

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE A. BADHARUDEEN

WEDNESDAY, THE 18TH DAY OF JUNE 2025 / 28TH JYAISHTA, 1947

BAIL APPL. NO. 1315 OF 2025

CRIME NO.112/2024 OF ANGAMALI POLICE STATION, ERNAKULAM

AGAINST THE ORDER DATED 08.10.2024 IN BAIL APPL. NO.6961 OF 2024 OF HIGH
COURT OF KERALA

PETITIONER/8TH ACCUSED:

V.D. TOMY,
S/O. (LATE) V.O. DEVASSY, AGED 64 YEARS
VADAKKUMCHERY HOUSE, VATHAKKAD, THURAVOOR POST, ANGAMALY,
ERNAKULAM DISTRICT, PIN - 683572

BY ADV SRI.JESWIN P.VARGHESE

RESPONDENT/COMPLAINANT:

1 STATE OF KERALA,
REPRESENTED BY PUBLIC PROSECUTOR, HIGH COURT OF KERALA,
ERNAKULAM, PIN - 682031

ADDL R2 M.K. VARGHESE,
S/O. KUNJAVARAN, MOONJELI HOUSE, MOOPAN KAVALA, ERNAKULAM,
KERALA, PIN- 683572.
(IMPLEADED AS R2 VIDE ORDER DATED 7-2-25 IN CRL MA 1/25)

BY ADVS.
PUBLIC PROSECUTOR
SHRI.ATHUL ROY
ADDL.DIRECTOR GENERAL OF PROSECUTION
SR PP FOR ADGP -C.K SURESH

THIS BAIL APPLICATION HAVING BEEN FINALLY HEARD ON 13.06.2025,
ALONG WITH BAIL APPL.NOS.11104/2024 & 3177/2025, THE COURT ON 18.06.2025
PASSED THE FOLLOWING:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE A. BADHARUDEEN

WEDNESDAY, THE 18TH DAY OF JUNE 2025 / 28TH JYAISHTA, 1947

BAIL APPL. NO. 3177 OF 2025

CRIME NO.338/2024 OF CRIME BRANCH, ERNAKULAM

AGAINST THE ORDER DATED 18.11.2024 IN BAIL APPL. NO.522 OF 2024 OF HIGH

COURT OF KERALA

PETITIONER/ACCUSED NO.5:

P.C.TOMY
AGED 73 YEARS, S/O. CHAKKAPPAN, RESIDING AT PURAKKATTIL HOUSE,
ANGAMALY P.O, ERNAKULAM RURAL, PIN - 683572
BY ADVS.
SRI.B.RAMAN PILLAI (SR.)
SRI.R.ANIL
SHRI.SUJESH MENON V.B.
SRI.THOMAS SABU VADAKEKUT
SHRI.MAHESH BHANU S.
SHRI.RESSIL LONAN
SHRI.JOEL GEORGE KAMPIYIL
SHRI.ANANTH KRISHNA K.S.

RESPONDENT/STATE:

1 STATE OF KERALA
REPRESENTED BY PUBLIC PROSECUTOR, HIGH COURT OF KERALA,
PIN - 682031
ADDL R2 VINOD GEORGE
AGED 49 YEARS, S/O GEORGE, PUTHUSERRY HOUSE, KOKUNNU,
MOOKKANNOOR, ALUVA, ERNAKULAM- 683577 (IS IMPEADED AS ADDL.R2
AS PER ORDER DATED 04/04/2025 IN CRL.MA. 1/2025)
BY ADVS.
PUBLIC PROSECUTOR
SHRI.ATHUL ROY
ADDL.DIRECTOR GENERAL OF PROSECUTION
SHRI.P.A.MARTIN ROY

THIS BAIL APPLICATION HAVING BEEN FINALLY HEARD ON 13.06.2025, ALONG
WITH BAIL APPL.NOS.11104/2024 & 1315/2025, THE COURT ON 18.06.2025 PASSED
THE FOLLOWING:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE A. BADHARUDEEN

WEDNESDAY, THE 18TH DAY OF JUNE 2025 / 28TH JYAISHTA, 1947

BAIL APPL. NO. 11104 OF 2024

CRIME NO.338/CB/EOW/EKM/2024 OF CRIME BRANCH, ERNAKULAM

**AGAINST THE ORDER DATED 08.10.2024 IN BAIL APPL. NO.6961 OF 2024 OF
HIGH COURT OF KERALA**

PETITIONER/ACCUSED NO.13:

**ELSY VARGHESE,
AGED 70 YEARS
W/O VARGHESE P P, RESIDING AT PAYYAPPILLY HOUSE,
KIDANGOOR, ANGAMALY, PIN - 683572**

**BY ADVS.
SRI.S.RAJEEV
SRI.V.VINAY
SHRI.SARATH K.P.
SRI.M.S.ANEER
SHRI.K.S.KIRAN KRISHNAN**

RESPONDENTS/STATE:

- 1 STATE OF KERALA,
REPRESENTED BY PUBLIC PROSECUTOR, HIGH COURT OF KERALA,
PIN - 682031**
- 2 STATION HOUSE OFFICER,
CRIME BRANCH, OFFICE OF CRIME BRANCH, ERNAKULAM (CRIME
NO.338/CB/COW/EKM/ R/2024 OF CRIME BRANCH), PIN - 682301**

**THIS BAIL APPLICATION HAVING BEEN FINALLY HEARD ON 13.06.2025,
ALONG WITH BAIL APPL.NOS.1315/2025 & 3177/2025, THE COURT ON
18.06.2025 DELIVERED THE FOLLOWING:**

COMMON ORDER

Dated this the 18th day of June, 2025

B.A. No.11104 of 2024 is the second bail application, filed under Section 482 of the Bharatiya Nagarik Suraksha Sanhita, 2023, seeking pre-arrest bail and the petitioner is the 13th accused in Crime No.338/CB/EOW/EKM/R/2024 of Crime Branch, Ernakulam (originally registered as Crime No.112 of 2024 of Angamaly Police Station, Ernakulam).

2. B.A. No.1315 of 2025 is an application at the instance of the 8th accused in the same crime, seeking pre-arrest bail for the second time.

3. B.A. No.3177 of 2025 is also an application at the instance of the 5th accused in the same crime, seeking pre-arrest bail for the second time.

4. Heard the learned counsel for the respective petitioners and the learned Additional Director General of Prosecution (ADGP). Also heard the learned counsel

appearing for additional 2nd respondent in B.A. Nos.1315 and 3177 of 2025, who lost money in the scam, brought on record to oppose these bail applications. Perused the relevant materials available.

5. In these matters, the crime was registered alleging that the accused persons, who are the members of the Managing Committee of the Angamaly Urban Co-operative Society, abused their position with intention to cause undue loss to the Society, have sanctioned fake loans and renewed loans by using the same documents in the name of fake persons and misappropriated Rs.55 Crores belongs the Society. Thus, crime was registered alleging commission of offences punishable under Sections 406, 408, 417, 465, 467, 468, 471, 420 read with 34 of the Indian Penal Code as well as under Sections 13(1)(a) and 13(2) of the Prevention of Corruption Act, 1988. Thereafter, as submitted by the learned ADGP, during the course of investigation, it is revealed that, as of now, the misappropriation of money would come to Rs.115.8 Crores.

6. The petitioners herein earlier filed anticipatory bail

applications and this Court considered the same in detail and dismissed the same, with direction to the petitioners to surrender before the Investigating Officer as per the orders in B.A. No.522 of 2024 dated 18.11.2024 and B.A. No.6961/2024 dated 08.10.2024.

7. The learned counsel for the petitioners vehemently argued that, even though the petitioners are seeking pre-arrest bail for the second time, there are change in circumstances to address their plea, as per law.

8. The learned counsel appearing for Smt.Elsy Varghese, the petitioner in B.A. No.11104/2024, would submit that she is a lady aged 78 years and she deposited Rs.10 Lakh by herself and Rs.70 Lakh of her relatives in the Society. The learned counsel conceded that, even though being a Board member, Smt.Elsy Varghese also signed in the minutes whereby the alleged fake loans were granted, she had no intention to misappropriate the money. It is pointed out further that, in this matter, Sri.T.V. Benny (at present, the 4th accused) moved B.A. No.6963/2024 stating his status as the 5th accused, one among the Director Board members,

was granted anticipatory bail by this Court, since the said plea was not opposed by the ADGP. According to the learned counsel for the petitioner, the status of Smt.Elsy Varghese is similar to that of Sri.T.V. Benny. Therefore, for the same reason, Smt.Elsy Varghese also would deserve pre-arrest bail. The same argument is shared by the learned counsel for the other petitioners also.

9. Apart from that, the learned counsel for Sri.P.C.Tomy, the petitioner in B.A. No.3177/2025, would submit that, even though, Sri.P.C. Tomy was also a member of the Director Board of the Society and he had participated in various meetings and conceded the decisions to grant fake loans, as alleged by the prosecution, the allegations against him are purely civil in nature and the same could not attribute any criminal culpability, when there is no allegation for the prosecution that, there was conspiracy in between him and the other accused. Therefore, there is no need to arrest and detain Sri.P.C. Tomy in custody and his anticipatory bail application is liable to be allowed.

10. The learned counsel for Sri.V.D.Tomy, the

petitioner in B.A. No.1315/2025 would submit that, insofar as Sri.V.D. Tomy is concerned, he had no occasion to grant any new loans as alleged by the prosecution and the prosecution case itself is that, there was no new loan granted after 2018. It is pointed out that, during the period of 2017-2018 alone Sri.V.D.Tomy held the post of Director Board member. According to the learned counsel for Sri.V.D. Tomy, he participated in the board meetings to renew the loans alone and he did not have any knowledge regarding grant of any fake loans. But, he conceded renewal of loans by Sri.V.D.Tomy, believing that the earlier loans were in order.

11. Highlighting grant of anticipatory bail to Sri.T.V. Benny (at present, the 4th accused) as per the order in B.A. No.6963/2024 dated 23.10.2024, the learned counsel for Sri.P.C. Tomy and Sri.V.D. Tomy canvassed anticipatory bail. Respective counsel also conceded that, the petitioners are aged and ailed and they are ready to cooperate with the investigation. Therefore, their arrest and detention to be avoided by granting pre-arrest bail.

12. Zealously opposing the contentions raised by the

respective counsel for the petitioners, the learned ADGP narrated the genesis of the case, which originated on the strength of a report prepared by the Assistant Registrar under Section 65 of the Kerala Co-operative Societies Act, highlighting misappropriation of money to the tune of Rs.96.78 Crores, which on again when verified for the purpose of preparing report under Section 68(1), increased to an amount of Rs.115.8 Crores. As of now, the investigation revealed that Rs.115.8 Crores is the total amount misappropriated by the accused.

13. The learned ADGP submitted that, Sri.P.C. Tomy verified and valued 53 fake loans and participated in the Board meetings to grant 599 fake loans. He pointed out that, similarly, Sri.V.D. Tomy also valued and verified 130 fake loans and participated in the Board meetings to grant 621 fake loans and Smt.Elsy Varghese also participated in the Board meetings to grant 306 fake loans and granted 379 total loans including fake loans.

14. According to the learned ADGP, this is a huge scam, whereby many depositors were affected and the role

of the petitioners in this crime are well made out, *prima facie*. On finding so, their earlier bail applications were dismissed by this Court. In fact, there is no change in circumstances to revisit the said orders, so as to grant the discretionary relief of anticipatory bail moved for the second time. As regards to grant of bail to Sri.T.V. Benny, as per the order dated 23.10.2025 in B.A. No.6963/2024 is concerned, it is pointed out by the learned ADGP that, pre-arrest bail was granted to Sri.T.V. Benny, since the same was not opposed by the prosecution for justifiable reasons. According to the learned ADGP, during investigation, it has been revealed that, Sri.T.V. Benny did not sign in the minutes of the meetings he participated, where fake loans were granted and he also put up his decent while granting fake loans, as evident from the minutes of the meetings. Thus, the role of Sri.T.V. Benny is much less, though he was also one among the members of the Director Board. Therefore, his bail was not opposed by the prosecution, deeming that his arrest and custodial interrogation are not necessary to achieve effective investigation. But it is pointed out by the learned

ADGP that, the situation as far as the petitioners are concerned is totally different from that of Sri.T.V. Benny, by highlighting their role in the crime.

15. It is submitted by the learned ADGP further that, in these matters, whenever the loan originally granted is closed, without returning the title deeds pertaining to the same and closing the Gahan, using the same title deeds and even photocopies of the title deeds, fake loans were granted, particularly in favour of the well-wishers of the 1st accused, with the aid of the 16th accused and connivance of the other Director Board members and officials of the Society, who are arrayed as accused in this crime.

16. The learned counsel appearing for additional 2nd respondent in B.A. Nos.1315 and 3177 of 2025, the depositors of the Society, who lost money in the scam also zealously opposed grant of bail to the petitioners and pointed out the unfortunate state of depositors, who are struggling to meet their day-to-day affairs.

17. It is interesting to note that, the earlier anticipatory bail application filed by Sri.P.C. Tomy was

dismissed by this Court, after referring the common order in B.A. No.3342/2024 dated 08.10.2024, pertaining to Sri.V.D. Tomy and Smt.Elsy Varghese, inclusive of some other accused, dealt in detail regarding the genesis of the case and the reasons for denying anticipatory bail to the petitioners therein are in paragraph Nos.7 and 15 to 17 of the order. The same read as under:

7. Coming to individual role of each accused person, as revealed by the investigation conducted so far, learned ADGP would submit that accused nos.2 and 3 [petitioners 1 and 2 in Bail Application no.6961/2024] have participated in the various Board meetings held on 28.02.2022, 07.03.2022, 15.06.2022, 08.12.2022, 20.07.2022, 11.01.2023, 20.02.2023, 04.03.2023 and 27.04.2023, in which meetings, fake loans to the extent of 2 numbers, 46 numbers, 40 numbers, 14 numbers, 1 number, 1 number, 19 numbers, 258 numbers and 19 numbers respectively were passed. Accused no.2 became a member of the Managing Committee of the Society in the year 2012 and accused no.3, in the year 2007. Both of them were continuing as such, since then. A3 became the President after the death of A1. Learned ADGP would point out that A1 committed suicide after the registration of this crime and he was the kingpin, who mastered the fraud, forgery and

misappropriation. A3 was entrusted to sign Gahan and other documents. It was specifically pointed out that A3, Rajappan Nair, has conducted valuation of property in as many as 120 fake loans granted. Coming to the 3rd petitioner, who is accused no.7, he became a member in 2017. He participated in almost all Board meetings, which passed fake/bogus loans. Besides, he conducted valuation of properties in as many as 130 fake loans granted. The 4th petitioner, Mary Antony (A12), participated in various Board meetings including the one held on 04.03.2023, which passed as many as, 258 fake loans. The same is the situation with respect to the 5th petitioner, who is A13/Elsy Varghese, excepting the difference that she became a member in the year 2012. Coming to the 6th petitioner/A14/Luxy Joy, she became a member in the year 2012 and she also had participated in the various Board meetings, including the one on 04.03.2023, which passed 258 fake loans. Besides, she conducted valuation of properties with respect to 9 fake loans, as well.

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15. As pointed out by the learned ADGP based on the facts revealed in the investigation, as many as 422 fake/bogus loans are alleged to have been sanctioned, through which methodology, amount to the tune of 96 crores have been misappropriated. The investigation so far conducted reveals that the same has been utilised for the real

estate business of the 1st accused and his associates. The question as to whether other accused persons (petitioners herein) have obtained any pecuniary advantage for their alleged complicity in the fraud, is yet to be unearthed. The mode and manner in which the fraud, forgery and misappropriation has been perpetrated is not yet fully disclosed. The investigation, having regard to the huge magnitude of the amounts siphoned off, is only at the preliminary stage. Allegations levelled are quite serious in nature that loans are seen passed in the name of fictitious persons in some cases; and in some others, in favour of certain persons without their knowledge and even without proper loan applications preferred by them. The same property is allegedly mortgaged for several loans. Allegations are to the effect that loans are granted on the strength of photocopies of the title deeds and even based on prior deeds. A further allegation goes to the extent that loans were sanctioned even without loan applications, which applications were prepared only at the year ending, by some staff.

16. Coming to the specific role of the petitioners, the first is that they all have participated in the various Board meetings, which transacted huge number of fake/bogus loans. In one meeting held on 04.03.2023, as many as 258 fake/bogus loans were sanctioned. Having regard to the nature of the fraud and forgery alleged, as noticed above, it

cannot be held that mere participation in such Board meetings is not sufficient to attach knowledge and guilt on the petitioners. Besides, some of the petitioners (whose names have already been referred to while addressing the arguments of the learned ADGP) have also conducted valuation of properties in respect of several fake/bogus loans. Needless to say that, such valuations were grossly illegal, with an eye fixed on aiding the fraud, forgery and misappropriation, going by the prosecution allegations.

17. In the above referred state of affairs, this Court is not in a position to endorse the submissions made by the learned Senior counsel that the custodial interrogation of the petitioners are not necessary for the progress of investigation. The chances of the petitioners influencing the witnesses or tampering with the evidence also cannot be ruled out, especially in the light of the allegation that the petitioners are political leaders. A proper and complete investigation into the matter is required, taking into account the plight of the poor investors as well.

18. It is the settled law that, change in factual circumstances can be a reason to seek pre-arrest bail for the second time, though normally such applications could not be entertained, being abuse of process of Court. In fact, the

contentions raised by petitioners were addressed in detail by this Court in the earlier bail applications filed by them and dismissed the same, holding the view that arrest and custodial interrogation of the petitioners are necessary for the purpose of investigation, after highlighting the role of the petitioners with particular mention, as extracted herein above.

19. Now, the question falls for consideration is, whether merely on the ground that, Sri.T.V. Benny, one among the Director Board members of the Society, was granted anticipatory bail, since the said plea was not opposed by the learned ADGP, the same can be considered as a change in circumstances, so as to adjudicate the anticipatory bail plea at the instance of the petitioners, moved for the second time, exactly on 20.12.2024 by Smt.Elsy Varghese, on 24.01.2025 by Sri.V.D. Tomy and on 04.03.2025 by Sri.P.C. Tomy, without obeying the direction of this Court to surrender before the Investigating Officer?

20. Regarding grant of anticipatory bail to Sri.T.V. Benny is concerned, the learned ADGP submitted that, Sri.T.V. Benny did not sign in the minutes of the meetings he

participated and he even raised his descent by opposing grant of loans by the other Director Board members. The learned ADGP also submitted that, during the investigation, these aspects were revealed and therefore, arrest and custodial interrogation of Sri.T.V. Benny were not found necessary and accordingly, his anticipatory bail application was not opposed by the prosecution.

21. It is true that, as pointed out by the learned counsel appearing for Smt.Elsy Varghese that, in Section 68(1) report, which would suggest the loss sustained to the Society and its customers, the name of Sri.T.V. Benny also is shown, stating that he was also involved in grant of fake loans to the tune of Rs.69,44,652/-. Similarly, Smt.Elsy Varghese was found involved in grant of loans to the tune of Rs.2,59,54,729/-, Sri.T.C. Tomy was found involved in grant of loans to the tune of Rs.7,35,37,035/- and Sri.V.D. Tomy was found involved in grant of loans to the tune of Rs.7,35,37,035/-.

22. In this regard, it is submitted by the learned ADGP that, as far as the amount shown in Section 68(1) report as

that of Sri.T.V. Benny is concerned, the report was prepared without considering the fact that he did not sign in the minutes of the meetings where fake loans were granted and also without considering that he also put up his descent by opposing grant of loans. The submission of the learned ADGP in this regard is found as acceptable. Therefore, it could not be held that, grant of anticipatory bail to Sri.T.V. Benny on the above grounds is a change in circumstances to consider anticipatory bail applications at the instance of the petitioners.

23. As far as the argument tendered by the learned counsel for Sri.P.C. Tomy is concerned, it could not be held that the allegation against Sri.P.C. Tomy in this matter is purely civil in nature, without involvement of any criminal element. Grant of fake loans amounting to Crores of rupees by creating fake documents, being a member of a Registered Co-operative Society and getting benefit out of it, as alleged by the prosecution, are very serious offences and the same could not be limited to mere civil liability.

24. Coming to the contentions raised by the learned

counsel for Sri.V.D.Tomy that, Sri.V.D. Tomy worked in the Society only during the period between 2017-2018 and he had no occasion to grant any new loans, the report of the Investigating Officer pertaining to Sri.V.D. Tomy would suggest otherwise. Paragraph Nos.7 to 10 of the report submitted by the Investigating Officer read as under:

7. It is respectfully submitted that the applicant VD Tomy, Aged 65, is the Accused No-7 of the above Crime. He became a member of the Board of Directors of the Angamaly Urban Co-operative Society on 04.11.2017 and continued the post till she was dismissed on 05.11.2024 by Joint Registrar, Ernakulam by Order No HM (1)2976/2023 Dated 05.11.2024. Now the Co-operative society is under Administrative Committee. Like all other members he also became a member as a nominee of Accused No-1 Mr.PT Paul. As a member of the Board of Directors, he is also responsible for the fake loans passed in his period.

8. It is respectfully submitted that, the applicant VD Tomy, participated almost all the meetings of the Board of Directors held in the year 2022 and signed the minutes for that. In the Director Board meeting held on 01.01.2022 a total of 22 loans were passed in which 15 were fake loans. In the Director Board meeting on 28.02.2022 11 loans were passed in

which 7 were fake loans. In the Director Board meeting on 07.03.2022 379 loans were passed on one day in which 267 were fake loans. In the Director Board meeting on 15.06.2022 96 loans were passed in which 17 were fake loans. In the Director Board meeting on 20.07.2022 43 loans were passed in which 17 were fake loans. In the Director Board meeting on 08.12.2022 14 loans were passed in which 1 was fake loan. All these fake loans are of 25 lakhs rupees. Total 324 fake loans for 81,00,00,000/- (Eighty-One Crores) Rupees were passed in the Director Board meetings attended by the petitioner VD Tomy in the year 2022.

9. It is respectfully submitted that, in the year 2023 also the applicant VD Tomy, participated almost all the meetings of the Board. In the meeting conducted on 11.01.2023 5 loans were passed in which 1 was fake loan. In the meeting conducted on 20.02.2023 60 loans were passed in which 19 were fake loans. In the meeting conducted on 04.03.2023 350 loans were passed in which 258 (Two Hundred and Fifty-Eight) were fake loans. In the meeting conducted on 27.04.2023 38 loans were passed in which 19 were fake loans. Total 297 fake loans 25 lakhs each for a total of 74,25,00,000/-(Seventy-Four Crores Twenty-Five Lakh) Rupees were passed in meetings of the Board of Directors attended by the petitioner VD Tomy in the year 2023. In one meeting on 04.03.2023 350 loans including 258 (Two

Hundred and Fifty-Eight) fake loans were passed. This shows his clear participation in the crime and he acted as an aid to Accused No-1 Mr PT Paul and associates for misappropriating the money deposited by the public.

10. It is respectfully submitted that the petitioner VD Tomy conducted valuation of documents of 130 fake loans in the year 2023. He is the member of the Director Board who conducted the largest number of valuations of the fake loans in the year 2023. He conducted valuation of Document No 2411/2015 (Survey No 1888/3,1888 of Pazhayannoor Village) and Document No 2268/2011 (Survey No 1831 of Pazhayannoor Village) owned by one Mr. Roy Kuryan (Membership no-1524) and these properties has attachment of Income Tax office, Kochi with effect from 24.03.2022. 38 fake loans were passed to various persons without their knowledge by pledging the property of Mr. Roy Kuryan in Angamaly Municipality Block-11 Survey No 279/3 A. The valuation of this property was done by the petitioner VD Tomy with two other members MV Sebastian and Martin Joseph. These persons to whose name these loans were allotted, were not related to Mr Roy Kuryan in any way. He conducted over valuation and helped to grab the money of the public through fake loans. His role in the fake loans is very clear.

25. Therefore, the complicity of Sri.V.D.Tomy in this crime could not be taken so lightly as argued by the learned counsel for Sri.V.D. Tomy, to grant anticipatory bail to him, which was rightly rejected earlier.

26. Coming to the allegations against Sri.P.C. Tomy, paragraph Nos. 4 to 10 of the Investigating Officer's report are relevant. The same read as under:

4. It is respectfully submitted that the applicant PC Tomy aged 73, is the Accused No-5 of the above Crime. He became a member of the Board of Directors of the Angamaly Urban Co-operative Society on 10.11.2012 and continued the post till he was dismissed on 05.11.2024 by Joint Registrar, Ernakulam by Order No HM(1)2976/2023 Dated 05.11.2024. Now the Co-operative society is under Administrative Committee. Like all other members he also became a member as a nominee of Accused No-1 Mr.PT Paul. As a member of the Board of Directors, he is also responsible for the fake loans passed in his period.

5. It is respectfully Submitted that Sri. Lalkumar, Inspector of Police Angamaly Police Station, Ernakulam Rural conducted First investigation by questioning witnesses and conducting search in the society. He submitted the documents seized in the search in the court and submitted a report before the Hon'ble Court for deleting sections of Prevention of Corruption Act

1988. He arrested the accused A16 Shiju K I (Accountant) on 02.04.2024. He conducted search in the Co-operative Society, on 15.01.2024 and 16.01.2024 seized many documents including minutes book of meeting of the Director Board, 117 fake loan applications and submitted in the Judicial First-Class Magistrate Court, Angamaly.

6. It is respectfully Submitted that the investigation of the crime was transferred to Crime Branch as per the Order No D2-41864/2024/PHQ Dated 06.04.2024 of the DGP & State police Chief and it was re-registered in the Crime Branch Police station as Cr. 388/2024/CB/EOW/EKM/R/24 and forwarded to Crime Branch, Economic Offence wing, Ernakulam unit for conducting Investigation. I took over the investigation and search was conducted in Angamaly Urban Co-operative Society on 22.08.2024 after obtaining warrant from Hon Judicial First-class Magistrate Court, Angamaly. 249 fake loan applications and 57 deeds of property used for allotting these loans were seized. The verification of these applications, finding the persons in whose name these applications were made and questioning them etc are being done as a part of investigation.

7. It is respectfully Submitted that Sec 120B Indian Penal Code was added in the investigation as the accused participated in criminal conspiracy. Report was submitted to the Registrar (General), Co-operative Societies, Thiruvananthapuram for getting previous

approval for adding Sections 13(1)(a), 13(2) of Prevention of Corruption Act 1988 as per section 17A of the Act, after getting Legal Opinion from the Legal Advisor, Crime Branch Ernakulam range. The sanction was granted as per Order No RCS 2601-2025-CP (7) Dated 06.03.2025 of the Registrar of the Co-operative Societies and the investigation will be conducted by adding these sections also.

8. It is humbly submitted that the investigation of the case conducted so far revealed that the accused distributed 422 fake loans for an amount of Rs 96,74,10,556/-(Ninety-six Crores Seventy-Four Lakhs Ten Thousand Five hundred and fifty-six) in 2023 and used this amount for the Real Estate business of A-1 Mr.PT Paul (President) and his associates. They passed loans in the names of various persons without their knowledge, including non-members of the Society and even in the name of minors. They made false loan applications, passed loans and misused that money. They also passed so many loans in the name of various persons by pledging the same property. The loans were passed by pledging photo copies and previous deeds of the same property pledged earlier and even properties pledged in other Banks also. These fake loans are the continuation of the fake loans passed in the previous years. Fake loans passed in the previous years are repassed in the next year without repaying any money. They passed fresh fake loans to cover the interest. The loans were passed in meeting of the Board of Directors

including the petitioner. Hence, it is clear that he intentionally aided these fraudulent activities of Mr.PT Paul and his associates.

9. It is respectfully submitted that, the applicant PC Tomy, participated 10 meetings of the Board of Directors held in the year 2020, 8 in the year 2021, 12 in the year 2022 and 7 in in the year 2023. In the Director Board meeting on 07.03.2022 379 loans were passed on one day in which 267 were fake loans. In the Director Board meeting on 15.06.2022 96 loans were passed in which 17 were fake loans. In the Director Board meeting on 20.07.2022 43 loans were passed in which 17 were fake loans. In the Director Board meeting on 08.12.2022 14 loans were passed in which 1 was fake loan. All these fake loans are of 25 lakhs rupees. Total 302 fake loans for 75,50,00,000/- (Seventy-five Crores Fifty Lakh) Rupees were passed in the Director Board meetings attended by the petitioner PC Tomy in the year 2022.

10. It is respectfully submitted that, in the year 2023 also the applicant PC Tomy, participated almost all the meetings of the Board. In the meeting conducted on 11.01.2023 5 loans were passed in which 1 was fake loan. In the meeting conducted on 20.02.2023 60 loans were passed in which 19 were fake loans. In the meeting conducted on 04.03.2023 350 loans were passed in which 258 (Two Hundred and Fifty-Eight) were fake loans. In the meeting conducted on 27.04.2023 38 loans were passed in which 19 were fake

loans. Total 297 fake loans 25 lakhs each for a total of 74,25,00,000/-(Seventy- Four Crores Twenty-Five Lakh) Rupees were passed in meetings of the Board of Directors attended by the petitioner PC Tomy in the year 2023. In one meeting on 04.03.2023, 350 loans including 258 (Two Hundred and Fifty-Eight) fake loans were passed. This shows his clear participation in the crime and he acted as an aid to Accused No-1 Mr PT Paul and associates for misappropriating the money deposited by the public. The petitioner PC Tomy conducted valuation of documents of 53 fake loans in the year 2023.

27. Similarly, the allegations pertaining to Smt.Elsy Varghese are stated in paragraph Nos. 6 to 11 of the report of the Investigating Officer. The same read as under:

6. It is respectfully submitted that the applicant Elsy Varghese, Aged 70, is the Accused No-12 of the above Crime. She became a member of the Board of Directors of the Angamaly Urban Co-operative Society in 2012 and continued the post till she was dismissed recently by the Co-operative Department. Now the Co-operative society is under Administrative Committee. Like all other members she also became a member as a nominee of Accused No-1 Mr.PT Paul. As a member of the Board of Directors, she is also responsible for the fake loans passed in her period.

7. It is humbly submitted that the investigation of

the case is in the preliminary stage. The investigation so far revealed that the accused distributed 422 fake loans for an amount of Rs 96,74,10,556/-(Ninety six Crores Seventy Four Lakhs Ten thousand Five hundred and fifty six) and used this amount for the Real Estate business of A-1 Mr.PT Paul and his associates. They passed loans in the names of various persons without their knowledge, including non-members of the Society and even minors. They made false loan applications, passed loans and misused that money. They also passed so many loans in the name of various persons by pledging the same property. The loans were passed by pledging photo copies and previous deeds of the same property pledged earlier and even properties pledged in other Banks also. The loans were passed in meeting of the Board of Directors including the petitioner. Hence, she is fully responsible for these fraudulent activities of Mr.PT Paul and his associates.

8. It is respectfully submitted that the petitioner of this bail Application Elsy Varghese submitted a Bail Application No 6961/2024 and that was dismissed by the Hon'ble court by the order Dated 08.10.2024. From that time, she was absconding and hence not able to arrest her so far. She approached the Hon'ble court again for bail and the circumstances of the case was not changed now. The depositors who lost the money due to the illegal acts of the accused are not repaid so far and now they are in the path of agitation. Accused No 2 PV Poullose, Accused No 3 KG Rajappan Nair,

Accused No 6 TP George, Accused No 8 MV Sebastian, Accused No 11 Mary Antony, Accused No15 Biju Jose and Accused No 16 Shiju KI were arrested all are now in Court Bail. The part played by each accused and their role in the criminal conspiracy is under investigation.

9. It is respectfully Submitted that the petitioner submitted in the Bail Application that she is innocent in the crime is not true. She was a member of the Director Board for a long period from 2012 to 2024 and she has the responsibility in all of these misappropriations. It is true that she has a deposit of 10 lakhs in her name and about 70 lakhs in the name of her relatives in the Society. Only the amount of 5 lakh deposited in the name of Thesiyamma Joseph, her elder sister and 1 lakh deposited in the name of Liya Paul, her grand Niece were deposited through bank account. All other amounts are deposited by cash, as per the records of the society. The amount deposited in her name was also not deposited through bank account. It is not clear whether the amounts deposited by cash are actual deposit or only an adjustment. The deposits in her name or in the name of her relatives is not an excuse of her participation in the misappropriations done. The claim of the petitioner that she understood about the misappropriations only after the death of the former president PT Paul and he, Shiju KI (Accused No1), Biju Jose (Accused No15), Jaiby VJ-(Late) (Accused No14) were behind all the illegal

acts are only an argument for escape from her part. Her argument that she did not participate in the Board meeting conducted on 04.03.2023 and 27.04.2023 in which many fake loans were passed is true. But on that date the previous loans passed and given using fake loan applications earlier were revised and reapproved. In the previous year on in the Director Board meeting held on 01.01.2022 a total of 22 loans were passed in which 15 were fake loans. In the Director Board meeting on 14.02.2022 11 loans were passed in which 7 were fake loans. In the Director Board meeting on 07.03.2022 379 loans were passed on one day in which 267 were fake loans. In the Director Board meeting on 15.06.2022 96 loans were passed in which 17 were fake loans. All these fake loans are of 25 lakhs rupees. In these meetings total 306 fake loans for 76,50,00,000/- (Seventy-Six Crores and Fifty Lakhs) Rupees were passed. All these meetings of the Director Board were attended by the petitioner Elsy Varghese and the minutes were signed by her. This shows her clear participation in the crime. The applications of previous loans were not found so far and how many fake loan applications in which the petitioner conducted valuation and recommended for loans are not clear.

10. It is respectfully submitted that the accused passed fake loans and misappropriated the money deposited by hundreds of ordinary people, trusting the Co-operative Society. Due to the fraudulent acts of the

accused, the money deposited by them were not given back. All the documents of these loans and deposits are to be verified and victims are to be questioned. The addresses of many of the fake loan applications are vague and incomplete. Hence identification of the applicants is very difficult. 102 other criminal cases were registered in Angamaly Police station so far against the accused for fake loans and the fraudulent collection and default in the repayment of deposits.

11. It is respectfully Submitted that the Accused No.1, the former president of the bank Mr. PT Paul and Accused No.14, former Secretary of the bank, Smt. Jaiby V J were passed away. The petitioners are Board of Directors and the loans were approved in the meeting of the Director Board. The valuation and verification of the pledged property was done by at least two members of the Board of Directors. Investigation conducted revealed that the loans were passed and used by the former president PT Paul and associates without even preparing loan applications. At the time of year ending applications were filled by using the staff of the society and temporary employees working in medical stores and laboratories functioning under the Co-operative Society. The Board of Directors passed loans in the meeting without even verifying the applications.

28. Going through the available materials, the investigation involving huge scam of money, is at the primary stage. Therefore, the arrest and custodial interrogation of the petitioners are very much essential to effectuate meaningful investigation. In such contingency, anticipatory bail plea at the instance of the petitioners, moved for the second time could not be allowed. Therefore, the bail applications must fail.

Accordingly, these bail applications stand dismissed, with direction to the petitioners to surrender before the Investigating Officer, forthwith. Failing which, the Investigating Officer is directed to effectuate meaningful investigation, by recording the arrest of the petitioners, as per law, as it is pointed out by the learned ADGP that, their arrest and custodial interrogation are necessary. It is observed that the petitioners, who involved in a very serious crime were not arrested, even though their earlier bail applications were dismissed as early on 08.10.2024. Since there was no arrest for a long period, the present bail applications have been filed starting from December, 2024

to March, 2025. The attitude of the Investigating Officer is noted with extreme displeasure as the same shall have adverse impact on effective investigation of a very serious crime.

Sd/-

**A. BADHARUDEEN
JUDGE**

SK

APPENDIX OF BAIL APPL. 3177/2025

PETITIONER ANNEXURES

Annexure -13	A TRUE COPY OF THE FIXED DEPOSIT RECEIPT NO. 0120000022248 DATED 7-11-2023 IN THE NAME OF THE PETITIONER
Annexure -14	A TRUE COPY OF THE FIXED DEPOSIT RECEIPT NO. 0120000011325 DATED 8-8-2019 IN THE NAME OF THE PETITIONER
Annexure - 15	A TRUE COPY OF THE FIXED DEPOSIT RECEIPT NO. 0120000020853 DATED 22-3-2023 IN THE NAME OF THE WIFE OF THE PETITIONER
Annexure - 16	A TRUE COPY OF THE FIXED DEPOSIT RECEIPT NO. 0120000021989 DATED 4-9-2023 IN THE JOINT NAME OF THE PETITIONER AND HIS SON
Annexure - 17	COPY OF THE SHARE CERTIFICATE DATED 25-3-2021 ISSUED BY THE SOCIETY TO THE PETITIONER
Annexure - 18	COPY OF THE SHARE CERTIFICATE DATED 25-3-2021 ISSUED BY THE SOCIETY TO THE WIFE OF THE PETITIONER
Annexure - 19	A COPY OF THE MEDICAL CERTIFICATE DATED 18-11-2024 ISSUED FROM RAJAGIRI HOSPITAL, ALUVA

APPENDIX OF BAIL APPL. 11104/2024

PETITIONER ANNEXURES

Annexure-1	A TRUE COPY OF THE FIR IN CRIME NO 112/2024 OF ANGAMALY POLICE STATION, ERNAKULAM
Annexure-2	A TRUE COPY OF THE ORDER DATED 23.10.2024 IN BA NO 6963/2024
Annexure-3	A TRUE COPY OF THE REPRESENTATION SUBMITTED BY THE PETITIONER TO THE INVESTIGATING OFFICER, CRIME BRANCH ERNAKULAM AND ITS POSTAL RECEIPT
Annexure-4	THE TREATMENT RECORDS OF THE HUSBAND OF THE PETITIONER
Annexure-5	THE TRUE COPY OF THE RECEIPTS OF THE FIXED DEPOSITS MADE BY THE PETITIONER AND HER IMMEDIATE FAMILY MEMBERS
Annexure-6	A TRUE COPY OF THE MINUTES OF THE BOARD MEETING DATED 04.03.2023
Annexure-7	A TRUE COPY OF THE MINUTES OF THE BOARD MEETING DATED 27.04.2023
Annexure-8A	A COPY OF THE AUDIT REPORT FOR THE PERIOD FROM 2019-2020
Annexure-8B	A COPY OF THE AUDIT REPORT FOR THE PERIOD FROM 2020-2021
Annexure-8C	A COPY OF THE AUDIT REPORT FOR THE PERIOD FROM 2021-2022
Annexure-8D	A COPY OF THE AUDIT REPORT FOR THE PERIOD FROM 2022-2023
Annexure-9	A TRUE COPY OF THE LETTER DATED 29.12.2023 SUBMITTED BY BIJU K JOSE
Annexure-10	A TRUE COPY OF THE REQUEST SUBMITTED BY THE STAFF IN THE SOCIETY
Annexure-11	ORDER DATED 08-10-2024 IN BAIL APPL.6961/2024 ON HIGH COURT
Annexure-12	A TRUE COPY OF THE MINUTES OF BOARD MEETING DATED 07.02.2019
Annexure-13	A TRUE COPY OF THE MINUTES OF BOARD MEETING DATED 19.03.2021
Annexure-14	A TRUE COPY OF THE REPORT UNDER SECTION 65 OF THE COOPERATIVE SOCIETIES ACT
Annexure-15	A TRUE COPY OF THE ORDER DATED 08.01.2025 IN WP (C) NO. 38873/2024

APPENDIX OF BAIL APPL. 1315/2025

PETITIONER ANNEXURES

Annexure A	A TRUE COPY OF THE FIR IN CRIME NO. 112/2024 REGISTERED AT ANGAMALY POLICE STATION IN ERNAKULAM DISTRICT DATED 09.01.2024
Annexure B	A TRUE COPY OF THE ORDER PASSED IN BAIL APPL. NO. 6961/2024 DATED 08.10.2024
Annexure C	A TRUE COPY OF RELEVANT PORTION OF THE ENQUIRY REPORT NO. ARGALA/279/2024 SUBMITTED BY THE ENQUIRY OFFICER U/S 68 (1) OF THE CO-OPERATIVES SOCIETIES ACT, 1969 DATED 28.10.2024
Annexure D	A TRUE COPY OF RELEVANT PAGES OF THE NOTICE OF 15TH ANNUAL GENERAL BODY MEETING OF ANGAMALY URBAN CO-OPERATIVE SOCIETY LTD. NO. E 1081 SCHEDULED ON 08.10.2017
Annexure E	A TRUE COPY OF RELEVANT PAGES OF THE NOTICE OF 17TH ANNUAL GENERAL BODY MEETING OF ANGAMALY URBAN CO-OPERATIVE SOCIETY LTD. NO. E 1081 SCHEDULED ON 27.10.2019
Annexure F	A TRUE COPY OF NOTICE NO. H.M(1) 2976/2023 ISSUED BY THE JOINT REGISTRAR (GENERAL), ERNAKULAM DATED 18.12.2024
Annexure G	A TRUE COPY OF THE OBJECTIONS SUBMITTED BY THE PETITIONER BEFORE JOINT REGISTRAR (GENERAL), ERNAKULAM DATED 09.01.2025
Annexure H	A TRUE COPY OF THE ORDER PASSED IN BAIL APPL. NO. 6963/2024 DATED 23.10.2024
Annexure I	A TRUE COPY OF THE MEDICAL CERTIFICATE ISSUED BY DR.MANOJ P JOSE, SENIOR CONSULTANT PHYSICIAN AT LITTLE FLOWER HOSPITAL, ANGAMALY DATED 23.01.2025