IN THE HIGH COURT OF JUDICATURE OF BOMBAY
BENCH AT AURANGABAD

928 BAIL APPLICATION NO. 2226 OF 2025

Anil Ambadas Mankape Patil ....Applicant

VERSUS

The State of Maharashtra .....Respondent

Mr. S. S. Tope, Advocate for Applicant.
Smt. R. R. Tandale, APP for the State.

CORAM : SACHIN S. DESHMUKH, J.
DATE : 28th JANUARY, 2026.

PER COURT :

1. Applicant has preferred this application seeking regular bail in connection with Crime No. 261/2023 registered with Vedant Nagar Police Station, Dist. Chhatrapati Sambhajinagar (City), for the offences punishable under Sections 120-B, 34, 406, 409, 420, 467, 468, 471 of Indian Penal Code and Sections 3 and 4 of Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act.

2. Accused No. 1 is the Chairman of Adarsh Nagari Sahakari Pat Sansthan Limited. The Applicant along with co-accused persons, acting with a common intention, prepared fictitious loan files in the names of various borrowers to distribute account credit loans without proper collateral security. In this process, they opened

multiple saving accounts for these fictitious borrowers at the bank and deposited the loan amounts. They then created fraudulent records as an "eye-wash," making it appear the borrowers had withdrawn the funds. The money, however, was actually diverted to other accounts belonging to the present Applicant's relatives. Adopting this *modus operandi*, a huge amount totaling Rs.99,07,90,579/- came to be mis-appropriated.

3. During the preparation of these fraudulent loan files, the accused used back-dated Rs.100/- value bonds to fabricate agreements and commit fraud. The accused sanctioned these loans on a large scale, drawing funds from number of small depositors who had previously invested in the bank. The accused persons have consequently gained personal financial benefits. Furthermore, the accused committed a breach of trust and financial fraud against bank depositors by deliberate failure to return deposited amounts upon demand for payment or after maturity.

4. Until the end of March 2019, loan applications were accepted and processed based on resolutions passed by the Board of Directors, of which the present Applicant was the Director and the co-accused No.1 was the Chairman. The Board of Directors, predominantly

included family members of the Applicant, ignored critical loan distribution criteria and established policies. Over three years of audits, it was discovered that loans were distributed despite incomplete applications and a total lack of physical inspections or verified reports regarding borrowers and their locations. Significantly, these loans were predominantly distributed to the Applicant's family members. In most cases, funds were disbursed without any collateral or security. No efforts were made to recover these amounts, creating an ultimate risk to the depositors' money. Thus, the Chairman, Board of Directors, and staff acted in active connivance, systematically conspiring to divert financial benefits to ineligible borrowers i.e. relatives.

5. To conceal the misappropriation and maintain a false image of financial stability, recoveries were falsified on paper by issuing new loans to defaulting borrowers in subsequent years. This was done in connivance with a Chartered Accountant to obtain an 'A' grade certificate, misleading small investors into depositing more funds with the bank.

6. In the aforesaid backdrop, the learned counsel for the Applicant submits that the entire investigation is complete and the

charge-sheet and supplementary charge-sheet have been filed in connection with both the FIRs. Every decision was rendered by the Chairman of the bank, who was at the helm of affairs. The Applicant has been in jail for more than six months. Since the charge-sheets are filed, there is nothing further to be recovered, inquired, or discovered at the instance of the Applicant. The properties of the Applicant and other co-accused persons have already been notified and attached under the provisions of the MPID Act by the State Authorities. Furthermore, the loss caused to the Society has been determined and fixed against the Applicant under the provisions of the Maharashtra Cooperative Societies Act, 1960. It was also submitted that since other co-accused in the alleged offence were enlarged on bail, the Applicant is also entitled to be released on bail on the grounds of parity.

7. The learned APP submits that various loans were disbursed to nearly 108 borrowers illegally, flouting all established norms. These amounts remain unrecovered, causing significant losses to the Society's investors. These borrower accounts were predominantly managed, controlled, and regulated by the Applicant's family members to secure personal financial gains. The statements of the witnesses on record sufficiently establish the Applicant's complicity

as the Director of the Society, as every resolution was passed during his tenure. Thus, the Applicant has not only committed irregularities but has also created fraudulent records, committing a breach of trust and financial fraud against depositors and members. It is contended that invested funds were systematically misappropriated and transferred into the personal accounts of the family members of the Applicant. This fraudulent diversion of small investors' deposits for personal gain constitutes a clear breach of trust, fulfilling the ingredients of an offence under Section 409 of the Indian Penal Code.

8. The learned APP further submitted that the investigation reveals the Applicant, in connivance with other accused persons, targeted several depositors. The evidence indicates that the Applicant persuaded innocent investors to submit their documents and deposit the amounts with the bank, only to divert those funds through fraudulent loan accounts primarily controlled by the Applicant and his family members. Furthermore, the business establishments for which the loan amounts were disbursed also belong to the family members of the Applicant.

9. It is also submitted that, there are various other cases registered against the accused. Thus, there are criminal antecedents

of the Applicant. The APP further expressed an apprehension that there is a reasonable possibility of Applicant repeating similar offences if enlarged on bail. Taking into account the seriousness of the allegations, the magnitude of the fraud, and the Applicant's prior conduct, it is submitted that the bail application does not warrant favorable consideration, especially given the overwhelming evidence collected by the Investigating Officer.

10. Upon considering the submissions from both sides and perusing the material on record, including the charge-sheet, witness statements, and documentary evidence, it is *prima facie* established that the Applicant along with other accused persons including family members have acted in connivance to hatch a conspiracy to cheat innocent investors by inducing them to part with their hard-earned money and deposit same with the bank.

11. The record *prima facie* indicates that the Applicant had no active involvement in day-to-day affairs of the credit society. Pertinently, the key role and approval of all loan transactions or entries appear to have been carried under the supervision of the co-accused/Chairman. However, the present Applicant is merely a member of the Board of management of the said society and has no

direct nexus with the alleged fraud and every decision was rendered by the Chairman of the bank as he was at the helm of the affairs of the bank.

12. The applicant is arrested on 03.07.2025. The investigation is complete for all intent and purpose, resultantly, the chargesheet is filed. Having regard to the number of the accused and the witnesses which the prosecution proposes to examine, it is very unlikely that the trial can be commenced and concluded within a reasonable period. As such, further incarceration of the Applicant as an under-trial prisoner, in the circumstances of the case does not seem to be either warranted or justifiable. I am, therefore, persuaded to exercise the discretion in favour of the Applicant.

13. Hence, the following order:-

ORDER

(i) Application is allowed.

(ii) Applicant, Anil Ambadas Mankape Patil, be released on bail, on furnishing P.R. bond in the sum of Rs. 50,000/- (Rs. Fifty Thousand) with one or two local solvent sureties, in the like amount, in connection with Crime No. 261/2023 registered with Vedant Nagar Police Station, Dist. Chhatrapati Sambhajinagar (City), for the offences punishable under

Sections 120-B, 34, 406, 409, 420, 467, 468, 471 of Indian Penal Code and Sections 3 and 4 of Maharashtra Protection of Interest of Depositors (in Financial Establishments) Ac, on the following conditions :-

(a) The Applicant shall not pressurize the prosecution witnesses and tamper with the prosecution evidence, in any manner.

(b) The Applicant shall attend the trial on each and every date unless exempted by the Trial Court and shall not leave the area of jurisdiction of the concerned Police Station till conclusion of the trial.

(c) The Applicant shall submit Aadhar and Pan Cards to the Investigating Officer and detailed address and phone numbers of the Applicant and two of the near relatives.

(d) In case of breach of any of the conditions by the Applicant, it is open for the prosecution to move this Court seeking cancellation of bail.

(iii) Needless to state that, nothing stated hereinabove shall be construed as an expression on merits of the case. Learned Trial court shall proceed independently and uninfluenced by the observations made hereinabove.

(SACHIN S. DESHMUKH, J.)

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