*AGK*

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**
**CRIMINAL APPELLATE JURISDICTION**

**BAIL APPLICATION NO.2318 OF 2024**

Tejas Sagar Ghadigaonkar & Anr. … Applicants
**V/s.**
The State of Maharashtra … Respondents



Ms. Manjiri Parasnis for the applicants.
Mrs. Megha S. Bajoria, APP for the respondent-State.

**CORAM : AMIT BORKAR, J.**

**DATED : JULY 16, 2025**

**P.C.:**

**1.** By this application filed under Section 439 of the Code of Criminal Procedure, 1973, the applicants are seeking regular bail in connection with Crime Register No.333 of 2023 registered at Matunga Police Station, Mumbai. The said crime involves allegations under Sections 409 and 420 of the Indian Penal Code, 1860 (hereinafter referred to as "IPC") read with Sections 3 and 4 of the Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999 (hereinafter referred to as "MPID Act").

**2.** The case of the prosecution, in brief, is that the complainant is employed as a receptionist at Breach Candy Hospital. It is alleged that the applicants, along with one Vinod Parmar, induced the complainant to invest in a scheme by assuring her that she would receive 10% of the principal investment and 5% interest per month. Acting on such representation, the complainant allegedly invested Rs.3,00,000/- in cash. A promissory note acknowledging receipt of this amount was executed by co-accused Vinod Parmar for a period from 9th June 2022 to 8th April 2023, promising to pay Rs.18,000/- as interest and Rs.30,000/- towards the principal, totalling Rs.48,000/- per month. Additionally, the complainant was promised a profit of Rs.67,000/- on an earlier investment of Rs.1,50,000/-. Initially, a sum of Rs.48,000/- was paid to the complainant. However, no further payments were made thereafter. Upon follow-up, accused No.1 and applicant No.2 are said to have issued a post-dated cheque for Rs.15,65,000/- in the name of the complainant's sister and provided a letter assuring repayment of the principal amount by 20th May 2023.

**3.** It is further the case of the prosecution that during this period, the complainant came to know about a criminal case registered against the applicants and co-accused involving similar allegations made by other investors. Upon investigation, it came to light that between 1st June 2022 and 28th July 2023, the accused persons, including the present applicants, in collusion with each other, defrauded investors to the tune of Rs.39,40,548/-. The investigating agency has alleged that the applicants individually derived monetary benefits amounting to Rs.1,27,07,048/-. Accordingly, offences under Sections 409 and 420 IPC along with Sections 3 and 4 of the MPID Act have been invoked.

**4.** Learned counsel appearing for the applicants submitted that the dispute essentially arises out of a commercial transaction and that a civil dispute has been given a criminal colour. It is submitted that the complainant and other investors were aware of the risks involved in the share trading market and that the applicants had no intention to defraud any person. It is argued that the applicants had repaid a substantial portion of the amount to the investors. In support of this submission, it is pointed out that an amount of Rs.80,13,400/- has been refunded by the applicants out of the alleged sum of Rs.1,27,07,048/-. It is further submitted that the applicants have been in custody since 26th July 2023 and that further incarceration would serve no useful purpose.

**5.** In support of the plea for bail, learned counsel for the applicants placed reliance on the judgment of the Hon'ble Supreme Court in *Satender Kumar Antil vs. Central Bureau of Investigation & Anr.*, reported in (2024) 9 SCC 177, wherein the principles governing grant of bail, particularly in cases involving economic offences and delay in trial, have been reiterated. She also relied upon the decision in *Prem Prakash vs. Union of India*, SLP (Cri.) No.5416 of 2024, decided on 28th August 2024, and a decision of a coordinate Bench of this Court in *Gilbert Paustine Baptist vs. State of Maharashtra*, Criminal Bail Application No.794 of 2023, decided on 20th September 2024, to contend that inordinate delay in trial proceedings justifies grant of bail, particularly when part payments have been made.

**6.** On the other hand, learned APP vehemently opposed the bail application and submitted that the promise of a return of 10% principal along with 5% interest per month was, on the face of it, an inherently false assurance, incapable of being fulfilled in any reasonable business scenario. It was submitted that the applicants, being persons involved in financial dealings, were well aware of the impracticality of such high returns and yet misrepresented facts to innocent investors. The applicants are alleged to have used this false assurance repeatedly to lure multiple investors and dishonestly misappropriate their funds. The investigation has revealed that the applicants and their co-accused floated three companies and three limited liability partnerships for this purpose. The cumulative amount collected from investors, as per the prosecution's reply affidavit, comes to Rs.1,27,07,048/-, which remains unpaid. Further, it is pointed out that the present applicants are also named in two more similar cases registered in Sindhudurg District and one more case registered in Mumbai. The learned APP submitted that the funds received from the investors were transferred from the accounts of the companies to the accounts of the applicants and their close relatives, demonstrating a systematic siphoning of public funds. In view of the gravity of the offence and the larger public interest involved in economic crimes, it is prayed that the application for bail be rejected.

**7.** I have carefully considered the submissions advanced on behalf of the applicants as well as the learned APP for the State. I have also gone through the record made available, including the complaint, statements of witnesses, and material gathered during the investigation.

**8.** At the outset, it must be noted that the allegations against the applicants are not of a mere civil nature or commercial loss arising out of ordinary share trading. The material on record, prima facie, discloses that the applicants, in connivance with co-accused, systematically persuaded multiple investors, including the present complainant, to part with their hard-earned savings by falsely promising them unusually high monthly returns—10% of the capital along with 5% monthly interest. Such returns are clearly beyond the reasonable scope of any legitimate business and, therefore, the promise itself appears to be deceitful and dishonest from the inception.

**9.** The nature of the transactions, as revealed in the course of investigation, also shows that this was not a one-time isolated incident but part of a larger, organised financial scheme. The applicants are alleged to have floated multiple companies and LLPs for attracting investments from the general public and routed the collected money to their personal or related accounts. The fact that several other persons have approached the authorities with similar complaints lends further weight to the prosecution's case that the accused persons were engaged in a pattern of inducing and defrauding investors.

**10.** It is now well settled that economic offences, particularly those involving public money and affecting a large number of victims, stand on a different footing. In *State of Gujarat vs. Mohanlal Jitamalji Porwal* [(1987) 2 SCC 364], the Hon'ble Supreme Court observed that economic offences are a class apart and need to be viewed with seriousness, as they pose a serious threat to the financial health of the society. Similarly, in *Y.S. Jagan Mohan Reddy vs. CBI* [(2013) 7 SCC 439], the Supreme Court held that economic offences involving deep-rooted conspiracies and huge loss to the public or investors must be dealt with strictly, and that the grant of bail in such cases requires a cautious and balanced approach.

**11.** It is also pertinent to note that the offences alleged against the applicants attract provisions of the *Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999*, which is a special legislation enacted with the specific object of safeguarding the interests of small investors from fraudulent schemes run by financial establishments. Section 3 of the MPID Act criminalises default in repayment of deposit amounts, and Section 4 prescribes stringent punishment. More importantly, Section 7 and 8 of the MPID Act empower the State machinery to attach the properties of the accused persons and bar transfer of such assets. In the present case, the prosecution has specifically alleged that the accused persons, including the applicants, transferred large sums of money from company accounts to their own or their relatives' accounts. Therefore, there is a reasonable apprehension that if enlarged on bail, the applicants may tamper with the proceeds of crime or influence witnesses, thereby hampering further investigation.

**12.** While it is submitted by the learned Advocate for the applicants that part amounts have been returned and the applicants are willing to co-operate with the investigation, such submissions, though relevant at the stage of sentencing or settlement, cannot be a ground for bail in the present context, particularly when the applicants are shown to be habitual offenders with similar offences registered against them in other districts. The gravity of the economic offence, the impact on multiple victims, and the conduct of the applicants in siphoning off funds outweigh the arguments based on parity or delay in trial.

**13.** It is further observed that the applicants have not placed on record any concrete proposal, offer, or legally binding undertaking to return the balance amount due to the complainant and other investors. There is no affidavit or assurance given to this Court specifying the timeline, method, or means by which the remaining funds, amounting to more than Rs.40 lakhs, would be returned to the victims. Merely stating that part-payment has been made, without demonstrating any genuine or structured effort to repay the rest, does not reflect bona fides on the part of the applicants.

**14.** It is well settled that in economic offences involving cheating of multiple persons, the conduct of the accused during and after the commission of the offence becomes highly relevant. If the accused persons are genuinely willing to repay or settle the matter, it is expected that some proactive steps would be taken to safeguard the interests of the victims — either by furnishing security, offering compromise proposals, or by cooperating with the investigating agency in tracing the money trail and recovering the amount.

**15.** However, in the present case, there is nothing on record to indicate that the applicants have taken any such meaningful or credible step. The money trail, as disclosed in the investigation so far, shows that substantial amounts have been transferred to the personal accounts of the applicants or their relatives.

**16.** In such circumstances, this Court is not inclined to release the applicants on bail merely on the basis that they have been in custody since July 2023. Custody by itself is not a conclusive ground for bail in offences of such serious financial nature, particularly when the gravity of the offence, the scale of cheating, and the need for effective investigation outweigh the plea for liberty.

**17.** Hence, in the absence of any bona fide offer or concrete safeguarding condition ensuring restitution to the investors, the prayer for bail does not merit acceptance at this stage.

**18.** Considering the totality of circumstances, including the magnitude of the alleged fraud (Rs.1.27 crore), the organised modus operandi, the invocation of the MPID Act, and the possibility of the accused absconding or tampering with evidence, I am of the considered view that the applicants do not deserve the discretionary relief of bail at this stage.

**19.** Accordingly, the bail application stands rejected.

**(AMIT BORKAR, J.)**