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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

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Date of Decision : July 10, 2024

RAJESH KUMAR**-PETITIONER****V/S****STATE OF HARYANA****-RESPONDENT****CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI**

Present: Dr. Pankaj Nanhera, Advocate with
Mr. Angad Saharan, Advocate
for the petitioner.

Mr. Rajesh Gaur, Addl. A.G., Haryana.

Mr. Ajit Sihag, Advocate
for the complainant.

KULDEEP TIWARI, J. (ORAL)

1. Through the instant petition, the petitioner craves for indulgence of this Court for him being enlarged on regular bail, in case FIR No.294 dated 09.04.2016, under Sections 420 and 406 of the IPC (Sections 34, 35, 119, 120-B, 166, 177, 187, 188, 217, 218, 219, 409, 421, 423, 425, 426, 463, 464, 465, 466, 467, 468, 471, 477-A of the IPC, and, Section 3 of The Haryana Protection of Interest of Depositors in Financial Establishment Act, 2013 added subsequently), registered at P.S. City Hisar, District Hisar.

ALLEGATIONS AGAINST THE PETITIONER

2. The genesis of the present FIR is embodied in a complaint made by one Jagbir Singh (hereinafter referred to as the 'complainant'). Succinctly stated, the allegation(s) against the petitioner is that, he prepared false audit reports and helped his co/main accused to siphon off the funds of the Coopera-

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tive Society(ies) concerned. During investigation, the investigating agency sought opinion of the Chief Auditor concerned, who in his report dated 07.11.2023, pointed out several shortcomings in the audit reports submitted by the petitioner.

SUBMISSIONS OF LEARNED COUNSEL FOR THE PETITIONER

3. The learned counsel for the petitioner, in his asking for the hereinabove extracted relief, has made the following submissions:-

(i) Neither the petitioner has been arrayed as an accused in the FIR, nor any specific role has been attributed therein to him;

(ii) The present FIR was registered way back on 09.04.2016 and the petitioner has been arrested on 11.03.2024, i.e. approx. 08 years post the making of the complaint and consequent thereto registration of the present FIR;

(iii) The petitioner was merely working as an Auditor and in his audit reports, he had duly pointed out various anomalies in the accounts of the Co-operative Society(ies) concerned and submitted those reports to his superior officers;

(iv) The petitioner is not a beneficiary of any amount;

(v) The entire case is based upon documentary evidence, therefore, further incarceration of the petitioner is absolutely unwarranted;

(vi) Investigation stands completed and supplementary challan under Section 173(8) of the Cr.P.C. has also been presented against the petitioner and his co-accused on 20.04.2024;

(vii) Trial in the present case is yet to commence, as charges have not been framed so far and the prosecution has cited total



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62 witnesses, therefore, keeping the petitioner behinds the bars would serve no gainful purpose;

SUBMISSIONS OF THE LEARNED STATE COUNSEL AND LEARNED COUNSEL FOR THE COMPLAINANT

4. *Per contra*, the learned State counsel, who is assisted by the learned counsel for the complainant, has vociferously opposed the grant of regular bail to the petitioner, on the ground that, in fact, the petitioner had facilitated the main accused to siphon off huge sums of money from the account(s) of the Cooperative Society(ies) concerned by preparing false audit reports. He has further submitted that the petitioner is involved in three more cases of similar nature.

5. The learned State counsel has also filed a status report dated 09.07.2024, on affidavit of Deepak Saharan, I.P.S., Superintendent of Police, Hisar, which is taken on record. Moreover, on instructions imparted to him by the official concerned, the learned State counsel has verified that the petitioner has been behind the bars since 11.03.2024 and charges are yet to be framed.

ANALYSIS

6. Before embarking upon the process of evaluating the arguments addressed by the learned counsels for the parties and penning down any opinion upon the instant petition, it is deemed imperative to capture an overview of some significant legal propositions.

7. “*Bail is the Rule and Jail is an Exception*”. This basic principle of criminal jurisprudence was laid down by the Hon’ble Supreme Court, way back in 1978, in its landmark judgment titled “*State of Rajasthan V. Balchand alias Baliay*”, 1977 AIR 2447, 1978 SCR (1) 535. This principle

finds its roots in one of the most distinguished fundamental rights, as en-



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shrined in Article 21 of the Constitution of India. Though the underlying objective behind detention of a person is to ensure easy availability of an accused for trial, without any inconvenience, however, in case the presence of an accused can be secured otherwise, then detention is not compulsory.

8. The right to a speedy trial is one of the rights of a detained person. However, while deciding application for regular bail, the Courts shall also take into consideration the fundamental precept of criminal jurisprudence, which is “the presumption of innocence”, besides the gravity of offence(s) involved.

9. In “*Gurbaksh Singh Sibbia v. State of Punjab*”, (1980) 2 SCC 565 at 586-588, the purpose of granting bail is set out by the Hon’ble Supreme Court with great felicity as follows:-

“27. It is not necessary to refer to decisions which deal with the right to ordinary bail because that right does not furnish an exact parallel to the right to anticipatory bail. It is, however, interesting that as long back as in 1924 it was held by the High Court of Calcutta in Nagendra v. King Emperor, AIR 1924 Calcutta 476 (479, 480) that the object of bail is to secure the attendance of the accused at the trial, that the proper test to be applied in the solution of the question whether bail should be granted or refused is whether it is probable that the party will appear to take his trial and that it is indisputable that bail is not to be withheld as a punishment. In two other cases which, significantly, are the 'Meerut Conspiracy cases observations are to be found regarding the right to bail which deserve a special mention. In K.N. Joglekar v. Emperor, AIR 1931 Allahabad 504 (SB) it was observed, while dealing with Section 498 which corresponds to the present Section 439 of the Code, that it conferred upon the Sessions Judge or the High Court wide powers to grant bail which were not handicapped by the restrictions in the preceding Section 497 which corresponds to the present Section 437. It was observed by the Court that there was no hard and fast rule and no inflexible principle governing the exercise of the discretion con-



ferred by Section 498 and that the only principle which was established was that the discretion should be exercised judiciously. In Emperor v. H.L. Hutchinson, AIR 1931 Allahabad 356 at p. 358 it was said that it was very unwise to make an attempt to lay down any particular rules which bind the High Court, having regard to the fact that the legislature itself left the discretion of the Court unfettered. According to the High Court, the variety of cases that may arise from time to time cannot be safely classified and it is dangerous to make an attempt to classify the cases and to say that in particular classes a bail may be granted but not in other classes. It was observed that the principle to be deduced from the various sections in the Criminal Procedure Code was that grant of bail is the rule and refusal is the exception. An accused person who enjoys freedom is in a much better position to look after his case and to properly defend himself than if he were in custody. As a presumably innocent person he is therefore entitled to freedom and every opportunity to look after his own case. A presumably innocent person must have his freedom to enable him to establish his innocence.

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29. In Gurcharan Singh v. State (Delhi Admn.) (1978) 1 SCC 118 it was observed by Goswami, J., who spoke for the Court, that "there cannot be an inexorable formula in the matter of granting bail. The facts and circumstances of each case will govern the exercise of judicial discretion in granting or cancelling bail".

30. In American Jurisprudence (2d, Vol. 8, page 806, para 39) it is stated :

"Where the granting of bail lies within the discretion of the court, the granting or denial is regulated, to a large extent, by the facts and circumstances of each particular case. Since the object of the detention or imprisonment of the accused is to secure his appearance and submission to the jurisdiction and the judgment of the court, the primary inquiry is whether a recognizance or bond would effect that end."

It is thus clear that the question whether to grant bail or not depends for its answer upon a variety of circumstances, the cumulative effect of which must enter into the judicial verdict. Any one single circumstance cannot be treated as of universal validity or as



necessarily justifying the grant or refusal of bail.”

10. Also, in **“Gudikanti Narasimhulu and others Versus Public Prosecutor, High Court of Andhra Pradesh”, 1978 AIR (Supreme Court) 429**, the Hon’ble Supreme Court, speaking through Krishna Iyer, J., has enunciated the principles of bail thus :

“9. Thus the legal principle and practice validate the court considering the likelihood of the applicant interfering with witnesses for the prosecution or otherwise polluting the process of justice. It is not only traditional but rational, in this context, to enquire into the antecedents of a man who is applying for bail to find whether he has a bad record-particularly a record which suggests that he is likely to commit serious offences while on bail. In regard to habitual, it is part of criminological history that a thoughtless bail order has enabled the bailee to exploit the opportunity to inflict further crimes on the member of society. Bail discretion, on the basis of evidence about the criminal record of a defendant, is therefore not an exercise in irrelevance.

10. The significance and sweep of Article 21 make the deprivation of liberty a matter of grave concern and permissible only when the law authorising it is reasonable, even-handed and geared to the goals of community good and State necessity spelt out in Article 19. Indeed, the considerations I have set out as criteria are germane to the constitutional proposition I have deduced. Reasonableness postulates intelligent care and predicates that deprivation of freedom by refusal of bail is not for punitive purpose but for the bi-focal interests of justice - to the individual involved and society affected.

11. We must weight the contrary factors to answer the test the reasonableness, subject to the need for securing the presence of the bail applicant. It makes sense to assume that a man on bail has a better chance to prepare of present his case than one remanded in custody. And if public justice is to be promoted. mechanical detention should be demoted. In the United States, which has a constitutional perspective close to ours, the function of bail is limited, 'community roots' of the applicant are stressed and, after the Vera Foundation's Manhattan Bail Project, monetary suretyship is losing ground. The



considerable public expense in keeping in custody where no danger of disappearance or disturbance can arise, is not a negligible consideration. Equally important is the deplorable condition, verging on the inhuman, of our sub-jails, that the unrewarding cruelty and expensive custody of avoidable incarceration makes refusal of bail unreasonable and a policy favouring release justly sensible.

12. A few other weighty factors deserve reference. All deprivation of liberty is validated by social defence and individual correction along an anti-criminal direction. Public justice is central to the whole scheme of bail law. Fleeing justice must be forbidden but punitive harshness should be minimised. Restorative devices to redeem the man, even through community service, meditative drill, study classes or other resources should be innovated, and playing foul with public peace by tampering with evidence, intimidating witnesses or committing offences while on judicially sanctioned 'free enterprise', should be provided against. No seeker of justice shall play confidence tricks on the court or community. Thus, conditions may be hung around bail orders, not to cripple but to protect. Such is the holistic jurisdiction and humanistic orientation invoked by the judicial discretion correlated to the values of our Constitution.

13. Viewed from this perspective, we gain a better insight into the rules of the game. When a person, charged with a grave offence, has been acquitted at a stage, has the intermediate acquittal pertinence to a bail plea when the appeal before this Court pends? Yes, it has. The panic which might prompt the accused to jump the gauntlet of justice is less, having enjoyed the confidence of the court's verdict once. Concurrent holdings of guilt have the opposite effect. Again, the ground for denial of provisional release becomes weaker when the fact stares us in the face that a fair finding if that be so - of innocence has been recorded by one court. It may not be conclusive, for the judgment of acquittal may be ex facie wrong, the likelihood of desperate reprisal, if enlarged, may be a deterrent and his own safety may be more in prison than in the vengeful village where feuds have provoked the violent offence. It depends. Antecedents of the man and socio-geographical circumstances have a bearing only from this angle. Police exaggerations of prospective misconduct of the accused, if enlarged, must be soberly sized up lest danger of



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excesses and injustice creep subtly into the discretionary curial technique. Bad record and policy prediction of criminal prospects to invalidate the bail plea are admissible in principle but shall not stampede the court into a complacent refusal.”

11. This Court has heard the submissions made by the learned counsels for the parties and perused the record. This Court is of the view that the present petition deserves to be allowed for the reasons assigned hereinafter.

12. In paragraph No.6 of the status report dated 27.05.2024, as became filed on affidavit of Vijay Pal, HPS, Deputy Superintendent of Police, Headquarter, Hisar, the role of the petitioner has been described as under:-

“6. That it is pertinent to mention here that during further investigation of the case on 03.10.2023, the Chief Audit Officer, Co-operative Society, Panchkula appointed District Audit Officer, Co-operative Society Rohtak for analysis the Audit done by petitioner/accused Rajesh Kumar from 2010-2014 and in report dated 07.11.2023, it was transpired that the audit done by the petitioner/accused is not as per Rules of the Society and the same was done by the petitioner/accused in connivance with other co-accused to cause loss to the depositors and gave undue advantage to the Societies. That as per rule the Balance Sheet is required to be prepared at the first instance and thereafter the same is audit by the Auditor, however, the petitioner/accused prepared audit report at first instance and balance sheet is prepared thereafter only.”

13. The *prima facie* inference, as becomes generated from the hereinabove extracted paragraph of the status report is that, the role, which can at the best be attributed to the petitioner is that, he did not take into account the exact rule(s) at the time of performing his duty, i.e. preparing audit reports. Insofar as involvement of petitioner in three other cases is

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concerned: (i) in FIR No.323 dated 13.04.2017, no involvement of the petitioner was found; (ii) in FIR No.783 dated 23.08.2022, the investigation is pending; and (iii) in FIR No.723 dated 01.08.2017, investigation stands completed and Final Report under Section 173(8) of the Cr.P.C. has been prepared.

14. Moreover, the entire case is based upon documentary evidence and trial in the instant case is yet to commence, as charges have not yet been framed, therefore, subjecting the petitioner to prolonged incarceration, who has undisputedly suffered incarceration of approx. 04 months, would serve no fruitful purpose. Therefore, without commenting upon the merits and circumstances of the present case, the present petition is **allowed**. The petitioner is ordered to be released on bail on furnishing of bail bond and surety bond to the satisfaction of concerned Chief Judicial Magistrate/trial Court/Duty Magistrate.

15. However, anything observed here-in-above shall have no effect on the merits of the case and is meant for deciding the present petition only.

July 10, 2024
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(KULDEEP TIWARI)
JUDGE

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No