AGK

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CRIMINAL APPELLATE JURISDICTION

BAIL APPLICATION NO.255 OF 2025

Pramod Devram Bhanji ... Applicant
V/s.
The State of Maharashtra ... Respondent

Mr. Sunny Aaron Waskar with Mr. Shamish Marwadi for the applicant.

Mr. Sagar R. Agarkar, APP for the respondent-State.

Mr. S.S. Ghag, PSI (Pairavi Adhikari), Malwani Police Station, Mumbai, is present.

CORAM : AMIT BORKAR, J.

DATED : AUGUST 4, 2025

P.C.:

1. By the present application filed under Section 439 of the Code of Criminal Procedure, 1973, the applicant seeks regular bail in connection with Crime Register No. 882 of 2024, registered with Malwani Police Station, Mumbai, for offences punishable under Sections 406, 420, 465, 468, 471 read with Section 34 of the Indian Penal Code, 1860, and under Sections 3 and 4 of the Maharashtra Protection of Interests of Depositors (in Financial Establishments) Act (for short, MPID Act).

2. As per the case of the prosecution, around the year 2009, about sixty women from the locality of the informant came together with the objective of creating a women's collective, and they formed a body called Mata Ramabai Mahila Mandal (“the said Mandal”). At that time, the informant’s mother Sindhubai Kashinath Walve was functioning as the President of the said Mandal. In the year 2015, with a collective desire that each woman should own a house, the group contacted Accused No.1 on 15th August 2015. It is alleged that Accused No.1 proposed a housing scheme at Sadh and Madh areas, wherein he offered to sell one room per woman for a price of ₹4,00,000/-. The members found the proposal agreeable, and all sixty women decided to participate in the scheme.

3. Following this, the informant along with Ujwala Santosh Ingle is said to have personally met Accused No.1 at Madh and conveyed the group’s willingness to buy sixty rooms. The brother of the present applicant, Avinash, allegedly informed them that the total cost would be ₹2,40,00,000/- (i.e., ₹4 lakh per room for sixty rooms). Thereafter, on 20th August 2016, a meeting was held at the residence of the informant’s mother Sindhubai Walve, located at Shivajinagar, Madh, in the presence of sixty women and Accused No.1. In that meeting, a Memorandum of Understanding (MoU) was executed between Accused No.1 and the complainant and others. As per the terms of the MoU, Accused No.1 undertook to construct sixty rooms, each of 9.5 feet width and 13 feet length, and in return, the group of women agreed to pay ₹4 lakh per room.

4. The period of construction and transaction was set out in the MoU as from 12th July 2015 to 12th July 2018. The construction of rooms was supposed to begin on 12th July 2017 and be completed by 12th July 2018. It was also allegedly agreed that after construction, Accused No.1 would facilitate the purchase of the said property on behalf of the sixty women.

5. Further, on 20th August 2016, while preparing sample documentation at the house of Sindhubai Walve, the advance amount to be paid by the women to Accused No.1 was finalised. A delivery receipt acknowledging the advance payment was allegedly executed and signed by Accused No.1, and the said receipt was witnessed by Mr. Mangal Nana Ingole and Shri Jagan Vishwanath Kardil. It is further alleged that the remaining amount, amounting to about ₹2,10,00,000/-, was paid by the members of the Mandal through a combination of cash, cheques, and bank transfers, within the stipulated time, i.e., by August 2018. After full payment, the group is said to have demanded possession of the rooms from Accused No.1.

6. It is further alleged that Accused No.1 delivered possession of some of the rooms to a few women. However, in a planned manner to defraud the investors, certain documents like agreements of sale, affidavits, irrevocable power of attorney, and general power of attorney were allegedly prepared by Accused No.1 and in favour of himself as well as his brother-in-law, Accused No.2, thereby depriving the rightful purchasers of their property and diverting ownership in favour of the accused persons.

7. Learned Advocate for the applicant submitted that the present applicant has been falsely implicated in the crime. It is contended that there is no direct transaction between the applicant and the complainant or any of the alleged victims. According to the learned Advocate, the entire monetary dealings were between the complainants and the applicant's brother, who is a co-accused in the case. It is further submitted that no amount whatsoever out of the alleged total consideration of ₹2,40,00,000/- was ever received by the applicant. The applicant is not a signatory to any agreement with the complainants or other witnesses, nor has he acknowledged receipt of any funds. It is emphasized that the investigation is now complete, and a charge-sheet has been filed before the competent court. The co-accused, who is the brother of the applicant and who is alleged to have received the amount, has already been released on bail under Section 167(2) of the Code of Criminal Procedure, 1973. On that basis, it is urged that the applicant also deserves to be released on bail.

8. On the other hand, learned APP for the State has strongly opposed the grant of bail. It is pointed out that the charge-sheet reveals a larger conspiracy wherein the applicant and his brother allegedly induced a group of economically weaker women by promising them ownership of housing units, and thereby collected substantial sums of money from them. The learned APP submits that the documents placed on record, such as agreements to sell, powers of attorney, and affidavits, clearly bear the signature of the applicant, and these documents mention that the applicant has received ₹4 lakh from each of the complainants. It is also submitted that the receipts annexed to the sale agreements clearly show that the applicant has acknowledged receipt of these amounts. Furthermore, independent affidavits, which are notarized and bear the signature of the applicant, support the prosecution's case that the applicant had knowledge and active participation in the transaction.

9. It is further contended by the learned APP that the applicant had himself filed an affidavit, declaring that he was the absolute owner of the land on which the project was proposed, and had agreed to execute a conveyance deed in favour of the complainants. However, when the Court queried the learned Advocate for the applicant regarding the status or existence of such land, he was unable to provide any clarification. This, according to the prosecution, raises serious doubts about the applicant's credibility. It is also submitted that the housing scheme was actively promoted by both the applicant and his brother, and based on their representations, poor women from the Mandal were induced to deposit amounts totalling ₹30 lakh upfront, and were further required to pay monthly instalments from 12 July 2015 to 12 July 2018. Despite collecting substantial funds, no construction activity ever commenced at the proposed site. It is alleged that the applicant, despite having means to refund the amount, has failed to return even a single rupee to the victims. In these circumstances, the learned APP has prayed for rejection of the bail application, contending that the applicant was a key participant in the fraudulent scheme and release on bail may prejudice the trial.

10. I have considered the submissions made by the learned Advocate for the applicant and the learned APP for the State. I have also perused the material placed on record, including the charge-sheet, copies of the agreements to sell, affidavits, power of attorney documents, and receipts.

11. Though the applicant has taken a stand that he had no direct dealings or monetary transactions with the complainants and that the entire amount was received only by his brother, who is a co-accused in the case, this defence does not appear to be supported by the material available on record. On the contrary, a prima facie reading of the charge-sheet and annexed documents reveals that several key documents, such as the agreement to sell, affidavits, and notarized power of attorney deeds, clearly bear the signature of the applicant.

12. These documents specifically record that the applicant received ₹4 lakh from each complainant, which amount was paid towards allotment of a housing unit under the scheme floated by the applicant and his co-accused. More importantly, these documents are not limited to a mere signature on the last page; rather, it appears that the applicant has signed each page of the agreements and affidavits, which strongly suggests that he was fully aware of the nature and content of these documents.

13. Such acts of signing the documents, acknowledging receipt of money, and declaring ownership of land proposed for development, show that the applicant was not a passive or unaware party, but was instead an active participant in the transaction, who represented himself as being capable of delivering possession of the housing units. The very fact that the applicant was projected as the landowner in the affidavits, and that the complainants placed their trust in him and made payments, further reinforces the conclusion that the applicant was centrally involved in the alleged fraudulent scheme.

14. Therefore, the claim that the applicant had no role or did not receive any funds does not inspire confidence at this stage and cannot be accepted at face value while considering the prayer for bail.

15. Further, the affidavit filed by the applicant, in which he claims to be the absolute owner of the land where the proposed housing scheme was to be developed, is also of significance. This affidavit is part of the documents relied upon by the prosecution and forms an essential link in the chain of events. In the said affidavit, the applicant has clearly declared ownership and has expressed willingness to execute a conveyance deed in favour of the members of the women's group. This shows that the applicant held himself out as the person who was in control of the land, and that the promised housing scheme was proposed to be constructed on land allegedly belonging to him.

16. However, when a specific query was made by this Court to the learned Advocate appearing for the applicant regarding the identity, location, and title of the said land, the advocate was unable to provide any concrete answer or supporting documents. This lack of clarity and evasive response raises a serious question about the genuineness of the project and lends further support to the prosecution's claim that the representations made by the applicant were misleading and deceptive, intended only to induce vulnerable women to part with their hard-earned savings.

17. It is also important to note that the applicant never made any efforts to refund the money to the victims despite knowing that construction never commenced and possession was not delivered. His conduct indicates a clear dishonest intention from the very beginning. Therefore, in light of the documents on record and the conduct of the applicant, this Court finds it difficult to accept the plea that the applicant was not involved in the transaction or that he did not receive any money.

18. It is further alleged by the prosecution that the housing project was actively promoted by both the applicant and his brother as a joint venture, targeting economically weaker women from the locality. On the basis of these representations, these women were induced to make initial contributions of ₹30 lakh in total, and thereafter, they were required to make further monthly payments from 12th July 2015 till 12th July 2018. Many of these women, trusting the words of the applicant and his brother, continued to deposit their hard-earned money either in cash, through cheques, or via bank transfers.

19. However, despite receiving a substantial sum of over ₹2.40 crores, the prosecution alleges that the applicant and the co-accused never initiated any construction on the promised site. Not a single foundation stone was laid. The confidence and trust of these women were grossly misused, and till date, no steps have been taken either to deliver possession of any room or to refund the money collected.

20. In such circumstances, the allegations against the applicant go beyond mere breach of contract or civil wrong; they disclose a larger conspiracy, amounting to a systematic and deliberate fraud played upon a specific class of victims, namely, poor women from the lower strata of society, who were led to believe that they would get a roof over their heads.

21. The prosecution has also highlighted that, despite having sufficient financial means, the applicant has not refunded a single rupee to any of the victims. This continued failure to compensate the victims, coupled with the absence of any genuine efforts to resolve the grievance, shows a lack of remorse and indicates a continuing fraudulent intent.

22. It is a settled principle that in economic offences involving large-scale fraud and cheating, particularly against persons from marginalised backgrounds, the gravity of the offence, impact on society, and the need for custodial interrogation or detention to preserve public confidence in the administration of justice, are all relevant considerations while deciding bail.

23. Merely because the co-accused has been released on default bail under Section 167(2) of the Code, it would not entitle the present applicant to be enlarged on regular bail under Section 439, especially when his active role is clearly discernible from the record and when restitution of the alleged cheated amount has not been made.

24. Considering the seriousness of the allegations, the quantum of money involved, the vulnerable status of the victims, and the role of the applicant, I am of the opinion that the present case is not fit for grant of bail at this stage.

25. The bail application filed by the applicant under Section 439 of the Code of Criminal Procedure, 1973, in connection with Crime Register No. 882 of 2024 registered with Malwani Police Station, Mumbai, for the offences punishable under Sections 406, 420, 465, 468, 471 read with Section 34 of the Indian Penal Code, 1860, and under Sections 3 and 4 of the Maharashtra Protection of Interests of Depositors (in Financial Establishments) Act, is rejected.

26. Needless to clarify that any observations made herein are prima facie in nature and confined to the adjudication of the present bail application. The trial Court shall not be influenced by any such observations while deciding the matter on merits.

27. Accordingly, the bail application stands rejected.

(AMIT BORKAR, J.)