**R.C.C. 270/2026 Chinchwad P. S.**
**State Vs. Prabhakar Kedari**

**ORDER BELOW BAIL APPLICATION**
(Dated 28/05/2026)

Today matter is taken on board for passing necessary orders. This is the regular second bail application filed by the applicant Prabhakar Hanumant Kedari in connection with Crime No. 447/2025 registered with Chinchwad Police Station for the offence punishable under Section 344, 340(1), 338, 336(4), 318(4), 316(5), 316(2) read with Section 3(5) of B.N.S. Perused application and say of I.O. and Ld. APP.

**2.** Ld. Advocate Shri. S. M. Shah for accused submitted that, on 30/06/2023 Rajendra Kshirsagar, Laxmikant Kshravge and 12 other depositors of central vehicle workshop (MSEB) Employees Co-operative Credit Society Ltd. Preferred an application before the Registrar of Co-operative Society, Pune alleging financial irregularities within the society and seeking an audit report under Section 81 of the Maharashtra Co-operative Societies Act. In view of this representation, the additional Registrar, Pune issued an order on 14/07/2023 explicitly appointing the first informant to conduct the requisite audit. Informant has submitted the detailed audit report to the Additional Registrar on 05/02/2025, the finding of which ultimately converted in Registration of First Information Report on 10/11/2025. The foundation of the prosecution's case entirely based upon the audit report dated 05/02/2025.

**3.** It is further submitted that, according to the allegations of the prosecution and finding of the audit report, the financial irregularities amount to Rs. 4,41,68,242/- comprising two distinct instances of alleged financial misconduct. The prosecution alleged that, the co-accused served as the official signatories for the co-operative society. It is contended that, the applicant obtained the co-accused signatures on society's cheques to withdraw fund from the society bank account and divert it into his personal Bank account, resulting in the alleged siphoning of Rs. 2,51,62,911/-. It is further alleged that, when cash was collected for deposit or loan recovery, official receipts were issued to the respective members. But, the applicant-accused and co-accused committee members deliberately refrained from recording these transactions in daily ledger account of society. Subsequently, collected cash was intentionally withheld by the applicant-accused and not deposited into society's Bank account. By falsifying entries and the total misappropriated amount is of Rs. 1,90,05,331/-. However, accused is submitted that, the audit report is fundamentally manipulated and it is prepared on the basis of incomplete and wrong verification of records. The auditor failed to examine and verify crucial financial records and documents for the period of 2007 to 2022. The auditor has neglected to scrutinized the year wise details of the member's share capital, member's deposits, the record of loan disbursement and receivables. Essential financial statements for the above period including the balance sheet and profit loss statements were totally ignored. The alleged audit report is incomplete.

**4.** It is further submitted that, the FIR and the subsequent charge-sheet which both are entirely predicted upon this erroneous audit which cannot be sustainable in the eyes of law. The alleged fund amount of Rs. 2,51,62,911/- has been transferred to the applicant's personal account which were utilized strictly for the bonafide business operations of co-operative society. The informant wholly failed to verify the true facts, no wrongful gain to this applicant and he has not misappropriated any funds of society.

**5.** It is further submitted that the allegations regarding the failure to maintain adequate records of deposit of amount of Rs. 1,90,05,331/- from fundamental accounting error which is committed by first informant. The first informant's audit report shows that, despite the existence of receipts, deposit from 2007 to 2020 were omitted from the daily ledegr and the society's books and the same were not deposited in the society's bank account and hence wrongful loss caused to the society. But, the alleged chart recovered from the applicant's mobile falsifies this claim by demonstrating several discrepancies in the auditors report. During the audit record for the period of 2017-2019 were produced before auditor for inspection. Further, records could not be immediately be produced. The society had made representation before Registrar against the audit report before Registrar Co-operative Society, Pune on 09/10/2025. On 10/10/2025 Registrar has issued an letter to the Additional Registrar for not to initiate Police action on the basis of incorrect audit report. Despite such communication from higher authority, informant has proceeded to lodge the present FIR on the basis of incorrect audit report. The conduct of the informant shows his malicious intention behind this present FIR.

**6.** It is further submitted that, the applicant is a permanent resident and he has strong roots in society. Hence, there is no possibility of the applicant absconding from justice. The accused has not committed any crime whatsoever alleged. He has no previous criminal record and has never been involved in any criminal activity in the past. He undertakes that, he will not tamper with prosecution evidence in any manner. The continue detention of the applicant could not serve any purpose and it would amount to pre-trial conviction. He is ready to abide by all the conditions which Court is please to impose. He further submitted that, investigation of present crime is completed and charge-sheet is filed. Hence, he prayed that accused may kindly be released on bail subject to conditions.

**7.** Ld. APP and I.O. have filed their say and strongly opposed this bail application. Ld. APP submitted that, this is second bail application of the present applicant-accused. His earlier application has been rejected by this Court. No new ground or change in circumstances have been brought on record to justify re-consideration, and the present application deserves to be rejected. This is serious economic offence. Accused has committed offence of criminal breach of trust, cheating, forgery and misappropriation of money belonging to approximately 150 investors who are employees of the

Maharashtra State Electricity Board. Punishment for alleged offence is upto imprisonment for life. Offence is non-bailable and serious in nature. There is strong prima-facie case against the present applicant-accused. After perusal of charge-sheet it reveals that, prima facie accused has committed this alleged offence. The accused namely Prabhakar Hanumant Kedari was a clerk in MSEB. He has collected cash from investors but he has not deposited that cash in Bank account of the society. He has collected deposits, loan repayment and issued official receipts to persons but deliberately omitted to record this transactions in the daily cash ledger and failed to deposit collected amount in the society's PDCC Bank account and thereby he has committed offence of criminal misappropriation of Rs. 1,90,05,331/-. Further, he has obtained signature of the then Chairman, Vice Chairman, Secretary and Treasurer on Societie’s cheques which are linked to PDCC Bank account. Thereafter, he has transferred funds from the society's account to his personal account.

**8.** It is further submitted by Ld. APP that, during investigation it reveals that, funds of Rs. 2,51,62,911/- were transferred and total Rs. 44,93,000/- by the accused has transferred from his personal Bank account to the account of his family members. He has invested Rs. 3,39,09,890/- in stock market. He has purchased gold jwellery worth Rs. 90,40,555/- from Ranka jwellers, P.N. Gadgil and Sunitee jwellers, Chinchwad in his own name and in the name of his wife from the misappropriated amount. During investigation it also reveals that, Santro Car was purchased by the present accused and mortgage loan of Rs. 22,49,000/- from Kotak Mahindra Bank. On investigation it also appears that, pdf files of accused mobile showing that he has received amount from the society through cheques which the accused has transferred to his personal account and family account. The investigation of the present crime is going on. The charge-sheet has been filed and the matter is currently at the stage of production of accused before this Court. Statement of 33 witnesses have been recorded by the I.O. during investigation and not a single prosecution witness has been examined so far. Presence of the present accused in the society could seriously jeoparadize the examination of the witness. If accused released on bail he will misuse his liberty and possibility of tampering of evidence may not be denied. If he released on bail, he may commit similar offence or assist the other co-accused in concealing the process of crime. The accused has not placed on record any new or change circumstance which could warrant different view at this stage. Mere filing of charge-sheet cannot constitute a change in circumstances justifying bail in the present crime.

**9.** Ld. APP further submitted that, whether audit report is manipulated or false is a matter of trial and cannot be decided at this stage. The audit was conducted by a government. The finding of the audit report are documented and supported by Bank records, transaction statement and electronic evidence which recovered from mobile of accused. The audit report which was submitted on 05/02/2025 constitute prima-facie evidence against the present applicant-accused. The accused claimed that, the Registrar issued a letter dated 10/10/2025 directing that, police action not be taken on the basis of incorrect audit report but, it does not bar the registration of FIR or the continuation of the criminal proceeding. Once FIR is registered and charge-sheet is filed the criminal process continues. Considering stage of investigation, nature of offence and role of present applicant-accused in the said crime, his bail application may kindly be rejected.

**10.** Perused FIR, remand report and charge-sheet. It is story of prosecution that, the informant Rajendra Sitaram Kamble is a special auditor of Co-operative Society, Government of Maharashtra. The accused Prabhakar Kedari was working as Clerk / Manager in the said society since the year 1989. Taking advantage of his position of trust and control over financial operations, the accused in conspiracy with the other office bearers such as President, Vice President, Directors and misappropriated the funds of the society during the period from 01/04/2007 to 16/09/2022. The accused has accepted deposits, subscriptions and amounts from members and depositors in cash. He has deliberately failed to record the same in cash book and daily register. Also he did not deposit amount into the society's Bank account. Further, he has illegally withdrawn funds from PDCC Bank and current account of the society. He has transferred the same to his personal Bank accounts. During investigation it appears that the accused Prabhakar Kedari by fabricating false record, suppressing financial statement and misleading auditors also. He has misappropriated an amount of Rs. 3,00,72,809/- from Bank account and Rs. 1,90,05,331/- from cash deposit and thereby committing total embezzlement of Rs. 4,90,78,140/-.

**11.** During the course of investigation, incriminating evidence and financial assets have been seized from the custody of accused by IO. Seized mobile of accused shows that, incriminating material is available against him. IO has frozen Bank balance which is in account of accused, his wife and children in PDCC Bank, SBI and TJSV Co-operative Bank. IO has also seized original ledger, original cheques, voucher register and other financial records of the credit society. During investigation it reveals that, when Bank statements of the accused Prabhakar Kedari were scrutinized, it is seen that accused has invested approximately Rs. 60,50,000/- in Aditya Birla shares and other stock market instruments. Further, the transactions of Rs. 3,31,09,490/- have been made through various stock broking firms which are under investigation. The source of this funds is prima facie directly linked to the misappropriated amount. The offence is very grave, serious. It is economic fraud of 4.90 crore affecting public confidence in Co-operative institution. The accused Prabhakar Kedari by occupying his fiduciary position and abused his authority for systematic way over 15 years. After perusal of charge-sheet it appears that there is a strong and cogent prima facie case against the accused.

**12.** The present FIR was registered on 10/11/2025 on the basis of audit report. After perusal of record it appears that accused has obtained signatures of Chairman, Vice Chairman, Secretary and Treasurer of Society on Society Cheques which are linked with the PDCC Bank account and thereafter he has transferred funds from the Society account to his personal account. There is evidence in charge-sheet in respect of purchasing gold jwellery of Rs.

90,40,555/- from Ranka jwellers, P. N Gadgil and Sons, Sunithi jwellers, Chinchwad and receipts are in the name of accused and his wife. This gold has been purchased from the misappropriated amount. Further he has purchased Santro car of Rs. 21,00,000/- and obtained mortgage loan of Rs. 22,49,000/- from Kotak Mahindra Bank. Seized mobile of accused shows that, accused had transferred misappropriated amount to his personal and family account which constitute in direct electronic evidence of the said crime.

**13.** After perusal of FIR and perusal of charge-sheet it appears that, the present applicant-accused is the principal offender of this financial fraud who has grossly misused public money for his personal benefits. Statement of 33 witness have been recorded by IO during investigation. But, prosecution's case is yet to be opened and no single prosecution witness has been examined by the prosecution till today. If accused released on bail tampering of prosecution evidence may not be denied. Recovery and verification of entire financial record, Bank statement and other related documents for the period of 2022-2025 is going on, therefore investigation requires further co-operation of the present accused, which cannot be obtained if he is enlarged on bail.

**14.** Ld. Advocate for accused argued that, present FIR is registered on the basis of incorrect audit report. But this is a matter of trial and it cannot be decided at this stage of bail. Prima-facie evidence available in charge-sheet against the present applicant-accused for commission of offence. Ld. Advocate for accused submitted that no criminal antecedents against the present applicant-accused. However, this argument cannot be considered in a case of such serious offence. It is economic offence and offence against society. Public money is involved in this fraud amount. The present accused is the prime accused and principal instrument of the financial fraud that has victimized 150 investors. The prima facie evidence available in charge-sheet against accused and it shows that, accused has prima facie committed this offence. If accused is released on bail, the risk of tampering with evidence and influencing witnesses may not be denied. Therefore, considering nature of offence, prima facie role of accused and stage of investigation, the present application is liable to be rejected. Thus, I pass following order:

**ORDER**

1. The application is rejected.
2. Copy of this order shall be forwarded to Superintendent of Yerawda Jail, Pune for information through e-mail.

AUTI GAURI GHANASHAM

Digitally signed by AUTI GAURI GHANASHAM
Date: 2026.05.28 17:27:12 +0530

**Place : Pimpri, Pune.**
**Date : 28.05.2026**

**( G. G. Auti )**
**J.M.F.C,(Court No. 7) Pimpri, Pune.**