



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD

BAIL APPLICATION NO. 599 OF 2026

SANJAY S/O. LIMBAJIRAO BUDHWANT
VERSUS
THE STATE OF MAHARASHTRA

.....
Mr. S. S. Gangakhedkar, Advocate for Applicant.
Mr. D. J. Patil, APP for Respondent - State.
.....

CORAM : HITEN S. VENEGAVKAR, J.

DATED : 07th OCTOBER, 2026

ORDER :

1. Heard the Learned Advocate for the applicant and the Learned APP for the State. The applicant seeks regular bail in Crime No.438 of 2024 registered with Bhagyanagar Police Station, District Nanded, for the offences punishable under Section 420 read with Section 34 of the Indian Penal Code and the provisions of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999. The charge-sheet has been filed and the proceedings are registered as Special Case No.149 of 2025. His application for bail was rejected by the Additional Sessions Judge-2, Nanded, on 10th February, 2026.

2. The prosecution states that Rising Life Enterprises Private Limited was incorporated on 7th February, 2011 and offered various schemes under which members of the public were

invited to invest money in monthly installments or by a lump-sum payment. The investors were told that their money would be invested in purchase and development of land, construction and activities such as goat rearing, poultry and dairy business, and that the profits would enable repayment with attractive returns. It was also represented that interests in land or the proposed business would provide security for their investments. Agents were appointed to collect money and receipts and certificates were issued in the name of the company.

3. The prosecution further states that Gangadhar Vishwanath Delmade and Alka Delmade collected deposits through this arrangement, but the amounts were not returned when they became due. Their original complaint referred to deposits of Rs.10,25,925/- collected from 119 persons, including matured deposits of Rs.4,46,500/- relating to 18 persons. Upon demands for repayment, assurances were given, but payment was avoided and the company's office was subsequently closed. The complaint led to proceedings under Section 156(3) of the Code of Criminal Procedure. By order dated 21st August, 2024, registration and investigation were directed, and the present crime was registered on 7th September, 2024. The investigation alleges that deposits were used to acquire properties in the names of the company, the

accused and their relatives and that the depositors were deprived of their money. The police papers refer to 6,515 depositors identified from the company records, an amount of Rs.96,70,195/- relating to 349 depositors initially identified through the agents, and statements of 117 depositors concerning Rs.14,54,825/-. These figures represent different stages and sets of the investigation and cannot be added together or treated as a final assessment of the entire loss.

4. Learned Advocate for the applicant submits that the original complaint was against Raju Budhwant, Sangita and the company and did not name the present applicant. He submits that the statements principally describe the applicant as a director or as a person associated with the company, without attributing to him any particular act of inducing a depositor or personally receiving the money. According to him, the applicant's brother Raju conducted the business and used the applicant's particulars to show him as a director. He disputes the signatures attributed to the applicant in the incorporation and company documents and submits that no identified transfer of the depositors' money to the applicant's bank account has been demonstrated.

5. Learned Advocate further submits that properties

standing in the names of Raju and Sangita have been identified, but effective attachment under the MPID Act has not followed. He acknowledges a sale deed in the applicant's name, while submitting that its date precedes the complainant's enrolment as an agent and that it does not establish the applicant's participation in the alleged collection of deposits. He also refers to subsequent dealings with company properties by Raju. The applicant relies on the protection granted to Sangita, the filing of the charge-sheet, his continued custody and his willingness to comply with conditions. The application additionally relies on the RBI communication to dispute the applicability of the MPID Act.

6. Learned APP opposes the application and submits that the applicant is shown as a director in the company records and was added as an accused upon investigation. The prosecution report alleges that he acted with Raju in establishing the company and obtaining deposits through agents. It also relies on the extent of the transactions, the number of depositors and the property material collected during investigation. The report expresses apprehension that the applicant may dispose of property, interfere with documentary evidence or witnesses and avoid the proceedings. It alleges that he was unavailable before his arrest and states that further investigation concerning deposits, bank

accounts, properties and other persons remains open.

7. Having considered these submissions and the material placed before the Court, I find that the applicant's absence from the original complaint is a circumstance which requires consideration, but it cannot by itself establish that his subsequent implication is unjustified. An investigation may disclose the involvement of a person not named in the first report. The material subsequently collected must, therefore, be examined before accepting the submission that the applicant has been implicated only because he is accused Raju's brother.

8. The Registrar of Companies material describes the applicant as a promoter and director appointed on 7th February, 2011. The articles name him among the first directors, and the accounts contain signatures attributed to him. These documents provide prima facie support for the prosecution's assertion of his association with the company. Learned Advocate submits that the signatures were fabricated and invites a comparison with other documents. Such a comparison would not justify a finding of forgery in these bail proceedings. The prosecution documents must be considered for their prima facie effect, leaving their proof and the applicant's challenge to be examined at trial. At the same time,

the fact that his name appears as a director does not dispense with examination of the nature of the responsibility and conduct attributed to him in relation to the alleged fraudulent default.

9. The submission that the witnesses disclose no role beyond directorship also requires qualification. The statements of agents describe receipt of money and the day-to-day transactions principally with reference to Raju, Sangita and the office staff. Sanjay Namdeorao Jondhale, who worked as a manager, it further states that Raju controlled the transactions and signed the slips for depositing money and also refers to occasional visits by the applicant. However, Archana Dudhare's statement and Santoshi Balshetwar's supplementary statement refer to a meeting at Parbhani in 2018 attended by accused Raju, the applicant and Sangita, at which repayment through sale of company properties was assured. The applicant's connection with the company's affairs cannot, therefore, be treated as wholly unsupported. Nevertheless, an assurance at a later meeting about repayment must be distinguished from a specific account of the applicant personally inducing the initial investment or receiving a particular deposit. The legal and evidentiary effect of these circumstances requires examination at trial.

10. The property material must likewise be considered without accepting the applicant's broad submission that he derived no benefit as an established fact. Counsel has acknowledged a sale deed in his name. The remand report also refers to land at Mangalwadi in Jintur Taluka allegedly acquired in his name from company funds. The assertions made in a remand report do not, by themselves, prove the source of the consideration, but they identify an aspect of the prosecution case which cannot be ignored. Merely because a purchase preceded the complainant's enrolment as an agent, it does not follow that it was unrelated to the company's funds, particularly when the company had been incorporated earlier and the investigation covers a wider period. Equally, the absence of an identified credit in the applicant's personal bank account does not exclude participation through dealings with company funds or property. These questions remain open, and bail is not being granted on a finding that the property transactions are unconnected with the alleged offence.

11. The reliance on the RBI communication is also misplaced to the extent it is suggested that absence of registration as a non-banking financial company excludes the MPID Act. The communication states that the company was not registered with the RBI as an NBFC and was not authorised by it to accept public

deposits. The statutory inquiry under the MPID Act concerns the nature of the money accepted, the arrangement for its return or the promised service, and whether the entity answers the definition of a financial establishment. A company does not obtain immunity from that enactment merely because it lacked RBI authorisation. On the allegations presently made, the applicability of the MPID Act cannot be excluded for the reason advanced by the applicant.

12. The seriousness of the accusation is evident. The prosecution concerns savings collected from numerous persons across several districts, including persons depositing small amounts through instalments. Their loss cannot be diminished merely because individual deposits were modest. The Court must, however, also consider the stage of the proceedings and whether further detention of this applicant is necessary. In *Sanjay Badaya v. State of Rajasthan, 2026 SCC OnLine SC 2022*, decided on 29th September, 2026, the Supreme Court, while recognising the seriousness of economic offences involving conspiracy, considered the filing of charge-sheets, the predominantly documentary evidence already secured, and the likelihood of a protracted trial, it emphasised protection of personal liberty and the need to secure cooperation with any continuing investigation and participation in

the trial. That decision requires an assessment of the circumstances of the individual case; it does not make the filing of a charge-sheet an automatic ground for bail.

13. The arrest and remand records, read with the prosecution's report and the application made before the Special Court, show that the applicant was arrested on 4th June, 2025 and was thereafter remanded to judicial custody on 12th June, 2025. The applicant has thus remained in custody for approximately sixteen months. The chargesheet was filed on 1st August, 2025. Company records have been seized, documents have been obtained from the Registrar of Companies and registration authorities, and statements of agents, employees and depositors have been recorded. Further investigation may continue, but its possible enlargement to other depositors, assets and persons does not, without a demonstrated need for this applicant's continued detention, justify keeping him in custody for its entire duration. The volume of the records and the number of witnesses also indicate that completion of the trial will require substantial time.

14. Learned APP's apprehensions regarding interference with witnesses and disposal of property deserve consideration even after the chargesheet. Filing a chargesheet does not eliminate

every such risk. Much of the documentary material has, however, already been secured, and the apprehensions concerning the applicant's access to witnesses and dealings with identified properties can be addressed by conditions. The allegation that he was unavailable before arrest calls for safeguards to secure his presence. His disclosed residence, surrender of his passport, regular reporting and restrictions on travel outside the State provide a means of supervision. Having regard to the period already spent in custody and the present stage of the case, I am satisfied that these safeguards, with liberty to seek cancellation upon breach or interference, are sufficient for the purpose of this application.

15. As regards parity, the order dated 30th September, 2025 in Anticipatory Bail Application No.1719 of 2024 concerning co-accused Sangita Ganpatrao Ghuge must be read as it stands. It records prima facie active participation in collecting money and inducing investments. Protection was confirmed having regard to her compliance with the interim conditions, the filing of the charge-sheet and the absence of a demonstrated need for custodial interrogation. It would, therefore, be incorrect to proceed on the footing that she was granted bail upon a finding that she had no involvement in the company's affairs. The applicant's position as a

recorded director also requires independent consideration. Her protection is a relevant circumstance in the same prosecution, but the present decision rests on the assessment of this applicant's material, custody and the safeguards available.

16. During the hearing, attention was drawn to the absence of effective attachment proceedings and the non-appointment of a competent authority. The police papers themselves refer to identified properties and preparation of an MPID proposal. The prosecution cannot rely upon possible disposal of property while leaving the statutory means of protecting that property unattended. Attachment under Section 4 requires the Government's statutory satisfaction and an order published in the Official Gazette. Appointment of the competent authority is governed by Section 5, and the ensuing proceedings must be taken before the Designated Court. Disputes concerning title and the rights of third parties are to be decided through that process. Continued detention of the applicant cannot substitute for these steps. Appropriate directions for processing the proposal are therefore necessary, without deciding in these proceedings that any particular property is liable to attachment.

17. On an overall consideration, the applicant's contention

that there is no material whatsoever against him cannot be accepted. There is nevertheless a distinction between material sufficient to continue the prosecution and circumstances requiring further detention pending trial. The applicant has undergone approximately sixteen months of custody, the charge-sheet has been filed, a substantial part of the evidence is documentary and has been secured, and the remaining concerns can be addressed through enforceable conditions. I am, therefore, satisfied that he may be released on bail. His defence regarding signatures, the source of the property consideration and the extent of his participation remains entirely open for trial. The application is accordingly allowed in the following terms.

ORDER

- (i) The applicant Sanjay Limbajirao Budhwant shall be released on bail in Crime No.438 of 2024 registered with Bhagyanagar Police Station, District Nanded, on executing a personal bond of Rs.50,000/- with one or two solvent sureties in the like aggregate amount, to the satisfaction of the Designated Court, unless his custody is required in any other case.
- (ii) After release, within 2 weeks the applicant shall furnish his complete residential address and mobile number to the Investigating Officer and the Designated Court. He shall give prior written intimation of any change. He shall surrender his passport, if held, before the

Designated Court and shall not leave Maharashtra without its prior permission.

- (iii) The applicant shall attend Bhagyanagar Police Station on the first Monday of every month between 10.00 a.m. and 12.00 noon for six months from release and shall also cooperate with further investigation upon reasonable written notice. The Designated Court may modify the reporting requirement for sufficient cause.
- (iv) The applicant shall not directly or indirectly threaten, induce or pressurise any depositor or prosecution witness, interfere with the evidence, or obstruct the investigation. He shall attend the proceedings before the Designated Court unless his presence is lawfully exempted and shall not seek unnecessary adjournments.
- (v) The applicant shall not sell, transfer, encumber or create third-party rights in any property standing in his name and identified in the charge-sheet or its annexures as allegedly acquired from the company's or depositors' funds, without prior permission of the Designated Court. This condition does not determine title or the source of acquisition and does not substitute for attachment under the MPID Act. Any existing lawful restraint shall continue to operate according to its terms.
- (vi) The Superintendent of Police, Nanded, shall ensure that the Investigating Officer verifies the current status of the proposal under the MPID Act. If a complete proposal

has not been submitted, it shall be submitted through the prescribed channel to the competent Authority. If already submitted, its particulars and pending requirements shall be recorded and followed up. The State Government authority concerned shall consider the proposal expeditiously in accordance with Sections 4 and 5 of the Act. No opinion is expressed as to whether any particular property must be attached.

- (vii) The Investigating Officer shall place a status report regarding the above steps before the Designated Court within six weeks. The Registry shall forward a copy of this order to the Superintendent of Police, Nanded, the Collector, Nanded, and the Home Department, Government of Maharashtra, for necessary action in accordance with their statutory powers.
- (viii) The prosecution may apply for cancellation of bail in accordance with law if the applicant breaches these conditions, interferes with the investigation or trial, or attempts to defeat lawful proceedings concerning the identified properties.
- (ix) All observations concerning the evidence and the applicant's role are prima facie and confined to the decision on bail. The Designated Court shall decide the case independently, uninfluenced by these observations.

(HITEN S. VENEGAVKAR)
JUDGE