



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

ANTICIPATORY BAIL APPLICATION NO. 610 OF 2026

Sachin Vikramrao Ghayal

VERSUS

The State Of Maharashtra And Another

WITH

CRIMINAL APPLICATION NO. 1481 OF 2026

IN

ANTICIPATORY BAIL APPLICATION NO. 610 OF 2026

Deepak Devidas More

VERSUS

Sachin Vikramrao Ghayal And Another

-
- **Mr. N. B. Khandare, Senior Counsel, i/by Mr. D. J. Choudhary, Advocate for Applicant**
 - **Mr. A. B. Girase, Public Prosecutor for Respondents - State**
 - **Mr. D. R. Kale, Advocate for Assisting the Prosecution**
-

CORAM : MEHROZ K. PATHAN, J.

RESERVED ON : 30.04.2026

PRONOUNCED ON : 08.05.2026

ORDER :

1. Heard learned senior counsel for the applicant and the learned APP for the respondent-State as well as learned assisting counsel for the prosecution.
2. The applicant has approached this Court apprehending arrest in connection with FIR No.63 of 2026, dated 26.02.2026, registered with M.I.D.C. Police Station, Paithan, District – Chh. Sambhajinagar, for the offences punishable under Sections 238, 3(5), 316(2), 318(4), 336(2), 336(3), 338, 340(2) of the BNS, 2023.

CASE OF THE PROSECUTION :-

3. The case of the prosecution is that the informant Suresh Panditrao Kakade, who was working as District Special Auditor, Class-I, Co-operative Societies, Chhatrapati Sambhajinagar, was appointed by the Regional Joint Director (Sugar) to conduct a test audit of Shree Sant Eknath Sahakari Sakhar Karkhana Limited under Section 81(3)(c) of the Maharashtra Co-operative Societies Act, 1960. During the course of audit, despite repeated notices and even after initiating action under Section 80(1) of the said Act, the concerned factory management failed to produce requisite records and documents. The informant, therefore, collected available information from banks, financial institutions and concerned persons and completed the audit, submitting his report dated 31.12.2025.

4. On the basis of the material collected, it was revealed that the present applicant Sachin Vikramrao Ghayal, on behalf of Sachin Ghayal Sugar Private Limited, had obtained a loan of ₹30 crores from Buldhana Urban Co-operative Credit Society Limited by mortgaging the properties of the said sugar factory, for the stated purpose of repayment of dues of Maharashtra State Co-operative Bank Limited under one-time settlement scheme and for modernization and expansion of the sugar factory. Though a substantial amount of about ₹13.17 crores was directly transferred towards repayment of dues of

the said bank, the remaining loan amount was credited into the account of SGSPL and thereafter transferred to various accounts.

5. The audit further disclosed that there was no supporting material to show that the remaining loan amount was utilized for modernization or expansion of the sugar factory. No estimate, vouchers, tenders, work orders, or statutory approvals from competent committees were produced despite repeated demands. The bank statements indicated diversion of funds to several unrelated entities and accounts, without any clear nexus to the stated purpose of the loan. It was also found that requisite permissions from competent authorities and committees, as mandated by Government Resolutions governing capital expenditure of cooperative sugar factories, were not obtained.

6. Thus, prima facie it was revealed that by creating false and misleading documents and by suppressing material facts, the applicant and other concerned persons obtained the loan by mortgaging the property of the sugar factory and dishonestly diverted and misappropriated an amount of approximately ₹16,00,62,000/-, thereby committing breach of trust and cheating the sugar factory, its members and the lender institution, hence the FIR came to be lodged.

SUBMISSIONS OF THE LEARNED SENIOR COUNSEL FOR THE
APPLICANT :-

7. Learned Senior Counsel Mr. Khandare submits that, with the prior approval of the Government and the Commissioner of Sugar, Maharashtra State, Shree Sant Eknath Sahakari Sakhar Karkhana Limited (hereinafter referred to as “the Sugar Factory” for brevity) and Sachin Ghayal Sugar Private Limited (hereinafter referred to as “M/s. SGSPL” for brevity) entered into a collaboration (Lease) Agreement dated 03.08.2015, which forms the foundation of the present case. It is submitted that the Sugar Factory had availed a loan from Maharashtra State Co-operative Bank Limited in the year 2004, which had become a Non-Performing Asset (NPA) for a considerable period, and proceedings under the SARFAESI Act had already been initiated by the said bank. In the Annual General Meeting dated 30.03.2021, the Sugar Factory passed a resolution requesting M/s. SGSPL to raise a loan of ₹30,00,00,000/- (Rupees Thirty Crores) for the purpose of liquidating the outstanding dues of the Sugar Factory under a One Time Settlement (OTS) scheme and to utilize the remaining amount for modernization of the factory. The Commissioner of Sugar, Maharashtra State, granted permission in terms of the agreement dated 03.08.2015 for availing such loan.

8. Pursuant thereto, a loan of ₹30 Crores was sanctioned by Buldhana Urban Co-operative Credit Society Limited (hereinafter referred to as "BUCCSL" for brevity), which was disbursed partly on 25.08.2021 and partly between 30.08.2021 to 06.09.2021. Out of the said sanctioned amount, a sum of ₹13,17,30,000/- was directly remitted towards repayment of the dues of MSC Bank under the OTS scheme. The balance amount of ₹15,94,48,110/- was thereafter credited in the account of M/s. SGSPL.

9. Learned Senior Counsel Mr. Khandare submits that the One Time Settlement (OTS) of the dues of Maharashtra State Co-operative Bank Limited, as undertaken through Sachin Ghayal Sugar Private Limited, resulted in a loan waiver of ₹5,47,86,000/- to the Sugar Factory. It is submitted that the said settlement was negotiated by the applicant, who is the proprietor of SGSPL, and that such settlement has not only benefited the Sugar Factory but also its shareholders. It is further submitted that SGSPL was entitled, under the terms of the collaboration agreement dated 03.08.2015, to raise finance by mortgaging the properties of the Sugar Factory as well as its own properties. In this regard, reliance is placed on Clauses 'u', 'v' and 'w' of the said agreement to contend that such mortgaging of assets for availing loans was contractually permissible.

10. Learned Senior Counsel further submits that the Sugar Factory is more than four decades old and, at the relevant time, had a crushing capacity of only 1250 TCD (tons per day), with machinery that had become fully depreciated and technologically obsolete over the years. After detailed deliberations with the technical team, engineers and expert consultants, a comprehensive modernization plan and estimates were prepared. The modernization work was carried out in phases during the period from April, 2021 to March, 2023, involving installation of new machinery as well as modification of existing systems. As a result, the crushing capacity of the Sugar Factory has increased from 1250 TCD to approximately 2400 TCD, thereby nearly doubling its earlier capacity.

11. It is further submitted that the expenditure incurred towards modernization by SGSPL, after availing the loan of ₹30,00,00,000/- from Buldhana Urban Co-operative Credit Society Limited, is summarized as under:-

Particulars	Amount (₹)
Total Expenditure on Modernization (GST Bills)	17,40,62,937
Total Non-GST Expenditure	5,06,23,260
Total Expenditure on Modernization	22,46,86,197
Loan Amount Available for Modernization	15,94,00,000
Excess Expenditure Claimed	6,52,86,197

12. Learned Senior Counsel further submits that copies of more than 2200 GST invoices issued by various suppliers have already been furnished to the Investigating Officer to substantiate the expenditure claimed to have been incurred by Sachin Ghayal Sugar Private Limited. It is submitted that, along with the said invoices, bank statements evidencing payments made to each of the suppliers through banking channels have also been produced. Further, the Store Register, inward receipts and records reflecting utilization of the material have been handed over to the Investigating Officer by the employees of the collaborated unit.

13. Learned Senior Counsel further submits that, on 30.09.2025, the Regional Joint Director (Sugar), Chhatrapati Sambhajnagar, in his capacity as Registrar of the Co-operative Sugar Factory, directed a Test Audit under Section 81(3)(c) of the Maharashtra Co-operative Societies Act, 1960, and appointed Suresh Panditrao Kakade as Second Special Auditor to conduct the said audit of the Sugar Factory. It is submitted that the appointment order dated 30.09.2025 itself indicates that the said audit was initiated under the alleged pressure of Member of Parliament Sandipan Bhumre and local MLA Vilas Bhumre, thereby suggesting that the Test Audit was politically motivated.

14. It is further submitted that a perusal of the order dated 30.09.2025 would show that the Test Audit was directed in respect of the Sugar Factory and not of SGSPL. It is contended that, thereafter, on 05.12.2025, the Registrar authorized the said auditor under Section 80(1) of the Maharashtra Co-operative Societies Act, 1960 to seize the records of Shree Sant Eknath Sahakari Sakhar Karkhana Limited. According to the applicant, neither the Registrar nor the Sugar Factory informed SGSPL about the said action. It is further alleged that the auditor did not grant any opportunity of hearing to the applicant and ignored or suppressed various communications addressed by the applicant. It is submitted that the applicant had raised several complaints alleging that the auditor was acting under political pressure; however, no cognizance was taken by the State authorities. The applicant was, therefore, constrained to file Writ Petition No.15517 of 2025 challenging the appointment of the auditor. It is further submitted that the auditor hurriedly submitted the Test Audit Report dated 31.12.2025 to the Registrar, which ultimately formed the basis for registration of the present offence.

15. It is further submitted that the FIR itself, at several places, records that relevant documents and details were not available to the auditor, and yet conclusions of misappropriation have been drawn. According to the applicant, an audit conducted without complete

records cannot form the basis for alleging offences such as cheating or forgery. It is contended that the auditor has not provided cogent reasons for arriving at the conclusion that there was a fraud of approximately ₹16 crores merely on account of non-availability of records. The learned Senior Counsel submits that non-availability of documents, by itself, cannot constitute the ingredients of the alleged offences.

16. Learned Senior Counsel has also questioned the locus of the auditor to initiate the present proceedings. It is submitted that even assuming that the auditor has some locus on account of the property of Shree Sant Eknath Sahakari Sakhar Karkhana Limited being mortgaged, it is pertinent to note that the said property was already mortgaged to Maharashtra State Co-operative Bank Limited in respect of its earlier loan. It is submitted that the present transaction merely involves substitution of the lender, inasmuch as the earlier loan was taken over by Buldhana Urban Co-operative Credit Society Limited. It is further submitted that, for raising additional funds for modernization, properties owned by SGSPL were also mortgaged. Significantly, according to the learned Senior Counsel, the lending institution i.e. Buldhana Urban Co-operative Credit Society Limited has not lodged any complaint against SGSPL, which, according to the applicant, weakens the prosecution case.

17. Learned Senior Counsel further submits that there is a serious procedural irregularity inasmuch as the Test Audit Report prepared by Suresh Panditrao Kakade has not been furnished either to the Sugar Factory or to SGSPL. It is contended that, as per Section 81(5B) of the Maharashtra Co-operative Societies Act, 1960, it is mandatory for the auditor to submit the audit report within one month of its completion to the concerned society and the Registrar. However, in the present case, the audit report has not been supplied to the concerned parties even till date. It is further submitted that the FIR has been lodged without furnishing a copy of the audit report to the applicant and without considering objections regarding jurisdiction, thereby violating the principles of natural justice. According to the learned Senior Counsel, both the company and the Sugar Factory came to know about the contents of the audit report only after registration of the FIR. It is, therefore, submitted that the failure to supply the audit report, despite a statutory obligation, and the initiation of criminal proceedings without affording an opportunity to the affected parties, vitiates the entire process and reflects non-compliance with mandatory procedural requirements as well as principles of natural justice.

18. Learned Senior Counsel further submits that the boiler inspection reports prepared by the Joint Director of Steam Boilers,

Maharashtra State, Ahmednagar, clearly indicate that modification and installation work was carried out by Sachin Ghayal Sugar Private Limited for modernization of Shree Sant Eknath Sahakari Sakhar Karkhana Limited. It is submitted that various communications issued by the said authority from time to time demonstrate that newly installed machinery and modifications undertaken at the Sugar Factory were periodically inspected, thereby substantiating that modernization activities were in fact executed.

19. It is further submitted that several documents, including invoices issued by Aditya Enterprises, substantiate the modernization of the milling section of the Sugar Factory, reflecting expenditure of ₹1,49,97,429/-. Likewise, documents issued by Crystal Engineers indicate supply, erection and commissioning of equipment such as evaporator bodies and vacuum pans during the period after availing the loan in the year 2021 till the registration of the FIR, justifying expenditure of ₹1,08,92,215/-. Payments made to Aditya Enterprises, Crystal Engineers and Venus Fab Engineering are stated to be duly reflected in GST returns filed by the respective entities and are verifiable.

20. It is also submitted that professional agencies such as Pro-Tech Consultancy Services were engaged for preparation and execution of a comprehensive modernization plan, which was implemented under

their supervision during the period from April, 2021 to March, 2023. Learned Senior Counsel submits that several other documents of similar nature are available with the applicant, which would substantiate that substantial expenditure has been incurred towards modernization of the Sugar Factory and, therefore, the allegations levelled in the FIR are misconceived.

21. Learned senior counsel further submitted that utilization of the loan amount, after payment of Rs. 13 crores approximately, which was directly transferred to the MSC Bank can be summarized as under :-

- It is submitted that an estimate and budget report for managerial decision-making for modernization of the Sugar Factory was prepared on 05.04.2021 by Pro-Tech Consultancy Services, which formed the foundation and basis for undertaking the entire modernization project.
- It is submitted that thereafter, on 06.08.2021 and 07.08.2021, necessary information regarding purchase of required materials was systematically collected from various departments of Shree Sant Eknath Sahakari Sakhar Karkhana Limited as well as Sachin Ghayal Sugar Private Limited, in order to assess and finalize procurement requirements.
- It is further submitted that quotations were invited from

different traders and suppliers and, upon due evaluation and comparison, purchase orders were placed for procurement of machinery and materials essential for modernization of the Sugar Factory.

- It is submitted that payments towards such purchases were effected strictly through banking channels and corresponding tax invoices were duly generated, thereby maintaining financial transparency and statutory compliance.
- It is submitted that, on 15.04.2021, a transaction was initiated with Aurangabad Paper Mills Ltd. for purchase of land for a total consideration of ₹6 crores, intended for establishing modernization facilities such as a workshop, foundry, new Effluent Treatment Plant (ETP), new storage buildings and a dedicated bullock cart yard.
- It is further submitted that although the said offer was accepted by Aurangabad Paper Mills Ltd., the transaction could not ultimately materialize due to operational considerations.
- It is submitted that an advance amount of ₹1,00,00,000/- paid towards the said transaction was refunded by Aurangabad Paper Mills Ltd. through RTGS on 01.09.2022 and, therefore, the said amount cannot be treated as misappropriated in any manner.

- It is further submitted that the said amount of ₹1 crore is duly accounted for and forms part of the financial records, and any observation to the contrary is erroneous and misleading.
- It is further submitted that all such transactions are transparent, duly supported by GST payments made to the Government, and the entire data is verifiable on the official GST portal.
- It is further submitted that, in addition to the said ₹16 crores, an extra amount of approximately ₹6 crores has been incurred towards modernization work, thereby bringing the total expenditure to approximately ₹22 crores.
- It is further submitted that, as per Schedule-D of the registered mortgage deed dated 25.08.2021, the property of Sachin Ghayal Sugar Private Limited has also been mortgaged, thereby clearly demonstrating the bona fide intention, financial commitment and involvement of the applicant in execution of the modernization project.

22. It is further submitted by the learned Senior Counsel that the applicant is ready and willing to abide by any conditions that may be imposed by this Hon'ble Court while granting anticipatory bail. The applicant undertakes to fully cooperate with the investigation, to remain present as and when required by the Investigating Officer,

and not to tamper with the prosecution evidence or influence witnesses in any manner. It is thus submitted that, considering the facts and circumstances of the case, the applicant deserves protection from arrest by way of anticipatory bail.

SUBMISSIONS OF LEARNED PUBLIC PROSECUTOR AND ASSISTING COUNSEL :-

23. Learned Public Prosecutor as well as learned assisting counsel, on the other hand, strongly opposes the present anticipatory bail application. It is submitted that the record clearly indicates that an amount of ₹30,00,00,000/- (Rupees Thirty Crores) was sanctioned and transferred by Buldhana Urban Co-operative Credit Society Limited to the HDFC Bank account of Sachin Ghayal Sugar Private Limited (SGSPL). After repayment of the dues of Maharashtra State Co-operative Bank Limited (MSC Bank) under the One Time Settlement (OTS) scheme, an amount of approximately ₹15.94 crores remained and was transferred to the HDFC Bank account of SGSPL at Paithan branch for the stated purpose of modernization, expansion, and modification of Shree Sant Eknath Sahakari Sakhar Karkhana Limited.

24. It is further submitted that, out of the said amount of ₹15.94 crores, substantial sums were transferred to various bank accounts in

the name of the applicant, Sachin Ghayal. An amount of ₹2,49,70,791/- was transferred to his account maintained with Buldhana Urban Co-operative Bank, Paithan Branch. Similarly, an amount of ₹2,71,50,000/- was transferred to his account in Bandhan Bank, Paithan Branch. Further, an amount of ₹4,32,10,476/- was transferred to his account maintained with Vyankatesh Bank, Paithan Branch, and ₹3,30,50,000/- was transferred to his account in Chhatrapati Shahu Bank, Paithan Branch. Thus, the total amount transferred across these accounts aggregates to ₹12,66,81,267/-.

25. The learned Government Pleader submits that the transactions in the Buldhana Urban Co-operative Bank account further reveal that an amount of ₹33,66,990/- was transferred to approximately 70 private individuals. Additionally, an amount of ₹1,87,39,307/- was withdrawn purportedly for cane bills, ₹11,33,878/- was transferred to private persons, and ₹12,49,000/- was withdrawn in cash for self-use. The remaining balance in the said account was only ₹79,661/-. It is thus contended that these transactions do not reflect any utilization of funds for purchase of machinery or for modernization and expansion of the sugar factory.

26. It is further submitted that a similar pattern is observed in other bank accounts, including those maintained with Chhatrapati Shahu Bank and Bandhan Bank, wherein large amounts transferred

from the HDFC account of SGSPL were not utilized for the intended purpose of modernization. According to the prosecution, there are no corresponding transactions indicating purchase of machinery, capital investment, or infrastructural development. Instead, the entries suggest that amounts were utilized for payments to transporters, harvesters, and other miscellaneous purposes, which are not directly connected to modernization or expansion activities.

27. The learned Government Pleader further relies upon statements recorded by the Investigating Officer during the course of investigation. It is submitted that several individuals, including present and former employees of Shree Sant Eknath Sahakari Sakhar Karkhana Limited, have categorically stated that not a single piece of machinery was purchased by SGSPL for the purpose of expansion or modernization of the sugar factory. According to the prosecution, these statements clearly demonstrate the intention of the applicant to cheat.

28. It is further contended that the entire loan amount has been diverted for purposes other than those for which it was sanctioned. Instead of utilizing the funds for modernization of the sugar factory, the applicant allegedly used the amount to discharge liabilities of his own company, SGSPL, and for other personal and unrelated transactions. The prosecution asserts that the funds were either

transferred to personal accounts or to accounts of third parties, and not for the intended industrial purpose.

29. The learned Government Pleader further submits that, in response to queries made by the Economic Offences Wing, Aurangabad Paper Mills Limited (now known as Paithan Paper Mills Limited) informed that it had sold land admeasuring 9.87 hectares situated at Village Isarwadi, Taluka Paithan, to Ethanol King Private Limited, represented by its Director, Abhiruchi Sachin Ghayal. It is submitted that, apart from this transaction, Aurangabad Paper Mills Limited had no other dealings with the present applicant or his entities.

30. It is further submitted that the said land forms part of Gat No. 63/2 and Gat No. 318 situated at Village Isarwadi and Wahegaon, Taluka Paithan. The sale deeds in respect of the said land were executed on 02.09.2022 in the name of Ethanol King Private Limited, represented by its Director, Abhiruchi Sachin Ghayal, who is the wife of the present applicant, and not in the name of Shree Sant Eknath Sahakari Sakhar Karkhana Limited. According to the prosecution, this clearly establishes that the loan amount, which was sanctioned for modernization and expansion of the sugar factory, was instead utilized for purchasing property in the personal name of the applicant's family member.

31. The learned Government Pleader submits that this conduct clearly demonstrates dishonest intention, thereby constituting offences of cheating, forgery, and criminal breach of trust. It is argued that the applicant deliberately diverted the loan amount and created a façade of modernization by manipulating records and fabricating documents.

32. It is further submitted that crucial data and material evidence are yet to be collected and that the same can only be effectively secured through custodial interrogation of the applicant. According to the prosecution, the nature of the offence is complex and involves financial transactions across multiple accounts, requiring thorough investigation from all angles.

33. The learned Government Pleader emphasizes that the present case is a serious economic offence. It is submitted that the applicant, being a Chartered Accountant by profession, possesses specialized knowledge of financial systems and accounting practices, and has allegedly misused such knowledge to manipulate records and conceal the true nature of transactions.

34. Learned GP further submits that custodial interrogation of the applicant is necessary to trace the flow of funds, to verify the authenticity of documents produced subsequently and to ascertain the role of other accused persons. It is submitted that the applicant is

an influential person and there is every possibility of tampering with evidence or influencing witnesses if protection is granted.

35. Learned assisting counsel further submits that, taking into consideration the alleged non-payment of regular instalments and dues to Buldhana Urban Co-operative Credit Society Limited (BUCCSL) in respect of the loan availed by Sachin Ghayal Sugar Private Limited (SGSPL) for repayment of the dues of Maharashtra State Co-operative Bank (MSC Bank) and for modernization of the Sugar Factory, BUCCSL, which had sanctioned a loan of ₹30,00,00,000/-, has issued a recovery notice to the borrowers, namely SGSPL and the co-borrower Shree Sant Eknath Sahakari Sakhar Karkhana Ltd., under Section 84 of the Maharashtra Co-operative Societies Act, 1960. A perusal of the said notice indicates that an amount of ₹42,45,38,045/-, together with applicable interest, is shown as outstanding and recoverable. It is contended that the said amount represents the total dues in the loan account, which are payable jointly and severally by SGSPL and the co-borrower Sugar Factory.

36. Lastly, it is submitted that, if the applicant is granted anticipatory bail, there is a strong likelihood that he may tamper with prosecution evidence and influence or threaten witnesses. Therefore, considering the gravity of the offence, the nature of allegations, and

the requirement of custodial interrogation, the present application is devoid of merit and deserves to be rejected.

REASONING :-

37. I have carefully gone through the investigation papers made available by the learned Public Prosecutor. The applicant, who is a Chartered Accountant, had entered into a collaboration agreement with Shree Sant Eknath Sahakari Sakhar Karkhana Limited with prior permission of the Commissioner of Sugar. Under the said agreement, the applicant, being the Managing Director of Sachin Ghayal Sugar Private Limited (SGSPL), was entitled to manage the business of the sugar factory in accordance with law and subject to applicable rules and regulations. At the same time, he was under a corresponding obligation to act in a lawful manner and to safeguard the interests of the sugar factory, including ensuring that the factory is indemnified against any loss arising out of mismanagement or breach of contractual obligations.

38. The applicant, being in charge of the management and operations of the sugar factory through SGSPL, was also under a duty to ensure proper utilization of the loan amount obtained for the purposes of repayment of dues and modernization. However, the contention of the applicant that an amount of ₹15.94 crores and

more has been expended towards modernization of the sugar factory during the period from April 2021 to March 2023 appears to be belied by the account statements placed on record in the case diary, reference to which has been made in the submissions of the learned Public Prosecutor.

39. Though the applicant has relied upon various documents to demonstrate that efforts were undertaken for modernization and expansion of the sugar factory, it is significant that the applicant failed to produce the relevant records before the auditor appointed under the provisions of the Maharashtra Co-operative Societies Act, 1960. The FIR itself indicates that when the informant-auditor visited the factory premises, only one individual was present, who was unable to furnish the necessary documents required for conducting the test audit. Such non-cooperation on the part of the applicant prima facie suggests his involvement and raises serious doubts regarding the genuineness of the claimed expenditure. The Test Audit Report under Section 81(3)(c) of the Maharashtra Co-operative Societies Act, 1960, was therefore submitted on 31.12.2025 by the appointed auditor as per the available record, which itself was suggestive of several fraudulent transactions, which was not having any justification.

40. The misappropriation is further corroborated by the notice issued by Buldhana Urban Co-operative Credit Society Limited to SGSPL and the co-borrower Sugar Factory for recovery of outstanding dues amounting to approximately ₹42 crores, which remain unpaid. In the absence of cooperation from the applicant, the auditor completed the audit on the basis of available material and, upon obtaining permission from the competent authority, proceeded to lodge the FIR against the concerned persons for alleged cheating and misappropriation of funds obtained for modernization of the sugar factory.

41. Further, the statements of various persons recorded during the course of investigation, including employees and former employees of the sugar factory and SGSPL, prima facie indicate that the loan amount disbursed by Buldhana Urban Co-operative Credit Society Limited and credited to the HDFC Bank account of SGSPL was subsequently transferred to multiple Bank Accounts. However, there are no corresponding entries indicating purchase of machinery or expenditure towards modernization of the sugar factory.

42. The bank statement of SGSPL maintained with HDFC Bank further reveals that an amount of ₹1,00,00,000/- was transferred on 07.09.2021 to Aurangabad Paper Mills Limited, Paithan. Although the said amount was subsequently refunded to SGSPL on 01.09.2022 into

its ICICI Bank account, the surrounding circumstances merit consideration.

43. It is noteworthy that, prior to this transaction, SGSPL had addressed a communication dated 15.04.2021 to Aurangabad Paper Mills Limited expressing its intention to purchase land admeasuring Gat No. 318 at Wahegaon and Gat No. 63/2 at Isarwadi, Taluka Paithan, for a total consideration of ₹6.5 crores. The proposed acquisition was for the purpose of establishing facilities such as a modernized workshop, foundry, effluent treatment plant (ETP), stores building, and other infrastructure required for the sugar factory, which SGSPL was operating under the collaboration agreement.

44. Although the advance amount of ₹1 crore was admittedly refunded on 01.09.2022, the communication dated 09.03.2026 issued by Paithan Paper Mills Limited (formerly Aurangabad Paper Mills Limited) reveals that the very same properties were subsequently sold not in the name of SGSPL or the sugar factory, but in the name of the Ethanol King Private Limited represented by applicant's wife, Abhiruchi Sachin Ghayal. The sale deeds bearing Registration Nos. 5200 of 2022 and 5201 of 2022, both dated 02.09.2022, pertain to the said properties.

45. The proximity of dates, namely refund of ₹1 crore on 01.09.2022 and execution of sale deeds on 02.09.2022 in favour of the applicant's wife, gives rise to a prima facie inference that the transaction was structured in a manner suggestive of diversion of funds for personal benefit. Thus, instead of utilizing the loan amount for modernization and expansion of the sugar factory, the material on record indicates that the funds were prima facie diverted for personal gains. The acquisition of property in the name of a private entity, namely Ethanol King Private Limited, represented by the applicant's wife, is a relevant circumstance pointing towards such intent.

46. The record further discloses that there are multiple criminal cases registered against the present applicant. It is noted that at least ten cases are pending, out of which two cases, namely FIR No. 64 of 2017 and FIR No. 277 of 2025 registered at Gondhi Police Station, pertain to offences of cheating. The remaining cases are primarily private complaints under the Negotiable Instruments Act relating to dishonour of cheques. Additionally, one offence registered in the year 2025, being FIR No. 233 of 2025, pertains to voluntarily causing grievous hurt.

47. Thus, taking into consideration the nature of allegations, the material collected during the course of investigation, and in particular the documentary evidence indicating that the property

intended for the sugar factory was ultimately purchased in the name of the applicant's wife through a private entity, it appears that a thorough investigation is necessary, when there are serious allegations of aggravated form of cheating, forgery of valuable security with an intention to cheat. Such investigation, in the opinion of this Court, cannot be effectively carried out without custodial interrogation of the applicant.

48. The offence alleged is complex in nature, involving financial transactions across multiple accounts and entities. There is also a reasonable apprehension that, if released on anticipatory bail, the applicant may tamper with evidence or influence witnesses, thereby impeding the course of investigation. In these circumstances, this Court is of the opinion that this is not a fit case for grant of anticipatory bail.

49. The Hon'ble Supreme Court in *Y.S. Jagan Mohan Reddy v. Central Bureau of Investigation*, (2013) 7 SCC 439, and in *Tarun Kumar v. Assistant Director, Directorate of Enforcement*, 2023 SCC OnLine SC 1006, has held that economic offences constitute a class apart and are required to be dealt with a different approach in matters of bail. Such offences, involving deep-rooted conspiracies and substantial loss of public funds, are to be viewed seriously as they affect the economic fabric of the country.

50. This Court has also considered the settled legal position laid down by the Hon'ble Supreme Court in *Nimmagadda Prasad v. CBI*, (2013) 7 SCC 466, while dealing with cases involving economic offences. The principles laid down therein are relevant while adjudicating the present application. In paragraph 23 of the said judgment, the Hon'ble Supreme Court has observed as under:

"23. Unfortunately, in the last few years, the country has been seeing an alarming rise in white-collar crimes, which has affected the fibre of the country's economic structure. Incontrovertibly, economic offences have serious repercussions on the development of the country as a whole. In State of Gujarat v. Mohanlal Jitamalji Porwal [(1987) 2 SCC 364 : 1987 SCC (Cri) 364] this Court, while considering a request of the prosecution for adducing additional evidence, inter alia, observed as under:

"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."

51. In view of the aforesaid discussion, considering the nature and gravity of the allegations, the material collected during the course of investigation, and the necessity of custodial interrogation of the applicant and identical criminal offences under Section 420 of IPC for cheating registered against the applicant, this Court is not inclined to

grant anticipatory bail. The application, therefore, deserves to be rejected. Hence, the following order:-

ORDER

A) Anticipatory Bail Application No. 610 of 2026 stands
REJECTED.

B) Criminal Application No. 1481 of 2026 stands disposed of
accordingly.

(MEHROZ K. PATHAN)
JUDGE