



CGHC010241642026



2026:CGHC:28026

NAFR

HIGH COURT OF CHHATTISGARH AT BILASPUR

MCRCA No. 964 of 2026

Reserved on : 02.07.2026

Delivered on : 07.07.2026

1 - Shiv Kumar Chandrakar S/o Pusau Ram Chandrakar Aged About 66 Years Resident Of Village Bade Purda, Police Station Dhamdha, District Durg (Chhattisgarh)

2 - Jai Prakash Chandrakar S/o Late Guharam Chandrakar Aged About 58 Years R/o Village Borwai, Post Jamgaon R, Tehsil Patan, District Durg (Chhattisgarh)

3 - Chumman Lal S/o Genduram Sahu Aged About 62 Years R/o Bhothli, Post Basin, District Balod (Chhattisgarh)

4 - Pramod Gandhi S/o Laxminarayan Gandhi Aged About 50 Years R/o Village Mohbhata, District Bemetara (Chhattisgarh)

5 - Smt. Jayshree Deshmukh W/o Cheman Kumar Deshmukh Aged About 49 Years R/o Suregaon, Tehsil Doundi Lohara, District Balod (Chhattisgarh)

... Applicant (s)

versus

State of Chhattisgarh Through The Station House Officer, Police Station City Kotwali District Durg C.G.

... Respondent

and

MCRCA No. 997 of 2026

1 - Vyas Narayan Dewangan S/o Late Kaliram Aged About 62 Years R/o Village And Post- Patan District- Durg Chhattisgarh.

2 - Neelchand Divya S/o Umendra Divya Aged About 60 Years R/o Village- Bhogsara, Tehsil Nawagarh, District- Bemetara Chhattisgarh.

3 - Gorelal Chandrakar S/o Dheluu Ram Chandrakar Aged About 63 Years R/o Gopalpur, Post And P. S. Khamhariya, District- Bemetara Chhattisgarh.

4 - Ramakant Diwedi S/o Abhayram Diwedi Aged About 67 Years R/o Shivpara Durg, District- Durg, Chhattisgarh.

5 - Chandrika Prasad Deshmukh S/o Domar Singh Deshmukh Aged About 69 Years R/o Marar Para Balod, District Balod Chhattisgarh.

versus

State of Chhattisgarh Through The District Magistrate District- Durg Chhattisgarh.

... Respondent(s)

For Applicants : Mr. Raja Sharma & Mr. Amiya Bhushan, Advocates.

For State : Mr. Rishiraj Pithwa, Dy. Govt. Advocate with Mr. Suresh Tandon, Panel Lawyer.

Hon'ble Shri Justice Narendra Kumar Vyas

CAV ORDER

1. Since both the bail applications have arisen out of same crime number, they are heard analogously and are being disposed of by this common order.
2. These are the first bail applications filed by the applicants filed under Section 482 of the Bhartiya Nagarik Suraksha Sanhita, 2023 for grant of anticipatory bail, who have apprehension of being arrested in connection with Crime No. 213/2021 registered at Police Station- City Kotwali Durg, District- Durg (C.G.) for the offence punishable under Sections 409, 420, 467, 468, 471, 34 of IPC.
3. The case of the prosecution, in brief, is that the applicants were Directors of the Jila Sahakari Kendriya Bank Maryadit Durg (for short "the Bank") and Mr. Pritpal Belchandan was Chairman of the Bank. It is also case of the prosecution that the Board of Directors (BoD), from 08.04.2014 to 12.05.2020 has embezzled Rs. 1313.50 lakh in the name of construction of godown and from 05.08.2016 to 12.06.2019, they granted benefit to some particular persons in 186 cases in One Time Settlement (OTS) scheme granting them waiver of Rs. 175.61 lakh causing huge financial loss to the Bank thereby the applicants and members of Board of Directors of the Bank embezzled total Rs. 1489.11 Lakh. The Board of Directors by violating rules and procedures

has caused loss to the Bank.

4. It is also case of the prosecution that with regard to alleged financial irregularity, complaint was made by Raviprakash Tamrakar, Bank representative, (Vrahattakar Seva Sahkari Samiti Maryadit, Nankatthi, Distt. Durg) to the Registrar, Cooperative Societies, State of Chhattisgarh, thereafter as per order dated 27.10.2020 of Collector/Authorized Officer, Jila Sahkari Kentriya Bank Maryadit, Durg, the matter was enquired by a team of three officials including the Upper Collector, Durg. Aforesaid enquiry team gave its enquiry report dated 03.02.2021 and on the basis of that enquiry report, on being directed by the Collector, Durg, written complaint was made against the Chairman and present applicants, who were Members of the Board of Directors of the Bank. Based on that written complaint, the offence under Sections 409, 420, 467, 468, 471 and 34 of the IPC has been registered against the applicants.
5. Learned counsel for the applicants would submit that the applicants are innocent and have been falsely implicated in the crime in question. He would submit that the applicants were not made accused in the original charge-sheet but they have been added in the supplementary charge-sheet and from bare perusal of the record of the case, it is quite vivid that before registration of crime on 03.02.2021, no opportunity of hearing was given to them which is violation of Section 58(B) of the Chhattisgarh Co-operative Societies Act which provides procedure for making good losses caused to a society as proviso to Section provides that no order under this Section shall be made unless the person concerned is given a reasonable opportunity of hearing. Thus, registration of crime is *void ab initio* which entitles them to get

anticipatory bail by this Court.

6. He would further submit that an internal enquiry committee was constituted regarding the alleged crime in District Cooperative Central Bank Limited and the Chief Executive Officer, Jila Sahakari Kendriya Bank Maryadit, Durg issued a point wise clarification which clearly reflects that no financial irregularities have been committed in the alleged crime in question nor the bank has suffered any financial loss, thus, inclusion of the applicantd in the supplement charge-sheet is *per se* illegal and would pray for grant of anticipatory bail. He would further submit that so far as allegation of financial loss in construction of a godown is concerned, it is quite vivid that from the record that the alleged liability has been fasten upon them by treating them as Directors during the relevant period whereas the applicants were elected sd Directors in June 2016 and the decision was taken for construction of godown by the elected Loan Sub-Committee and was approved by Annual General Meeting held on 29.11.2014.
7. He would further submit that the decisions regarding construction of godowns as well as grant of One Time Settlement (OTS) benefits were taken collectively by the Board of Directors in duly convened meetings and strictly in accordance with the applicable rules, guidelines and circulars issued by the Reserve Bank of India and Cooperative Department. The applicants, being only the Directors, had no individual role in execution of works or sanction of individual OTS cases. He would further submit that the enquiry conducted is administrative in nature and the enquiry report itself does not attribute any specific overt act or dishonest intention to the applicants and there is no material to suggest that the applicants derived any personal benefit from the

alleged transactions.

8. He would further submit that no incriminating material has been found by the investigating agency against the Directors and the applicants, therefore, no charge-sheet has been filed against them. He would further submit that acts done by the Bank through collective decisions of its Board of Directors, the individual Directors cannot be impleaded or held to be liable, much less for any alleged criminality, in absence of specific allegations or overt act attributable to them. He would further submit that the applicants, as Directors, acted bonafidely and in the best interest of the Bank, strictly in accordance with the directions of the Reserve Bank of India, and with the objective of safeguarding and uplifting the farmers of the region by constructing godowns for safe storage of agricultural produce.
9. It is also submitted that in view of law laid down by Hon'ble the Supreme Court in the case of **Naman Singh Vs. State of UP [(2019) 2 SCC 344]** no FIR can be registered on the direction of the Collector. It is submitted that the whole case against the applicants is based on documentary evidence and all the documents have already been seized from the Bank, therefore further custodial interrogation of applicants is not required in the present case. He would further submit that registration of FIR is the effect of malice in law and fact. The applicants have clean antecedents and have never been involved in any criminal case previously and an ex-parte report of the enquiry team has been used to implicate the applicants, leaving other members of Board of Directors. He would further submit that the decision taken by the Board of Directors of giving financial assistance and loans to the affiliated societies of the bank and for construction of godowns and

waiver of loan of farmers which were actually only on interest part and not on principal amount, have been taken as per bye-laws of the Bank. In the meeting of Board of Directors, the Joint Registrar/ concerned officer of Co-operative Societies was also present while taking decision by the Board of Directors. The applicants have neither been benefited by any grant of waiver nor embezzled any amount. He would further submit that initiation of proceedings against the applicants is politically motivated as it has been initiated on account of political rivalry between the political parties.

10. He would further submit that the other accused namely Pritpal Belchandan has been granted regular bail by this Court on 27.09.2033 in MCRC No. 5668/2023 as such they are also entitled to get anticipatory bail. He would further submit that the applicants who are aged about more than 60 years and permanent residents of the addresses mentioned in the cause title as such there is no likelihood of their absconding or evading the process of law and they are ready and willing to abide all conditions that may be imposed by this Hon'ble Court while granting bail and would pray for grant of anticipatory bail to the applicants.
11. Per contra, learned State counsel vehemently opposing the bail application would submit that the applicants were the Directors of the Bank during the relevant period and were in complete control of the affairs of the Bank. The prosecution case discloses that from 08.04.2014 to 12.05.2020, an amount of Rs. 1313.50 lakh was embezzled in the name of construction of godowns, and from 05.08.2016 to 12.06.2019, undue benefit was granted to selected individuals in 186 cases under the One Time Settlement Scheme,

resulting in waiver of Rs. 175.61 lakh. He would further submit that the total loss caused to the Bank is Rs. 1489.11 lakh, which is public money and the acts were committed in gross violation of statutory rules, circulars and established procedures governing cooperative banks. The enquiry was conducted by a three-member committee, including the Upper Collector, Durg who has clearly found serious financial irregularities and abuse of official position by the applicants. He would further submit that the offence alleged under Sections 409, 420, 467, 468, 471 and 34 IPC are grave and serious in nature involving criminal breach of trust, cheating and forgery. The applicants, being highly influential persons, are in a position to tamper with evidence and influence witnesses, most of whom are officials and members of cooperative societies. Considering the magnitude of the scam, custodial interrogation is necessary. Hence, no case for grant of anticipatory bail is made out and would pray for dismissal of the bail applications.

12. I have heard learned counsel for the parties and perused the case diary and material available on record.
13. From the material collected by the prosecution, particularly the enquiry report, it is quite vivid that there is allegation of pilferage of public funds by purchasing Laptop of Rs. 7.25 lakh which is on a higher rate and was distributed to the Directors wherein the applicants are also *prima facie* beneficiaries of the said allotment. The allegation is also against them that the Chairman of the Board has caused corruption while conducting election and *prima facie* involvement of the applicants cannot be denied as it is a decision taken by the Board of Directors of the Bank in which *prima facie* involvement of the applicants cannot be

denied as nothing has been placed on record by the applicants to *prima facie* dislodge this fact. Even otherwise, to elicit the truth their custodial interrogation is required.

14. Similarly so far as allegation with regard to construction of godowns, in the report, it has been *prima facie* observed that the Bank was given license for banking business and not for non-banking business, as such the sanction of the grant is against the Constitution of the Bank. Similarly the allegation with regard to One Time Settlement scheme, *prima facie* it has been observed in the report that illegally relaxation for Rs. 6.74 lakhs, Rs. 42.06 lakhs, Rs. 105.24 lakhs, relaxation was granted to 186 persons without any provisions made in this behalf and no such *prima facie* material has been placed on record by the applicants that One Time Settlement (OTS) scheme has been approved by the Reserve Bank of India for Co-operative Banks constituted under the Cooperative Societies Act, therefore, the applicants being Directors are jointly and severely responsible for the said alleged lapses committed by the Board of Directors.
15. Further submission of learned counsel for the applicants that the proceedings of civil nature under the Cooperative Societies Act, 1960 has already been initiated, therefore, continuation of criminal proceeding, is an abuse of process of law, therefore, the applicants are entitled to get anticipatory bail, is being considered by this Court. It is well established position of law that civil proceedings and the criminal proceedings works in a different sphere and there is no rider for continuation of criminal proceedings even if civil proceeding has been initiated as object of both the proceedings are altogether different as object of the criminal proceeding, is to punish the accused for

commission of offence and the object of civil proceeding, is to make good the default which has been committed by the person. As such, the submission made by learned counsel for the applicants that the continuation of criminal proceedings is illegal, deserves to be rejected and accordingly, it is rejected.

16. Further submission of learned counsel for the applicants that the relief of anticipatory bail is aimed at safeguarding individual rights and it serves as a crucial tool to prevent the misuse of power of arrest and protect innocent individuals from harassment, is being considered by this Court. It is true that the provisions of anticipatory bail are aimed at safeguarding individual rights but it is equally well settled position of law that a balance between the safeguarding individual rights and protection of public interest have to be maintained by the Courts. In the present case, there is allegation of pilferage of huge public money, therefore, looking to the facts and circumstances of the case, maintaining the balance between the relief of anticipatory bail and protecting public interest, it is not a case where this Court should enlarge the applicants on anticipatory bail.
17. Hon'ble the Supreme Court has held that power of granting anticipatory bail should be exercised with great degree of circumspection and should not be exercised in routine manner. Hon'ble the Supreme Court in case of **Tusharbhai Rajnikantbhai Shah Vs. Kamal Dayani [(2025) 1 SCC 753]** has held in paragraphs 57 & 58 as under:-

“57. This Court has time and again held that the discretion to grant pre-arrest bail should be exercised with great degree of circumspection. Reference in this regard may be made to P. Chidambaram v. Directorate of Enforcement [(2019) 9 SCC 24].
58. Thus, the power to grant anticipatory bail is not to be exercised in a routine manner and the Courts are expected to use this provision with a great degree of circumspection. Once,

a Court bearing in mind the strict parameters applicable to grant of anticipatory bail exercises such power, then in such a situation, giving a handle to the Investigating Officer to seek police custody remand of the accused, would virtually negate and frustrate the very purpose behind the order of anticipatory bail. Hence, we have no hesitation in holding that the practice prevalent in the State of Gujarat that the Courts while dealing with the anticipatory bail application routinely impose the restrictive condition whereby, the Investigating Officers are granted blanket permission to seek police custody remand of the accused, in whose favour the order of anticipatory bail is passed, is in direct contravention to the ratio of the Constitution Bench judgment of this Court in the case of Sushila Agarwal(supra). The Division Bench judgment of the Gujarat High Court in the case of Sunilbhai Sudhirbhai Kothari(supra) does not hold good in law as the same runs contrary to the ratio of Sushila Agarwal(supra) and thus, the same stands impliedly overruled.”

18. Considering the law laid down by Hon'ble the Supreme Court in case of **Tusharbhai Rajnikantbhai Shah** (supra) and also considering the gravity of the offence as the allegation against the applicants is pilferage of public funds, therefore, I am of the considered view that these are not fit cases where the applicants should be granted benefit of anticipatory bail.
19. Accordingly, both the bail applications filed under Section 482 of the Bhartiya Nagarik Suraksha Sanhita, 2023 are liable to be and are hereby rejected.
20. However, it is clarified that the observations made in this judgment, either way, are only for disposal of the present bail applications and this would not influence the trial court on the merits of the case, which would proceed in accordance with law and decide the case on its own merits on the basis of evidence led before it.

Sd/-
(Narendra Kumar Vyas)
Judge