MHCC020120952026

IN THE COURT OF SPECIAL JUDGE, CBI FOR GR.BOMBAY
AT BOMBAY

BAIL APPLICATION NO. 777 OF 2026
(CNR No.MHCC02-012095-2026)

IN
REMAND APPLICATION NO. 897 OF 2026
IN
RC0742025E0007
SPL CASE NO. 1341/2026

In the matter of :

Devang Pravin Mody,
Aged : 53 Years,
Having his address at :
C 1502, Verde Apartment,
Kalyani Nagar,
Pune – 411 006.
(Currently, lodged in Mumbai Central Prison) **.... Applicant/ Accused No.1**

Versus

Central Bureau of Investigation
BSFB, 6th Floor, Lodhi Road,
Plot No. 5-B, Jawaharlal Nehru Stadium Marg,
CGO Complex, New Delhi – 110 003. **... Respondent/ Complainant**

Appearances:
Ld. Senior Counsel Mr. Aabad Ponda alongwith Ld. Adv. Mr. Pranjit Bhattacharya, Ld. Adv. Mr. Avdhoot Prabhu and Ld. Adv. Mr. Dhruv Mishra for applicant/accused.
Ld. Senior P.P. Mr. J.K.Sharma for CBI, BS & FC, Mumbai.

CORAM : HIS HONOUR SPECIAL JUDGE
SHRI NITIN V. JIWANE
CBI SPECIAL COURT (C.R.No.52)
DATE : AUGUST 29, 2026.

(DICTATED AND PRONOUNCED IN OPEN COURT)
:ORAL ORDER:

This is an application filed by Mr. Devang Pravin Mody (A-1) for grant of regular bail u/s 483 of Bhartiya Nagarik Suraksha Sanhita, 2023 [BNSS] in connection with RC No.RC0742025E0007, CBI, BS & FB, Mumbai.

2. It is the case of the applicant that :

On 06.12.2025, the Bank of Maharashtra filed a complaint with the CBI, entirely on the basis of the findings in the Forensic Audit Report dated 01.05.2020. Accordingly on 09.12.2025, CBI registered an FIR bearing no. RC0742025E0007. That December 2025 onwards, the applicant received Whatsapp messages/calls from CBI officials directing him to join the ongoing investigation with respect to RCFL. Accordingly, the applicant duly co-operated and appeared before the CBI on December 2025, 06.05.2026, 29.05.2026, 12.06.2026 and 20.06.2026. That accused/applicant was arrested by the CBI on 22.06.2026, when he appeared for investigation. Thereafter on 23.06.2026, this Court remanded the accused/applicant to CBI custody till 25.06.2026. Subsequently, on 25.06.2026 this Court remanded the accused/applicant to judicial custody. It is further contended by the applicant that on 07.07.2026, the CBI has filed its final report u/s 193 of BNSS. It is further contended by the applicant that during 2014-2016, RCFL availed various loans from about 31 banks and financial institutions in the ordinary course of its business, from a consortium of lenders. It is further contended that the said credit facilities were obtained prior to the commencement of the applicant's employment with RCFL. The loans undertaken from the Consortium Lenders turned NPA between March, 2019 and 30.11.2019. It is further contended by the applicant that he is the erstwhile Key Managerial Personnel (KMP) of RCFL who also held the position of a director for a short period of time. The applicant/accused was Additional Director from 20.04.2017 to 01.07.2017, CEO (KMP) from 03.04.2017 to 31.12.2018 and Whole Time Director from 01.07.2017 to 31.12.2018.

3. It is further contended by the applicant that his engagement with RCFL commenced only on 03.04.2017, much after the loans had already been sanctioned by the banks/financial institutions. He was not a Key Managerial Personnel, officer, employee or director of RCFL, when any of the credit facilities in question was obtained and can by no stretch be said to have induced any bank to part with any sum. That the transactions in issue herein, were all concluded prior to the commencement of the applicant's employment with RCFL. Further the first defaulted in its own repayment obligations to the consortium lenders took place in March, 2019 and its accounts were classified as a Non-Performing Asset (NPA) thereafter, between 28.07.2019 to 25.03.2020. Therefore, RCFL's own defaults occurred only after applicant's cessation. It is further contended by the applicant that his

tenure is corroborated by the respondent's own witness, Shri Ajay Vastani, then Partner of M/s. Shridhar & Associates, Statutory Auditors of RCFL. That the gravamen of an offence under Section 420 IPC is dishonest inducement at the time of the representation by which the victim is made to part with property. The prosecution case is that the lending banks were dishonestly induced to extend credit facilities to RCFL. That a person who was not even associated with RCFL when the alleged representation was made and who obtained no benefit from it, cannot be said to have cheated within the meaning of section 420 IPC. Therefore, the ingredient of dishonest intention at the inception is wholly absent qua the applicant. The Final Report alleges that RCFL was involved in diversion of funds by onward lending to 7 entities, which were granted 15 loans amounting to a total of Rs.1791.27 crores. It is further contended by the applicant that, he was not even involved in sanctioning 4 out of the 15 loans amounting to a total of Rs.650.28 crores, which amounts to 36.30% of the total loans sanctioned by RCFL. This is demonstrably clear from the "Approved by" column in the Final Report's own approval table, with respect to the 15 impugned loans. Despite this, the Final Report attributes the alleged diversion of funds for the entire amount of Rs.1791.27 crores, to the applicant. That the Final Report itself would show that the earliest date upon which any of the 15 loans was classified as a Non-Performing Asset in the books of RCFL is 31.08.2019 and the latest is 30.04.2021. Everyone of the 15 accounts was therefore performing on the date the applicant demitted office and the earliest default occurred 8 months thereafter. That at no point during the applicant's tenure did any of the impugned accounts, or RCFL's own accounts, exhibit the distress which is now said to have been fraudulently concealed. The alleged ever-greening and circular rotation alleged in the Final Report are, upon its own chronology, features of a period in which the applicant had no involvement whatsoever.

4. It is further contended by the applicant that all the impugned loans were allegedly routed through RCFL's own systems, recorded in its books, reflected in its Loan Management System and disclosed in its audited financial statements. There is no allegation of any off-book transaction, forged instrument, fabricated account or concealed record attributable to the applicant. That the participation as one of four or five signatories in the approval block of a collegiate credit process, in an institution in which the proposals originated elsewhere and the appraisal was performed elsewhere, cannot be equated with the dishonest inducement at inception, which is the sine qua non of an offence under section 420 IPC. That the complaint of Bank of Maharashtra, the FIR, the complaints of the 7 other banks merged with it, and the Final Report itself, all rest exclusively upon the Forensic Audit Report (FAR) dated 01.05.2020. The FAR returns no finding whatsoever with respect to the role of the applicant in relation to the impugned transactions.

5. It is further contended by the applicant that where the sole foundational document of the prosecution, commissioned by the lenders themselves, prepared by an independent firm and covering the entire period 01.04.2016 to 30.06.2019 is silent as to the applicant's culpability, the accusation against him is one which requires to be carefully tested at trial rather than presumptive incarceration in advance of it. That the main thrust of the CBI's case is that the applicant

entered into a criminal conspiracy with other co-accused and in pursuance thereof diverted the funds received from the Public Sector Banks (PSBs) to certain companies in violation of the RBI Master Circular on Willful Defaulters dated 01.07.2014 and thereby committed the offences of criminal conspiracy and cheating. That the aforesaid Master Circular was issued by the RBI in exercise of the powers conferred under Chapter III-A and Chapter III-B of the RBI Act, 1934, and sections 21 and 35A of the Banking Regulation Act, 1949. Both these statutes prescribe penalties for violation of RBI guidelines. In other words, any person violating the RBI guidelines can more appropriately be proceeded against under the penal provisions of the above-mentioned statutes. It is further contended by the applicant that more importantly, no Court can take cognizance against any person under the above statutes without a formal complaint from the authorized RBI officer. However, there is no such complaint before this Court. That the Final Report nowhere alleges that the applicant was a promoter, shareholder or beneficial owner of RCFL or of any PILE entity, or of any recipient of the diverted funds. Nor is it alleged that he received any pecuniary benefit, directly or indirectly, from any impugned transaction. He was a salaried professional who held executive office for approximately twenty-one months and the office of Whole Time Director for eighteen months, concurrently. That the identified beneficiaries are corporate entities of the Reliance ADA Group, i.e., A-6 to the extent of Rs.765.84 crores and A-7 to the extent of Rs.110 crores; with which the applicant demonstrably had no connection. The Final Report does not charge any accused including the applicant under section 409 IPC. On the respondent's own final and considered case, the offences alleged against the applicant are confined to section 120-B read with section 420 IPC and section 420 IPC, each punishable with imprisonment not exceeding seven years.

6. It is further contended by the applicant that, the consequences are two fold: Firstly, the entire premise upon which the applicant's arrest and remand were sustained has disappeared, and the Impugned Remand Order cannot survive the abandonment of the very provision upon which it rested. Secondly, the case falls squarely within the regime governing offences punishable with imprisonment up to seven years, in which the issuance of a notice under section 35(3) BNSS is the rule and arrest the exception. This constitutes a material change of circumstance since the date of remand.

7. It is contended by the applicant that on 25.06.2026, upon the expiry of the applicant's remand to the custody of the respondent, the CBI expressly submitted before this Court, it did not seek any further custody of the applicant and prayed only that he be remanded to judicial custody. The respondent has therefore itself affirmed, as far back as 25.06.2026, that it required no further custodial interrogation. That with the Final Report now filed, every document relied upon stands seized and is in the custody of the respondent and the lists of documents and witnesses have been filed. Nothing remains to be recovered from or at the instance of the applicant. Continued incarceration serves no investigative purpose whatsoever and operates purely as punishment in advance of trial. That the Final Report records, in the tabulated particulars of the accused persons, that accused nos. 2, 3, 4 and 5 were "Not Arrested" at any stage of the investigation and continue to remain at liberty.

8. It is further contended that, A-4 is named in the approval block of every one of the 15 loans and has never been arrest. Paragraph 8(iv) of the Final Report records that as Enterprise Risk Officer he "was expected to ensure compliance with regulatory requirements, sanction conditions and internal risk controls", and he is alleged to have approved loans to seven entities against six in the case of the applicant. Whereas, A-3 and A-5 are each named in precisely the same number of loans as the applicant, namely eleven and neither has been arrested. Both held the office of Chief Risk Officer and paragraph 8(iii) records that A-3 was "responsible for risk assessment and regulatory compliance". Further Shri Amit Bapna is named in 14 of the 15 loans and has not been charge-sheeted at all, his role having been relegated to further investigation under paragraph 11 of the Final Report. While A-2 is named in a single loan and has never been arrested.

9. It is further contended by the applicant that, it is well settled that the liberty of one accused cannot be curtailed while similarly placed and in several instances more proximately placed, co-accused remain at large and that parity is a substantial and relevant consideration in the grant of bail. No rational basis for singling out the applicant for arrest is disclosed anywhere in the Final Report, in the Arrest Memo or in the Grounds of Arrest. That the prosecution case rests upon the FAR, the CAMs, loan applications, sanction letters, committee minutes, bank statements and fund-flow records. All such material is documentary and lies in the possession of the respondent, of the lending banks or of AIIL. The apprehension of tampering is not merely unsupported but incapable of realization.

10. It is further contended that, the witnesses cited are in the nature of bank officials, statutory auditors, forensic auditors, public officers and former employees of RCFL and Reliance Capital Limited, being institutional witnesses beyond the applicant's influence. It is not alleged that the applicant has at any time attempted to influence any witness, in any manner, whatsoever. Further as the question of the applicant absconding does not arise as a Look Out Circular has already been issued against him, he has never sought the cancellation or relaxation of that Look Out Circular, he has never sought permission to travel abroad, although aware of the investigation from December 2025 and he did apply for anticipatory bail, choosing instead to appear before the respondent, on every occasion, on which he was called.

11. It is further contended that the list of witnesses filed with the Final Report cites 97 witnesses, in respect of 17 of whom the statement has not even been recorded. The prosecution case spans 15 loans, 7 borrower entities, the complaints of several banks and a list of documents running into several thousand pages across separate volumes. That further investigation has been kept open against 7 named individuals and in respect of the roles of the suspect public servants, so that supplementary charge-sheets are inevitable. In these circumstances, the trial cannot realistically be expected to conclude for several years. That the applicant, who is presumed innocent, ought not to be made to suffer incarceration of indefinite duration as a substitute for a punishment which may never follow. Further on 30.09.2022, RCFL, AIIL and the Consortium Lenders entered into a "Resolution Implementation Memorandum" (Implementation Memorandum). The resolution contemplated under the Implementation Memorandum have been fully

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consummated and stand concluded as on 30.06.2026. That the entire resolution has been undertaken in terms of the RBI Stressed Assets Framework, 2019 and pursuant to sanction received from the RBI itself. In fact, the entire resolution was carried to the Hon'ble Supreme Court of India and approved by judgment dated 30.08.2022 in Securities and Exchange Board of India v. Rajkumar Nagpal, (2023) 8 SCC 274.

12. It is further contended by the applicant that, prior to his arrest, the applicant was under regular medical supervision and underwent a comprehensive health evaluation at Ruby Hall Clinic, Pune on 01.08.2025. That evaluation recorded a significant Vitamin D deficiency (11.51 ng/ml) and dyslipidaemia (LDL cholesterol 126 mg/dL), in respect of which the treating physician advised a supervised course of replacement therapy, dietitian consultation and dietary regulation and a repeat lipid profile and Lp(a) assessment. That additionally, the applicant is also suffering from hyper-tension and is under medication for the same. That the condition of the applicant requires continued specialist consultation, periodic investigation and a regulated regimen which cannot adequately be provided within the prison. The state of the applicant's health is a relevant and material consideration in the exercise of the discretion of this Court and constitutes a further and independent ground for his enlargement on bail. That the applicant does not have any criminal antecedents of any kind. This is the first instance of the applicant being accused of an offence and arrayed as an accused in a criminal proceeding. Hence, looking to the allegations levelled against the applicant and the fact that the charge-sheet is already filed in the Court and nothing remained to be investigated from the applicant, prayed to release the applicant on bail.

13. The said application is strongly opposed by CBI by filing reply at Exh.2. It is contended by the CBI that the instant case has been registered on 06.12.2025 u/s 120-B r/w 420 IPC and 13(2) r/w 13(1) (d) P. C. Act, 1988 and section 07 of P. C. Act, 1988 (as amended in 2018) and substantive offences thereof on the basis of written complaint dated 11.11.2025 of Mr. Aditya Prakash, DGM, Bank of Maharashtra, TMD, HO, Pune, for registration of FIR against the following suspects for alleged commission of cognizable offences :

i) M/s. Reliance Commercial Finance Limited;

ii) Sh. Devang Pravin Mody, Director;

iii) Sh. Ravindra Somayajula Rao, Director;

iv) Unknown Public Servants & other unknown persons.

14. That, RCFL is a company of Anil Dhirubhai Ambani Group (ADA Group), was originally incorporated on 17.08.2000 in the name "M/s. Reliance Gilts Ltd." which was merged with RCFL (wholly owned subsidiary of RCL which is an NBFC incorporated on 05.03.1986) w.e.f. 01.04.2016. The RCFL is engaged in the business of financing of commercial vehicles, SME loans, loan against property, infrastructure finance, construction finance, agriculture loan and supply chain finance. M/s. RCFL was sanctioned term loan of Rs.230 crores on 02.11.2014 by Bank of Maharashtra for onward lending to Commercial Finance Business. M/s. RCFL was availing loans to the tune of Rs.9,280 crores from 31 Banks/FIs/NBFCs/Corporate Bodies etc. Bank of Baroda became the lead bank post NPA. As mentioned in the complaint, the account of RCFL was declared NPA on 25.03.2020 due to liquidity crunch. The bank declared the accounts as Fraud on 04.10.2025 on the basis of following findings of Forensic Audit Report prepared/submitted by Grant Thornton on 01.05.2020 -

(a) 68% of the wholesale loan amounting to Rs.11,218.58 crores were disbursed to the Potential Indirectly Linked Entities (PILE) which were further disbursed to PILE/related parties /group entities.

(b) Out of Rs.4766.62 crores end utilization of funds were mapped, it appeared that around 39% of funds aggregating to Rs.1867.89 crores were utilized towards debt servicing of PILE/group companies for term loans, NCDs and Commercial Paper (Rs.573.52 crores were utilized towards payment to banks and Rs.1294.37 crores towards payment to Non-Banks i.e. NBFC/Third parties.

(c) Around 25% of the funds aggregating to Rs.1119.29 crores appeared to be under potential circular transactions, where the funds were routed back to RCFL

(d) Around 29% i.e. Rs.344.89 crores were utilized towards investment in mutual fund and around 17% i.e. Rs.200.38 crores were utilized for disbursement purpose.

(e) Proceeds of term loan indirectly transferred to potential indirectly linked entities, repayment of outstanding loans, transfer to group companies, etc.

(f) RCFL was an NBFC, according to Para 5.1 of RBI Master Circular on Bank Finance to NBFCs, the activities of extending loans and advances by NBFCs to their subsidiaries and group companies/entities are not eligible for bank credit, which was violated.

15. It is further contended by the CBI that, it is alleged in the complaint that the fraud has been committed at Mumbai in the credit facilities availed by the borrower company, wherein the accused persons/company in criminal conspiracy with each other and unknown public servant/others have induced the lender to avail the credit facilities by misrepresentation and deception and after disbursal of the credit facilities, misappropriated the funds of the bank by entering into transactions which were in violation of the terms and conditions of sanction. The allegations mentioned in the complaint are based on the findings of Forensic Audit Report dated 01.05.2020 submitted by M/s. Grant Thornton. That, the borrower company has availed more than Rs. 9,280 crores from a consortium of 31 Banks/FIs/NBFCs etc. The accused/borrowers dishonestly induced Bank of Maharashtra to part with the public money which caused wrongful loss to the bank and corresponding wrongful gain to the borrowers and others to the tune of Rs.57.47 crores as on 25.03.2020 i.e. the date of declaration of account as NPA. That, it is evident from the allegations made in the complaint that sanctioned and disbursed funds had been dishonestly diverted/siphoned off from the account of the borrower company through various companies. That subsequently, during investigation 07 complaints were received from PNB, P&SB, Canara Bank, UCO Bank, BoB, IOB and SBI vide complaints dated 01.12.2025, 18.03.2026, 20.03.2026, 18.03.2026, 23.03.2026, 13.03.2026 and 16.03.2026 respectively, which have been merged with this case. The loss caused to 13 public sector banks is to the extent of Rs.4,097 crores approximately, as alleged in the complaints. That, a charge-sheet has been filed in this case on 07.07.2026 vide Special Case No.1341 of 2026 against accused Devang Pravin Mody (CEO & Director of RCFL)/A-1, Ravindra

Somayajula Rao (Director of RCFL)/A-2, Dhananjay Bhagwanprasad Tiwari (Director & Chief CRO RCFL)/A-3, Rajesh Krishnamoorthy (CRO RCFL)/A-5, Lav Chaturvedi (Director & CRO, RCFL)/A-6, M/s. Reliance Infrastructure Ltd. (A-7) and M/s. Reliance Home Finance Ltd. (A-7), under section 120-B r/w 420 IPC and substantive offence u/s 420 IPC. Further investigation has been kept open to look into the other facets of the case, as also roles of remaining accused/suspect persons/public servant. That, it has been found during investigation that the loan funds were disbursed to accounts maintained by RCEL in private bank (HDFC Bank) and after pooling the funds from several public sector banks, the funds were transferred to various entities, which were either group companies or indirectly linked entities of Reliance ADA Group. The employees of the group companies were appointed as Directors. That applicant/Devang Pravin Mody was arrested on 22.06.2026 and produced before this Court on 23.06.2026, based on the prayer of CBI, this Court had pleased to remand police custody of the arrestee for 03 days till 25.06.2026 and complied with all the procedural safeguards as contemplated under the statute. On completion of PCR, Devang Pravin Mody was remanded into judicial custody till 27.08.2026 vide order dated 14.08.2026 of this Court.

16. It is the contention of the CBI that, applicant/Devang Pravin Mody, the then CEO/Director of Reliance Commercial Finance Ltd. He was the main/key person who dealt with senior formations of Reliance Capital Ltd. (RCL). He was placed at very high position i.e. CEO in RCFL. RCL was the holding company of RCFL, which was headed by Anil D. Ambani and as such the accused was not only privy to all important decisions/information, but had also directly dealt with

important issues including sanction and deployment of loans availed from banks/financial institutions. Initially, the RCL had availed loans from various banks/financial institutions, which were later shifted to Reliance Commercial Finance Ltd., after its de-merger from RCL. The RCFL availed huge loans which remained unpaid causing wrongful loss to banks/financial institutions. That, it is a case where the accused persons including the present applicant were involved in causing wrongful loss of huge public funds/funds of banks. This wrongful loss has been caused by the accused persons, including the applicant, by their deliberate acts and omissions with willful intent of gaining wrongfully. That, further investigation of this case is at crucial stage and premature release of arrested accused person would severely prejudice the ongoing investigation, pertaining to the alleged transactions of :

(i) Sanction and disbursal of loans to the tune of Rs. 6135 crores by M/s. Reliance Commercial Finance Limited to 29 entities interlinked to Reliance ADA Group, in which losses of Rs. 4442 crores were caused, and

(ii) Round tripping/diversion of funds through linked companies etc.

17. It is further contended by the CBI that, the accused/applicant Devang Pravin Mody has access to the influential network, financial resources and other individual capabilities and thereby can wield his influence in tampering evidence and to influence witness. That, during custodial interrogation of the accused/applicant Devang Pravin Mody, some vital leads have emerged and certain beneficiaries to the defrauded amount, which is being investigated to examine their complicity in the instant offence. That, various material witnesses are yet to be examined and the questioned documents to be investigated,

based on the input generated during investigation/custodial interrogation. That, new evidences are being unearthed in the further investigation revealing larger conspiracy. The accused/applicant Devang Mody, as CEO of RCFL, played pivotal role in diversion of funds and has the ability to influence the witnesses.

18. It is further contended by the CBI that, the applicant served as Director and Chief Executive Officer of RCFL from April 2017 to December 2018 and was one of the key decision-makers responsible for approval of General Purpose Corporate Loans. In furtherance of the criminal conspiracy, he approved loans to Reliance Cleangen Ltd., Species Commerce & Trade Private Ltd., Skyline Global Trade Private Ltd., Tulip Advisors Private Ltd., Medybiz Private Ltd. and Hirma Power Ltd., despite being aware that such lending was contrary to RBI guidelines and the sanction conditions governing the borrowings of RCFL from Public Sector Banks. It is further contended that, investigation revealed that, RCFL had obtained credit facilities from banks by representing that the funds would be deployed towards SME lending, home loans, commercial vehicle financing and other retail lending activities. However, under the supervision and approval of the accused/applicant, substantial portions of such funds were diverted through related and group entities of the Reliance ADA Group by way of General Purpose Corporate Loans. The loans were subsequently utilized for diversion of funds, repayment of existing group exposures and ever-greening of loan accounts. This resulted in a diversion of bank funds to the tune of Rs.1787.37 crores to related companies, thereby causing wrongful loss to banks and a corresponding wrongful gain to accused persons. Hence, looking to the allegations levelled against the applicant

and the apprehension of tampering and hampering the prosecution evidence and the fact that further investigation is going on, prayed to reject the application.

19. Heard Ld. Senior Counsel Mr. Aabad Ponda for the applicant and Ld. Senior PP Mr. J.K. Sharma for CBI.

20. The Ld. Senior Counsel for applicant vehemently argued that in the present case, only applicant was arrested and no other accused persons were arrested by the CBI. The allegations against the applicant that he was one of the approving authority, but the CBI for the reason best known to it has not arrested any other approving authority till date. He further argued that there are no allegations against the applicant that there was any personal gain received by the applicant in the alleged offence. Further RCFL is also not arrayed as accused in the alleged crime. He further argued that the provision of section 409 of IPC has not been applied against the accused persons in the present case though the said provision was shown at the time of remand of the applicant. The applicant is now facing the charge for the offence provided under section 420 r/w 120-B of IPC and the maximum punishment provided is upto 7 years only. He further submitted that as the charge-sheet is already filed in the said offence and therefore there is no need of applicant for any investigation purposes. He placed reliance on several rulings to support his contention, which are as under:

(a) Gurcharan Singh vs. State (Delhi Admn.) reported in (1978) 1 SCC 118
(b) Chandraswami vs. Central Bureau of Investigation reported in (1996) 6 SCC 751

(c) Sandeep Jain vs. National Capital Territory of Delhi reported in (2000) 2 SCC 66
(d) Sanjay Chandra v. CBI reported in (2012) 1 SCC 40
(e) P. Chidambaram vs. Directorate of Enforcement reported in (2020) 13 SCC 791
(f) Sushila Aggarwal vs. State (NCT of Delhi) reported in (2020) 5 SCC 1
(g) Vijay Kumar Kela vs. CBI, 2026 reported in SCC OnLine SC 1003
(h) Manish Sisodia vs. CBI reported in (2024) 12 SCC 691
(i) Himanshu Verma vs. Enforcement Directorate reported in 2024 SCC OnLine SC 4697
(j) Ramesh Manglani vs. Enforcement Directorate reported in (2023) 7 HCC (Del) 134
(k) Vipin Yadav vs. Enforcement Directorate reported in 2025 SCC OnLine Del 6237
(l) Bindu Rana vs. SFIO reported in 2023 SCC OnLine Del 8597
(m) Union of India vs. K.A. Najeeb reported in (2021) 3 SCC 713
(n) Javed Gulam Nabi Shaikh vs. State of Maharashtra reported in (2024) 9 SCC 813

(o) Arvind Kejriwal vs. CBI reported in 2024 SCC OnLine SC 2550
(p) Manish Sisodia vs. Enforcement Directorate reported in (2024) 12 SCC 660
(q) Javed Gulam Nabi Shaikh vs. State of Maharashtra reported in (2024) 9 SCC 813
(r) Jalaluddin Khan vs. Union of India reported in (2024) 10 SCC 574
(s) Satender Kumar Antil vs. CBI reported in (2022) 10 SCC 51
(t) Siddharth vs. State of U.P. reported in (2022) 1 SCC 676
(u) P. Chidambaram vs. CBI reported in (2020) 13 SCC 337
(v) Padam Chand Jain v. Enforcement Directorate reported in 2025 SCC OnLine SC 1291
(w) Mohd. Asfak Alam vs. State of Jharkhand reported in (2023) 8 SCC 632
(x) Arvind Dham vs. Enforcement Directorate reported in 2026 SCC OnLine SC 30
(y) V. Senthil Balaji vs. Enforcement Directorate reported in 2024 SCC OnLine SC 2626
(z) Vijay Nair vs. Enforcement Directorate reported in 2024 SCC OnLine SC 3597
(aa) Kalvakuntla Kavitha vs. Enforcement Directorate reported in 2024 SCC OnLine SC 2269

(ab) Partha Chatterjee vs. Enforcement Directorate reported in 2024 SCC OnLine SC 3729
(ac) Nitin Tibrewal vs. Enforcement Directorate in SLP (Crl..) No. 14286/2024
(ad) Manoranjana Sinh vs. CBI reported in (2017) 5 SCC 218
(ae) Kapil Wadhawan vs. CBI reported in 2025 SCC OnLine SC 3038
(af) Binoy Jacob vs. CBI reported in 1993 SCC OnLine Del 53
(ag) R. Vasudevan v. CBI reported in 2010 SCC OnLine Del 130
(ah) Rakesh Kumar Paul vs. State of Assam reported in (2017) 15 SCC 67
(ai) Ritu Chhabaria vs. Union of India reported in (2024) 12 SCC 116
(aj) Achpal vs. State of Rajasthan reported in (2019) 14 SCC 599
(ak) Vinubhai Haribhai Malaviya vs. State of Gujarat reported in (2019) 17 SCC 1
(al) Robert Lalchungnunga Chongthu vs. State of Bihar reported in 2025 SCC OnLine SC 2511
(am) Pramod Kumar vs. State of U.P. reported in (2026) 5 SCC 308

21. On the contrary, Ld. Senior PP has argued that the applicant was one of the conspirator for hatching the conspiracy of causing wrongful loss to the consortium banks and wrongful gain to the various companies. During the investigation, it was revealed that various shell companies showing employees as directors, were formed for siphoning off the amount of loan received by the accused company from different banks. The loans were not utilized for the purposes for which the same were taken and thereby committed the breach of terms and conditions of loan. The applicant being CEO of RCFL had approved the loans. As per the terms and conditions of the loan agreement, priority segment loans required to be given by RCFL, but in breach of said condition, the loans were disbursed to the shell companies. Further the cap limit of the loan was also exceeded in the present crime. The applicant's role in the said offence is also evident from various letters issued by the applicant. Further during the investigation, it was revealed that prior to giving the loan to the shell companies, no security was taken for securing the loan.

Further loan of Rs.1191 crores sanctioned by the applicant to the various companies. It is further argued that there is a fraud amounting to Rs.9280 crores and in the Resolution Implementation Memorandum, only amount of Rs.1675 crores were recovered. The nature and gravity of offence needs to be considered while entertaining the present bail application. As the further investigation is going on and as the applicant being the CEO, the apprehension of influencing the witnesses and hampering the investigation cannot be ruled out. In support of his contention, he has relied on following rulings :

(a) Prasanta Kumar Sarkar vs. Ashis Chatterjee and Another reported in (2010) 14 SCC 496
(b) Y.S. Jagan Mohan Reddy vs. Central Bureau of Investigation reported in (2013) 7 SCC 439
(c) Nimmagadda Rasad vs. Central Bureau of Investigation reported in (2013) 7 SCC 466
(d) State of Bihar and Another vs. Amit Kumar alias Bachcha Rai reported in (2017) 13 SCC 751
(e) Manik Madhukar Sarve and Others vs. Vitthal Damuji Meher and Others reported in (2024) 10 SCC 753
(f) State of A.P. vs. Suda Suresh Veera Venkata Nagar Raju reported in 2026 SCC OnLine SC 1389

22. After hearing the arguments of both the sides and after going through the application, reply and the citations relied on by both the parties, the entitlement of releasing the applicant on bail needs to be evaluated. The allegations levelled against the applicant that the applicant served as Director and CEO of RCFL from April 2017 to December 2018 and was one of the key decision makers responsible for approval of General Purpose Corporate Loans. It is the allegation against the applicant that, in furtherance of the criminal conspiracy, the applicant approved loans against the terms and conditions of the loan

and against RBI directions. The loans obtained by RCFL were diverted through related and group entities of the Reliance ADA Group and utilized the said funds for repayment of existing group exposures and ever-greening of loan accounts and diverted funds to the tune of Rs.1787.37 crores to related companies, thereby causing wrongful loss to the bank and wrongful gain to the accused persons.

23. Though there are serious allegations levelled against the applicant, but to decide the bail application, the role played by applicant in the said offence needs to be prima facie evaluated. It is not disputed that the applicant was associated with RCFL in different capacities from 20.04.2017 till 31.12.2018. It is not the allegation against the applicant that he was instrumental in obtaining any loan from any consortium of banks in the said period. As per the allegations levelled against the accused persons itself shows that during the period 2014-2016, RCFL availed various loans from about 31 banks and financial institutions. Admittedly, at the said period from 2014-2016, applicant was not associated with RCFL in any manner. The applicant joined as Additional Director of RCFL on 20.04.2017 only. Further the default in repayment of the loan were also did not occur during the tenure of applicant with RCFL and the loans were declared NPA only after demitting the office by the applicant. Therefore, at this prima facie stage of proceeding, it cannot be concluded that the applicant had played any role in availing the loans from banks or financial institutions and there was any inducement given by applicant to any person at the relevant time. Further the allegations levelled against the applicant are found to be similar to the other persons who were also shown as approving authority. But except the applicant, none of the approving authority

have been arrested by the CBI till date. The Ld. Senior Counsel for applicant relied on the ruling of Himesh Varma (supra), wherein the Hon'ble Supreme Court by considering the fact that other similarly situated accused persons were not arrested and on the sole ground release the arrested accused on bail.

24. Further the applicant is facing the allegations of commissioning of offence punishable under the provisions of section 420 r/w 120-B of IPC. The punishment provided for the said offence is upto seven years of imprisonment. Though the CBI at the time of remand had applied the provision of section 409 of IPC against the applicant and other accused persons, but while filing charge-sheet, the provision of section 409 of IPC has not been applied by the CBI. Though the Ld. Senior PP has relied on various rulings as noted above, but with due respect, those rulings are not found applicable to the present set of facts of this case as in the reported rulings, the accused persons were facing charge under section 409 of IPC alongwith other sections. But in the case in hand, the charge-sheet filed by the CBI shows the application of provision of section 420 r/w 120-B of IPC only. The rulings cited by Ld. Senior Counsel for applicant specifically shows the dictum given by the Hon'ble Apex Court in the offences providing punishment upto seven years of imprisonment, bail is rule and jail is exceptional, when the charge-sheet is filed.

25. In the present case, the CBI has filed detailed charge-sheet against the applicant and other accused persons. It is noteworthy to mention here that the other accused persons named in the present case were also not arrested by the CBI and the charge-sheet is filed in the Court.

Further it cannot be lost sight that while entertaining the bail application role played by the accused persons, gravity of offence and severity of punishment needs to be taken into consideration. Though the applicant is alleged to have committed serious economic offence affecting the society at large, but while entertaining the bail application, this Court is expected to consider the need of continuous incarceration of the applicant in jail. The Hon'ble Supreme Court in catena of judgments have laid down that even if the allegation is one of grave economic offence, it is not a rule that bail should be denied in every case since there is no such bar created. The paramount consideration before this Court is to see the need of keeping the applicant in jail, as the contention of CBI that further investigation is kept open. As per CBI further investigation is kept open against some of the persons named in the charge-sheet. But it is fact that those persons are not yet arrested by the CBI in the present crime. Though the allegations regarding tampering and hampering of the prosecution evidence is levelled against the applicant, but it is fact that the applicant demitted his office on 31.12.2018 and since then he was not associated with RCFL. Therefore in absence of concrete material that the applicant is in a position to influence the witnesses or tamper the evidence, the apprehension of CBI cannot be said to be material one. Further the evidence in the present matter is mostly in the form of documentary evidence, which is already seized by the CBI and the same was available with the banks or financial institutions and therefore tampering of the same by applicant does not arose at this stage. Further it needs to appreciate that prior to arrest of applicant on 22.06.2026, applicant appeared before CBI in the month of December 2025, 06.05.2026, 29.05.2026, 12.06.2026 and 20.06.2026. Thus the applicant had appeared before the CBI officer and took part in the investigation. There is no allegation against the applicant that he had not co-operated in the investigation. On the contrary, the contention of the CBI itself shows that on the basis of information collected during the custodial interrogation of applicant, certain additional evidence is revealed. This itself shows that the applicant has duly co-operated during the investigation. Further there is nothing shown to have been recovered from the applicant or that something needs to be recovered from the applicant. Not only this, but there is nothing placed on record in the charge-sheet to show that the applicant has received any wrongful gain for himself out of the alleged crime.

26. Further it needs to appreciate that the applicant is aged about 53 years suffering from medical aliments as described in the application itself. The medical record filed on record shows the medical condition of the applicant and his aliments, which needs to be considered while considering his bail application.

27. Thus looking to the allegations against the applicant regarding his alleged role in the commissioning of the offence, which are found to be generic in nature, the fact that other accused persons were not arrested by the CBI till date, the fact that the offence to have been alleged provides punishment upto seven years imprisonment, the investigation is completed and charge-sheet is filed in the Court, the existence of Look Out Circular in forced against the applicant ruling out the possibility of fleeing away from trial and the non requirement of any custodial interrogation of applicant for further investigation, I am of the considered opinion that the discretion in granting the bail needs to be

exercised in favour of the applicant. Hence, I proceed to pass following order :

ORDER

1. Bail Application No.777 of 2026 in Remand Application No. 897 of 2026 in CBI Special Case No.1341 of 2026 is allowed.

2. Applicant/accused **Devang Pravin Mody,** be released on execution P.R. bond of Rs.1,00,000/- (Rs. One Lakh Only) with one or two local sureties in the like amount.

3. Applicant/accused shall not directly or indirectly make any inducement and/or influence and/or pressurize or cause any threat or give any promise to anybody acquainted with the facts of accusations made against the applicant, so as to dissuade such person from disclosing such facts to the court or to the investigating agency and shall not tamper in any manner whatsoever with the prosecution evidence whatsoever.

4. The applicant/accused shall not leave India without the prior permission of this Court.

5. The applicant/accused shall deposit the passport, if any, after his release, within three days before the investigating officer.

6. The applicant/accused shall remain present in the Court on its every date without fail and also directed to attend CBI office as and when required by written intimation.

7. In the event any of the condition herein being violated, the prosecution would be at liberty to seek for cancellation of bail.

8. Bail Application No. 777 of 2026 is disposed off accordingly.

NITIN VIRSEN JIWANE

Digitally signed by NITIN VIRSEN JIWANE
Date: 2026.08.31 12:37:00 +0530

(N.V. Jiwane),
Special Judge (C.B.I.)
CBI Special Court,
City Civil & Sessions Court,
Gr. Bombay.

Date: 29.08.2026

Dictated directly on computer : 29.08.2026
Signed by HHJ on : 31.08.2026

"CERTIFIED TO BE TRUE AND CORRECT COPY OF THE ORIGINAL SIGNED JUDGMENT/ORDER"

UPLOAD DATE AND TIME	NAME OF STENOGRAPHER
31.08.2026 (12.37 p.m.)	MRS. K.Y. INAMDAR

Name of the Judge (with Court Room No.)	Shri N.V. Jiwane C.R. No.52
Date of Pronouncement of JUDGMENT/ ORDER	29.08.2026
JUDGMENT/ORDER signed by P.O. on	31.08.2026
JUDGMENT/ORDER uploaded on	31.08.2026