicant, in collusion with other co-accused, committed financial fraud and caused financial loss to the Society. The said amount obtained by the applicant is a public money invested by various investors who have not received their investments. Considering these aspects, the Hon'ble Apex Court cancelled the bail.

10. One of victims Manik M.Sarve, in-person appeared and endorsed the said contentions and submitted that the applicant and co-accused are money lenders. They hatched conspiracy and siphoned funds of the Society. The

economic offence wing conducted investigation. The entire case revolves around money laundering. The applicant and other co-accused are partners. He has also given details as to the amount received by the applicant time to time.

11. Having heard both sides and perused investigation papers, it reveals that the statement of Prashant Sawai, an employee of the Society, shows that he worked as a Clerk with with the Society for the period 2006 to 2014. In the year 2013, the applicant deposited Rs.2,38,00,000/- and received Rs.3,25,000/- as interest from the Society. The same was paid to the applicant by cash and no entry was taken either in the cash book or other books of accounts maintained by the Society. Only note sheet was prepared. Amount Rs.3,50,00,000/- was paid to the applicant by said Prashant Meharkure. Receipts were prepared as to the payment handed over to the applicant by way of cash and note sheet prepared discloses amount Rs.9,69,00,000/-.

12. The statement of another employee Anil Nagdeve would show that he prepared vouchers and also Fixed Deposits and made necessary entries in the cash book. However, no such entries are reflected in books of accounts.

13. Statement of another employee Arun Kathane discloses that the applicant used to visit the Society and was in constant touch with the accused.

14. The bank statement of the applicant came to be seized of "Vidarbha Kokan Gramin Bank. Entries of Rs.37,50,000/- and Rs.5.00 lacs were shown as credited in the account of the applicant. The Forensic Audit Report, wherein figures shown, matches with saving account. As per the Forensic Audit Report, cash deposit of Rs.45,28,500/- is shown in the name of the applicant and amounts Rs.85,75,150/- and Rs.32,90,850/- are also shown in the name of the wife of the applicant. The said amounts are not reflected for the purposes of the Income Tax.

Various properties are purchased by the applicant. Thus, huge money trail has been unearthed between the applicant and the society.

15. After considering the entire investigation papers, involvement of the applicant in money trail reveals. The handwriting specimen of the applicant has been sent for Forensic Examination and report thereof is still awaited. The wife of the applicant approached a Private Handwriting Expert and Finger Print Expert seeking an expert opinion on disputed signatures. Handwriting Expert Dr.Dipti A.Andharmule compared said signatures from certified chargesheet and disputed that these are forged signatures of the applicant. Admittedly, original documents are not examined by the Handwriting Expert. The report from the Government Forensic Science Laboratory is yet to be received.

16. The considerations for grant of bail are; nature of accusations made against accused, manner in which

crime alleged to have been committed, gravity of offence, role attributed to accused, criminal antecedents, possibility of tampering of witnesses, and danger of justice being thwarted by granting of bail.

17. In the light of above considerations, if facts of the present case are taken into consideration, involvement of the applicant is in economic offence. The public money is siphoned by hatching the conspiracy by the applicant and other co-accused. 758 investors have lost their money due to misappropriation by the applicant and other co-accused who have invested their hard earned money in the Society. Considering all these aspects, the Hon'ble Apex Court cancelled the bail. Admittedly, liberty is granted to the applicant to apply for bail at a later period or in the event of change in circumstances.

18. As per contentions of learned counsel for the applicant, change in circumstance is that wife of the applicant forwarded certified copy of the chargesheet to the

Private Handwriting Expert and Handwriting Expert's opinion exonerates the applicant and, therefore, prays for releasing him on bail. As far as change in circumstance is concerned, it was the wife of the applicant who approached the Handwriting Expert and obtained the said opinion. The disputed documents are already forwarded to the Forensic Laboratory for obtaining Handwriting Expert's opinion, which is yet to be received.

19. Admittedly, each case has to be considered on its own merits.

20. In the present case, considering the nature of crime, huge amount is involved. The investors, who belong to poor strata of the society, have lost their money, who are 758 in numbers.

21. The Hon'ble Apex Court, while dealing with offence involving conspiracy to commit economic offence of huge magnitude, in the case of **Y.S.Jagan Mohan Reddy vs. CBI, reported in (2013)7 SCC 439,** laid down following

parameters:

> i) economic offences constitute a class apart and need to be visited with a different approach in the matter of bail. The economic offence having deep rooted conspiracies and involving huge loss of public funds needs 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, and
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> ii) while granting bail, the court has to keep in mind the nature of accusations, the nature of evidence in support thereof, the severity of the punishment which conviction will entail, the character of the accused, circumstances which are peculiar to the accused, reasonable possibility of securing the presence of the accused at the trial, reasonable apprehension of the witnesses being tampered with, the larger interest of the public/State and other similar considerations.

22. The Hon'ble Apex Court, in the case of **State of**

Gujarat vs. Mohan Lal Jitamalji Porwal, reported in (1987)2 SCC 364 held as follows:

> “5. ....The entire community is aggrieved if the economic offenders who ruin the economy of the State are not brought to book. 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.....”

23. Considering the crime in question, having involved enormous and huge amount, the conspiracy between the applicant and other co-accused, investigation revealing manner in which hundreds of investors are

duped, and public money is at stake, the role of the applicant in the crime is clearly exposed.

24. In the background of accusations and its gravity, the application of the applicant deserves to be rejected. Accordingly, the application is **rejected and disposed of**.

(**URMILA JOSHI-PHALKE, J.**)

!! BrWankhede !!