IN THE HIGH COURT OF JUDICATURE OF BOMBAY
BENCH AT AURANGABAD

40 BAIL APPLICATION NO. 2363 OF 2025

Vinod Balasaheb Mane ....Applicant

VERSUS

The State of Maharashtra .....Respondent

Mr. A. S. More, Advocate for Applicant.
Mr. B. B. Bhise, APP for the State.

CORAM : SACHIN S. DESHMUKH, J.
DATE : 19th JANUARY, 2026.

PER COURT :

1. Applicant seeks regular bail in connection with Crime No. 33/2025 registered with Vedant Nagar Police Station, Dist. Chhatrapati Sambhajinagar Urban, for the offences punishable under Sections 406, 409, 420, 467, 468, 471, 120-B, 34 of the Bharatiya Nyaya Sanhita 2023 and Sections 3 and 4 of Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999.

2. The prosecution case is that the complainant visited the Applicant for enquiring about share marketing classes. Applicant informed that he is the Maharashtra Head of LFS Broking Private Limited and advised the complainant to invest in the said company by alluring that the complainant would get fixed 2% return per

month on investment. On the assurance by the Applicant, the complainant invested in the said company. In the month of October 2022, Applicant called the complainant and advised to invest amount in the company on assurance that he would get 4% return for the first month. Accordingly, relying on the assurance by the Applicant, the complainant again invested amount in the company. On several occasions, the complainant continued to invest in the said fraudulent company. In the month of July 2023, when complainant awaiting the returns on his investments. Having waited for considerable period, thereafter, in the month of January 2024, the complainant along with his friend visited the office of the Applicant where the Applicant threatened to lodge complaint against them. Thus, on the allegation of mis-appropriation of amount by giving false promise of heavy returns, the First Information Report came to be lodged.

3. Learned Counsel for the Applicant submits that the relationship between the parties began with a mutual agreement for investment in a share market firm. The fact that some amount was initially repaid suggests a lack of intent to cheat. The entire case is based on the documentary evidence. It is further submitted that mere failure to repay the promised return or irregularity in

repayment constitutes a civil breach of contract rather than a criminal offence. The investigation is completed and charge-sheet is filed. As such, incarceration of the Applicant is unjustified. Hence, prayed to allow the application.

4. Per contra, learned APP for the State vehemently opposed the application submitting that the offence is serious in nature and the accused have mis-appropriated huge amount of informant as well as other depositors. The Applicant has actively participated in commission of crime. The fraud affects several families who have lost their hard-earned savings and in fact deceived by the Applicant. Economic offences are considered grave offences against society at large. Hence, prayed for rejection of the application.

5. Having heard the submissions made by the respective sides and upon perusal of record, including the charge-sheet, it is revealed during the course of investigation that several persons have invested funds on the assurances made by the Applicant regarding his firm. A total amount of Rs. 2,32,00,000/- has been duped. Though there are statements suggesting that certain amounts were repaid, that does not forsake the Applicant of having intentionally duped the investors.

There is no record indicating where those funds were actually invested or under what authority the Applicant carried out those transactions.

6. Under relevant provisions and SEBI guidelines, even duly registered entities like Portfolio Management Services (PMS) providers and brokers are completely prohibited from offering guaranteed returns to investors. Also the money that was duped was, in certain instances, received directly into the Applicant's personal bank account, leading to the strong inference that he utilized those funds for his own personal benefit. Thus, prima facie, the intent to dupe was at inception.

7. The record prima facie establishes that the Applicant enticed several investors by promising unrealistically high, and ultimately impossible, returns. He succeeded in defrauding several individuals without fulfilling the promised disbursements.

8. At this stage, it would be a perilous precedent, allowing individuals to establish fictitious entities, amass significant capital

amounting to corers of rupees, repay negligible sums, and subsequently claim the defense of enterprise failure.

9. Consequently, the victims and various investors entrusted their hard-earned money and savings to the Applicant based on the fiduciary relationship established during their interaction. The failure to return the amounts invested/deposited and stopping the promised interest payments, the Applicant committed a "misappropriation" of these funds. This conversation of entrusted money for unauthorised use prima facie constitutes an offence levelled against Applicant.

10. Considering that the Applicant acted in the capacity of an investment agent and facilitator, the alleged act prima facie attracts Section 316 of the Bharatiya Nyaya Sanhita (BNS), 2023 which pertains to criminal breach of trust by a banker, merchant, or agent. This offence carries a potential punishment of imprisonment for life. Given the gravity of the offence, the betrayal of financial trust, and the systematic nature of the fraud, a prima facie case is clearly established, and the Applicant is not entitled to the discretionary relief of bail.

11. The Hon'ble Apex Court, in the case of **Y.S. Jagan Mohan Reddy vs. CBI, [(2013) 7 SCC 439],** has held that economic offences involving deep-rooted conspiracies and the massive diversion of public money stand on a different footing. Such offences seriously affect the national economy and erode the trust of the common man in financial systems.

12. As has been held in case of **Jayant Sanjeeva Shetty vs. The State of Maharashtra, 2025(3) Bom C R (Cri) 866** has held as under :-

> "63. It is a well-settled rule that simply making the promised payments in the early years does not wipe away an illegality that was present right from the start. If the very act of collecting deposits from the public was done without the required legal permission, or in breach of the prohibitions under the Companies Act, the Reserve Bank of India Act, or the MPID Act, then later regular payments cannot make the arrangement lawful. Even in such a case, the dishonest intenion (mens rea) to commit the offence can still be inferred if it is shown that the acucsed knew the company had no authority to accept public deposits, yet continued to ask for and receive people's money."

13. The Hon'ble Apex Court in the case of **Tarun Kumar Vs. Assistant Director, Directorate of Enforcement [(2024)13 SCC 788]**, held as under :-

"22. Lastly, it may be noted that as held in catena of decisions, the economic offences constitute a class apart and need to be visited with a different approach in the matter of bail. The economic offences having deep-rooted conspiracies and involving huge loss of public funds need to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country. Undoubtedly, economic offences have serious repercussions on the development of the country as a whole. To cite a few judgments in this regard are Y.S. Jagan Mohan Reddy vs. Central Bureau of Investigation8, Nimmagadda Prasad vs. Central Bureau of Investigation9, Gautam Kundu vs. Directorate of Enforcement (supra), State of Bihar and Another vs. Amit Kumar alias Bachcha Rai10. This court taking a serious note with regard to the economic offences had observed as back as in 1987 in case of State of Gujarat vs. Mohanlal Jitamalji Porwal and Another11 as under:-

"5... The entire community is aggrieved if the economic offenders who ruin the economy of the State are not brought to books. A murder may be committed in the heat of moment upon passions being aroused. An economic offence is committed with cool calculation and deliberate design with an eye on personal profit regardless of the consequence to the community. A disregard for the interest of the community can be manifested only at the cost of forfeiting the trust and faith of the community in the system to administer justice in an even-handed manner without fear of criticism from the quarters which view white collar crimes with a permissive eye unmindful of the damage done to the National Economy and National Interest..."

23. With the advancement of technology and Artificial Intelligence, the economic offences like money laundering *have become a real threat to the functioning of the financial system of the country and have become a great challenge for the investigating agencies to detect and comprehend the intricate nature of transactions, as also the role of the persons involved therein. Lot of minute exercise is expected to be undertaken by the Investigating Agency to see that no innocent person is wrongly booked and that no culprit escapes from the clutches of the law. When the detention of the accused is continued by the Court, the courts are also expected to conclude the trials within a reasonable time, further ensuring the right of speedy trial guaranteed by Article 21 of the Constitution."*

14. Recently, in **Gulfisha Fatima v. State (Govt. of NCT of Delhi) [MANU/SC/0009/2026]**, the Supreme Court refined the jurisprudence of bail in cases of a "larger conspiracy." The Apex Court established a "hierarchy of participation," distinguishing between the "architects" who conceptualise a criminal design and the "facilitators" who execute it. The Court held that those with "command responsibility" stand on a "qualitatively different footing".

15. In the light of the aforesaid facts and precedents, it is evident that the Applicant was not a mere bystander but the primary orchestrator of a sophisticated and pre-planned financial fraud.

By leveraging his personal influence as a colleague and utilizing the platform of a sham enterprise to lure unsuspecting individuals into a debt trap, specifically by inducing them to invest significant sums, including their hard-earned savings, under the false pretext of guaranteed high-yield returns, the Applicant has demonstrated a clear and dishonest intent, at inception resulting into further breach of trust of the several such victims.

16. The magnitude of the siphoned funds, the lack of any legal authorization and pertinently, the diversion of deposited amount into personal account reflects a grave betrayal of financial trust. Thus, keeping in view the severity of the offence under Section 316 of the Bharatiya Nyaya Sanhita and the potential punishment for life imprisonment, this Court finds no merit in the present application.

17. Hence, the bail application does not warrant consideration. Resultantly, same stands rejected.

(SACHIN S. DESHMUKH, J.)

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