IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

BAIL APPLICATION NO. 1496 OF 2026

Vitthal s/o Pandurang Ruchke ... **Applicant**
Age 47 years, Occu: Private
R/o Sirsadevi, Gevrai, Tq. Gevrai
District Beed

VERSUS

1. The State of Maharashtra ... **Respondent**
Through Police Inspector, Beed City Police Station, Dist. Beed

Mr. A. L. Kanade, Advocate for the Applicant
Mr. K. K. Naik, APP for the Respondent-State

CORAM : HITEN S. VENEGAVKAR, J.
Dated : 27th August, 2026

O R D E R:-

1. The applicant seeks regular bail under Section 483 of the Bharatiya Nagarik Suraksha Sanhita, 2023, in connection with Crime No.87 of 2025 registered with Beed City Police Station, District Beed, for the offences punishable under Sections 420, 406, 409 and 201 read with Section 34 of the Indian Penal Code and Sections 3 and 4 of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999. He was arrested on 25 May 2026. The investigation has culminated in filing of the charge-sheet.

2. The prosecution states that the informant, Apparao Narhari Ubale, invested his savings in fixed deposits in his own name and in the

name of his wife with Chhatrapati Multistate Co-operative Credit Society Limited, Gevrai, at its Mondha Road branch, Beed. The amount payable against these deposits on maturity was Rs.27,16,329/-. Other depositors had also invested their savings with the society. It is alleged that its Chairman, Vice-Chairman, directors and other persons induced the deposits by promising higher interest, but failed to repay the amounts on maturity. Repeated demands were met with evasive replies, and the branch was subsequently found closed. The charge-sheet refers to an aggregate amount of Rs.1,49,15,476/-. The applicant has been prosecuted as one of the directors.

3. Ld. Advocate for the applicant submits that his implication rests essentially on his designation. He submits that the Manager handled the branch transactions and that the funds at the head office were controlled by the Chairman and Vice-Chairman. According to him, the applicant neither induced the depositors nor handled or appropriated their money. Referring to the seventeen witnesses whose statements form part of the charge-sheet, he submits that no specific transaction or individual act of inducement is attributed to the applicant. He relies on the investigation report recording that no suspicious transactions were noticed in the applicant's two bank accounts. He further submits that the absence of records at the premises cannot, without material connecting the applicant with their removal or destruction, justify his continued detention for the offence under Section 201 of the Indian Penal Code.

4. The prosecution's opposition, as reflected in its written reply before the Special Court, rests on the alleged participation of the directors in the affairs of the society, the substantial loss caused to depositors and the apprehension of interference with witnesses and evidence. The earlier application was rejected on 29 June 2026 when the investigation was in progress. The present request falls for consideration on the charge-sheet and the material now available concerning this applicant.

5. Having considered the papers and the submissions, I find that the applicant's position as a director is relevant, but cannot by itself conclude the question of bail. A director entrusted with the affairs of a financial institution cannot avoid scrutiny merely by describing himself as a sleeping director. At the same time, responsibility for the society's management and criminal participation in the acts alleged must be examined from the material collected. Section 34 of the Indian Penal Code does not dispense with that examination merely because the accused were members of the same board.

6. In **Sanjay Dutt and Others v. State of Haryana and Another, 2025 SSC Online 32,** the Supreme Court reiterated that criminal liability of a director is not automatic and that, even where a statute provides for vicarious liability, the allegations must attract the requirements of that provision. The decision arose in a different statutory provisions and set of facts. Here, Section 3 of the MPID Act specifically extends liability to persons responsible for the management

or conduct of the financial establishment's business or affairs. The applicant's case must therefore be examined under that provision as well. The question at this stage is whether the material concerning his responsibility and alleged participation, considered with the other circumstances, requires his continued custody.

7. The statements relied upon by the applicant, including those of Arvind Raut and Jayashree, principally refer to assurances given by the Chairman, Santosh Bhandari. It would, however, be inaccurate to say that the applicant is not named in any allegation of inducement. The FIR contains a collective allegation against the office-bearers and directors, and Balbhim Kacharu Pokale's statement also includes the applicant among those alleged to have induced the investment. That material cannot be ignored. Nevertheless, insofar as this applicant is concerned, the allegation remains collective and does not describe a separate assurance given by him or a particular transaction handled by him. Its evidentiary value will be assessed at the trial. For the present purpose, it must be considered alongside the result of the financial investigation.

8. In that regard, the report at page 35 of the application records that the applicant's accounts with the State Bank of India and Maharashtra Gramin Bank were examined and no suspicious transactions were noticed. This does not conclusively exclude involvement through other means, nor is personal receipt of money indispensable to every offence alleged. It is nonetheless a relevant

circumstance when no specific diversion of the deposits through this applicant has been identified in the material relied upon. The same report refers to a plot purchased by Santosh Bhandari in the applicant's name in 2013 and subsequently sold. The transaction warrants scrutiny, but the purchase precedes the deposit period mentioned in the FIR. On the material presently available, its connection with the deposits forming the subject of this crime is not sufficiently demonstrated to justify continued detention on that account.

9. The charge under Section 201 also requires separate consideration. The prosecution alleges that records and proceedings registers were not maintained or were unavailable. The absence of records is a circumstance requiring investigation, but it does not by itself identify the person who caused their disappearance or establish the requisite intention to screen an offender. No specific act of removal, concealment or destruction by this applicant has been identified in the material brought to the Court's notice. This is a prima facie assessment for bail and not a finding that the charge is unsustainable.

10. The losses alleged are substantial and concern savings entrusted by ordinary depositors to a financial institution. Their seriousness must receive due weight. However, the applicant has been in custody for over five months, the chargesheet has been filed and the case substantially depends on the society's financial records and the depositors' evidence. The other registered offences disclosed in the antecedent statement have also been considered. Their registration is

relevant but cannot replace an assessment of the applicant's role and the necessity of custody in this crime. The apprehension of interference can be addressed by conditions securing his attendance and protecting the witnesses and records. In the cumulative circumstances, further detention pending trial is not warranted. Hence, the following order:

ORDER

i. Bail Application No. 1496 of 2026 is allowed.

ii. The applicant, Vitthal Pandurang Ruchke, shall be released on bail in Crime No.87 of 2025 registered with Beed City Police Station, District Beed, on executing a personal bond of Rs.50,000/- with one or two solvent sureties in the like amount, to the satisfaction of the Trial Court, if his custody is not required in any other case.

iii. The applicant shall attend the Trial Court regularly unless exempted and shall cooperate with further investigation by remaining present before the Investigating Officer whenever called upon by written notice.

iv. He shall not directly or indirectly threaten, induce or influence any depositor or other prosecution witness, tamper with the society's records or obstruct the investigation.

v. He shall furnish his current residential address and mobile number to the Investigating Officer and the Trial Court, intimate

any change, and shall not leave India without prior permission of the Trial Court.

11. The observations in this order are confined to the decision on bail and shall not influence the trial.

12. This order shall not affect any lawful proceedings for tracing, attachment or realisation of assets under the MPID Act.

(HITEN S. VENEGAVKAR, J.)

JPChavan