Niti

IN THE HIGH COURT OF BOMBAY AT GOA

CRIMINAL WRIT PETITION NO.59 OF 2025

MR. VIJAY V. CHOWGULE
Aged 79 years, Residing at Chowgule
House, Baina, Vasco-da-Gama,
Goa 403802. ....PETITIONER

Versus

1. STATE OF GOA
Through its Public Prosecutor,
High Court of Bombay at Goa,
Porvorim, Goa

2. POLICE INSPECTOR,
Mormugao Police Station,
Mormugao, Goa.

3. POLICE INSPECTOR,
Economic Offences Cell,
Altinho, Panaji - Goa

4. CHOWGULE AND COMPANY
PVT. LTD.,
A private company registered under
the provisions of the Indian
Companies Act,
Having office at Chowgule House,
Mormugao Harbour,
Mormugao, Goa 403803.
Through its authorized signatory,
Mr. Vivek Mangoli,
Having office at the
abovementioned address .... RESPONDENTS

WITH

CRIMINAL WRIT PETITION NO.834 OF 2025(F)

DR. MS ROHINI CHOWGULE,
Aged 74 years,
Residing at Mumbai,
11/12, Ratnam Apartment,
6th Floor, 4 LD Ruparel Cross Road,
Mumbai 400006. …. PETITIONER

Versus

1. STATE OF GOA
Through its Public Prosecutor,
High Court of Bombay at Goa,
Porvorim, Goa.

2. POLICE INSPECTOR,
Mormugao Police Station,
Mormugao, Goa.

3. POLICE INSPECTOR,
Economic Offences Cell,
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4. CHOWGULE AND COMPANY PVT. LTD.,
A private company registered under
the provisions of the Indian Companies Act,
Having office at Chowgule House,
Mormugao Harbour,
Mormugao, Goa 403803.
Through its authorized signatory,
Mr. Vivek Mangoli,
Having office at the
abovementioned address …. RESPONDENTS

AND
CRIMINAL WRIT PETITION NO.839 OF 2025(F)

MR. NATHAN CHOWGULE,

son of Mr. Ramesh Chowgule,
around 52 years of age, married,
Overseas Citizen of India,
Industrialist, having residence
at H. No. 241, Casa Del Sol,
Near Marriott Resort,
Miramar, Panaji, Goa. .... PETITIONER

Versus

1. STATE OF GOA
Through its Public Prosecutor,
High Court of Bombay at Goa,
Porvorim, Goa

2. POLICE INSPECTOR,
Mormugao Police Station,
Mormugao, Goa.

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A private company registered under
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Having office at Chowgule House,
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Mormugao, Goa 403803.
Through its authorized signatory,
Mr. Vivek Mangoli,
Having office at the
abovementioned address .... RESPONDENTS

Mr. Ravindra Kadam, Senior Advocate (through V.C.) with Mr. Parag S. Rao, Mr. Akhil Parrikar and Ms Sowmya Drago, Advocates for the Petitioners in WPCR No.59 of 2025 and WPCR No. 834 of 2025(F).

Mr. Shivan Desai with Mr. Varun Bhandanker, Ms Tahira

Menezes and Ms. Riya Amonkar, Advocates for the Petitioner in WPCR No. 839 of 2025(F).
Mr. Rizwan Merchant with Mr. Gaurish Agni, Mr. Ramiz Shaikh, Mr. Nihal Kamat, Mr Kishan Kavlekar, Mr Yash Naik and Mr Madhav Cuncoliencar, Advocates for the Complainant – Respondent no.4.
Mr. Somnath Karpe, Additional Public Prosecutor with Mr Anand Shirodkar and Ms. S. Vaigankar, Advocates for the State.

CORAM : BHARATI DANGRE &
ASHISH S. CHAVAN, JJ.

DATE : 9th OCTOBER 2025

JUDGMENT : *(Per Ashish S. Chavan, J.)*

1. Since the Petitions challenge a common FIR, charge sheet and summoning order, they are being disposed of by a common order.

2. Petitioner in WPCR No.59/2025 (Vijay Chowgule – Accused No.2), Petitioner in WPCR No.839/2025(F) (Nathan Chowgule – Accused No.3) and Petitioner in WPCR No.834/2025(F) (Dr. Ms Rohini Chowgule – Accused No.4) are arraigned as accused in FIR bearing no.11/2022 dated 08.02.2022 registered by Mormugao Police Station, South Goa, for offences punishable under Section 409, 465, 468, 471, 420 r/w 120B of IPC. The FIR was registered at the instance of one Vivek Mangoli (complainant and authorised representative of Respondent No.4). The investigation culminated in to a charge sheet bearing no.2/2023 filed before the JMFC, Vasco-Goa. On 29.04.2023, the learned JMFC took cognizance of the offences against the aforementioned accused and issued summons to them. Aggrieved by the

FIR, charge sheet and the summoning order, the Petitioners have filed the present Petitions.

3. The facts which are germane to the Petitions and the issue involved therein can be summarised as under:

(i) The Chowgule Group of Companies (CCPL) was a family run group by the members of the Chowgule family, being the major shareholders and Directors of the company in the said group and managing its affairs. The said Group of Companies evolved into several multi-sectoral corporations and engaged in the business of mining, pellet manufacturing, shipbuilding, ports and salt manufacturing amongst other businesses.

(ii) In the wake of an existing dispute in the family, a split occurred in the year, 2020. Upon the split in the family, the Memorandum of Family Settlement (MoFS) dated 11.01.2021 came to be executed with an aim to amicably settle the disputes and effect a division of business and assets of the Chowgule family to prevent escalation of any further disputes. The understanding arrived at between the parties to settle their disputes and differences has been duly recorded in the said MoFS.

(iii) The MoFS executed between the two groups of members of the Chowgule family bifurcated the family into 'Group-A' and 'Group-B' i.e. seven family members headed by Padma Chowgule were referred to as 'Group-A' and eleven family members headed by Vijay Chowgule

(Accused No.2) were referred to as 'Group-B'. The assets, properties and the companies controlled by CCPL were also divided into Schedule C and Schedule D.

(iv) In terms of the said MoFs 'Group–A' members were entitled to absolute control and ownership of the shares and management/control of Companies and assets/business of the companies listed in Schedule C, whereas 'Group-B' members were entitled to absolute control and ownership of the shares and management of the Companies listed in Schedule D.

(v) In terms of the MoFS, Chowgule and Company Private Limited (CCPL), a flagship Company of the United Chowgule Group, came to be allocated to 'Group-A', whereas Angre Port Private Limited (APPL) came to be allocated to 'Group-B'. Prior to the execution of MoFS, over several years, CCPL had advanced loans aggregating to about Rs.336 crores to APPL, a Company whose shares were allotted to 'Group-B' under the MoFS. Similarly, loans were advanced to another seven Companies whose shares were included in the Schedule to the MoFS. A specific clause in MoFS stated that any inter-company loans as on 31.03.2020, between the Companies allotted to 'Group-A' and 'Group-B' would be transferred along with the Company/business units, and it was also agreed that such loans would not be required to be repaid by the borrower companies and this was stated in clause 9 of the family settlement.

(vi) Upon execution of the MoFS, the directors belonging to 'Group-A' resigned from the Board of Directors of the Companies whose shares were allotted to 'Group-B' under Schedule 'D' of the MoFS and the entire control and management of such Companies vested in 'Group-B'. Simultaneously, 'Group-B' members resigned from the Board of Directors of Companies whose shares were mentioned in Schedule 'C' and thus, the entire management and control of such Companies vested in 'Group-A'. Each group assumed full management and operational control of their respective Companies.

(vii) However, within a few days of execution of the MoFS, 'Group-A' purportedly refused to comply with the terms and obligations under the MoFS, thereby depriving 'Group-B' of their entitlements under the MoFS to the shares of companies, divisions and assets specifically allotted to them in Schedule 'D' of the MoFS.

(viii) 'Group-B' invoked an arbitration clause under the MoFS by addressing a notice dated 18.05.2021, and the Arbitral Tribunal was constituted for the resolution of the dispute.

(ix) A meeting of the Board of Director of APPL was held on 07.06.2021 to take review of the accounts for the quarter ending on 31.03.2021 and this meeting was held online in the wake of COVID situation and a Resolution was passed which is the bone of contention between 'Group-A' and 'Group-B' as it relates to the issue of write-back of loan amounting to Rs.336 crores and it is this Resolution which was tendered in the arbitration proceedings while the Tribunal was considering an application under Section 17 of the Arbitration Act.

(x) In these proceedings, APPL, through its Director, Mr. Nathan Chowgule – Accused No.3, filed an affidavit stating that in the background of the fact that the MoFS specifically contemplated non-payment of loans obtained from Schedule 'C' Company as on 31.03.2020, the Board of Directors considering all the applicable parameters, including tax incidences, deemed it appropriate and proper to approve the write-back of the loan payable and the respective Company resolution approving and/or ratifying such write-back was annexed.

(xi) By an interim order dated 05.07.2021, the Arbitral Tribunal directed 'Group-B' to maintain the status quo, thereby restraining any further writing-back of loans provided by 'Group-A' Companies.

(xii) The Arbitral Tribunal disposed of Section 17 Application filed by 'Group-A' by a majority order dated 16.12.2021 in the ratio of 2:1 and the majority taking the view that the writing-back of loans was a bonafide decision taken in the best interest of the Companies and the same could not described as malafide, despite some defects in following procedure which would not take away the entitlement of 'Group-B' in that behalf and ad-interim relief against the 'Group-B' was vacated. This decision was appealed in a Commercial Appeal before the Commercial Judge, Vasco-da-Gama, and the Appeal was pending for adjudication.

(xiii) It is in this backdrop that the impugned FIR came to be registered on the basis of a complaint dated 02.02.2022 filed by Respondent No.4 through its authorised signatory, Mr Vivek Mangoli (Complainant), *inter alia*, against the Petitioners herein for offences punishable under Sections 409, 465, 468, 471, 420 r/w 120B of IPC.

(xiv) The investigation was concluded and culminated in a charge sheet bearing no.2/2023, wherein the Petitioners were arraigned as accused.

4. The allegations against the Petitioners in the charge sheet filed on completion of investigation can be culled out as under:

(a) It is alleged that the Petitioners hatched a criminal conspiracy, in connivance with each other and fraudulently created a false, bogus and fabricated document, namely, a Board Resolution dated 07.06.2021 pertaining to the write-back of a loan amount of Rs.336.61 crores which was owed to the Respondent No.4 (Company) and produced before the Arbitral Tribunal on affidavit thereby causing criminal breach of trust and cheating qua the Respondent No.4.

(b) The Police, during the course of investigation, have collected a number of documents including the Memorandum of Family Settlement (MoFS) executed on 11.01.2021, Board Resolution passed by the Board of Directors of Angre Port Private Limited (APPL) on 07.06.2021, emails received by the Directors of APPL, copies of the loan account statement and balance sheet, copies of the Audit Report of

Chowgule and Company Private Limited (CCPL) and copy of the video recording of the Board meeting dated 07.06.2021.

(c) The Police, have recorded statements of various persons, including Mrs Shantal Nayak (Company Secretary of APPL), Vishal Karande (AGM Finance of APPL), Niranjan Daga (Chartered Accountant of APPL), Kedar Desai (Independent Director of APPL) and Darshan Karekar (Former Company Secretary of APPL).

(d) The statement of Shantal Nayak, who was the then Company Secretary, alleges that no Resolution regarding writing back of the loans was put forth during the Board meeting held on 07.06.2021, nor any discussion was done with regard to the same. The said Resolution was subsequently prepared as per the direction of Vijay Chowgule – Accused No.2, Mr Vishal Karande, Mr Gadkari of Legal Department and others and presented to Mr Vijay Chowgule – Accused No.2 for his approval and signature. The first two paragraphs of the Resolution were not discussed during the Board meeting. There was no mention of the write-back of the loans in the entire draft minutes, which were prepared by her. After the draft minutes were circulated to the Directors (*Accused Nos.3 and 4*), Accused No.2 pointed out that the discussion/the Resolution about the write back of loan is not incorporated in the Minutes and as per his directions, she incorporated the same in the draft Minutes, which were finalised and signed by Vijay Chowgule - Accused No.2.

(e) The statement of Shantal Nayak is corroborated by the statement of Vishal Karande, AGM Finance of APPL, where he confirmed that in the Board meeting, he had briefed the Board on the issue of write-back of the loans.

(f) The statement of Mr Niranjan Daga, Chartered Accountant of APPL, reveals that the Agenda items were shown to him but there was no item regarding write-back of the loans or the passing of Board Resolution in respect of write-back of loans.

(g) The statement of Kedar Desai (independent Director of APPL), echoes the statement of Niranjan Daga. He also adds that there was no discussion about the write-back of loans with Vijay Chowgule – Accused No.2 prior to the Board meeting. However, few days after the meeting, he got a call from Vijay Chowgule informing him that they need to do this write-back for which he said 'ok' and he presumed that there would be another meeting where a separate Resolution would be passed to do the write-back. However, he did not have any idea that they intended to show the write-back in the previous meeting. He corroborates the statement of Shantal Nayak and Niranjan Daga to the effect that the item regarding write-back of loan was neither on the Agenda nor was it discussed in the Board meeting dated 07.06.2021.

(h) The statement of Darshan Raghunath Karekar reveals that he has heard the video conferencing record of the Board meeting, where it is seen that there is no discussion on the write-back of the loan by Vijay Chowgule – Accused no.2.

(i) Broadly, the allegations are that Accused Nos.2,3 and 4, all Directors of APPL attended the Board meeting dated 07.06.2021 and that there was no discussion about the write-back of loans of Rs.336.61 crores in the Board meeting, nor was it on the Agenda of the said Board meeting. Neither during nor after the Board meeting was there any discussion on the aspect of write-back of the loan. Subsequently, on instruction of the Accused No.2, the Company Secretary incorporated the item regarding the write-back of the loans in the Board Resolution, clearly demonstrating that a false document was prepared at the instance of the Accused persons and the same was submitted before the concerned Authority, i.e. the Arbitral Tribunal to obtain benefits, causing wrongful loss to the Complainant. The video-conference recording of the Board meeting also reveals that there is no discussion on the write-back of the loans during the Board meeting. Accused Nos.3 and 4 were present during the said Board meeting however they did not object to the false minutes signed by Vijay Chowgule – Accused No.2 and conspired to cause the wrongful loss to the Respondent No.4 – Company.

(j) Nathan Chowgule - Accused No.3 submitted the forged and fabricated Resolution signed by Vijay Chowgule – Accused No.2 before the Arbitral Tribunal with the intention of causing wrongful loss to CCPL and wrongful gain to APPL.

5. Heard Mr. Ravindra Kadam, Senior Advocate (through V.C.) with Mr. Parag S. Rao, Mr. Akhil Parrikar and Ms Sowmya Drago, for the Petitioners in WPCR No.59 of 2025 and WPCR No. 834 of 2025(F), Mr. Shivan Desai with Mr. Varun Bhandanker, Ms Tahira Menezes and Ms. Riya Amonkar for the Petitioner in WPCR No. 839 of 2025(F), Mr. Rizwan Merchant with Mr. Gaurish Agni, Mr. Ramiz Shaikh, Mr. Nihal Kamat, Mr Kishan Kavlekar, Mr Yash Naik and Mr Madhav Cuncoliencar, Advocates for the Complainant – Respondent no.4 – Company and Mr. Somnath Karpe, Additional Public Prosecutor with Mr Anand Shirodkar and Ms. S. Vaigankar for the State.

6. All the Petitioners have filed concise synopsis of arguments and the Respondent No.4 has also filed affidavits in reply in the respective Petitions.

7. Rule. Rule is made returnable forthwith with the consent of and at the request of the learned counsel for the parties.

8. The common grounds raised by the Petitioners can be enumerated as under:

(i) Offences under Section 465, 468 and 471 emanate from the basic offence punishable under Section 463 of the IPC. The condition precedent of the offence of forgery is a "making" of a false document. In the instant case, only the final minutes signed by Accused No.2 qualify as minutes in terms of the Companies Act, 2013 and forgery of such minutes is an offence. There is no alteration or tampering of such signed minutes. Unilateral decision of the Board of APPL to write-back the loans in any case does not result in wrongful loss or wrongful gains and hence the offence of forgery is not made out. Reliance is placed on the judgments of ***Mohammed Ibrahim and Ors. V/s. State of Bihar and Anr.***[1] and ***Mariam Faishuddin and Anr. V/s. State by Adugodi Police Station and Anr.***[2].

(ii) Disputes between the parties are civil in nature and sought to be given a cloak of criminal offences. Criminal proceedings ought not to be used as a weapon of harassment/vengeance. Reliance is placed on ***Usha Chakraborty and Anr. V/s. State of West Bengal and Anr.***[3], ***Judgement and Order of the High Court dated 11.08.2025 in WPCR No.64/2025***, ***Mohammed Ibrahim and Ors. V/s. State of Bihar and Anr.***[4] and ***Indian Oil Corporation V/s. NEPC India Ltd.***[5]

(iii) Ingredients of cheating, even on the face of it, are not made out. There is no question of deception from inception. Mens rea is totally absent. Offence of cheating and criminal breach of trust on the same set of facts cannot exist. Reliance is placed on ***Delhi Race Club***

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[1] (2009) 8 SCC 751
[2] (2024) 11 SCC 733
[3] (2023) 15 SCC 135
[4] (2009) 8 SCC 751
[5] (2006) 6 SCC 736

(1940) Limited and Ors. V/s. State of Uttar Pradesh and Anr.[6] and ***judgment and order of this Hon'ble High Court dated 11.08.2025in WPCR No.64/2025.***

(iv) The complaint dated 13.08.2021 was not registered as an FIR for more than five months.

(v) The Respondent no.4 – company has suppressed the majority of the arbitral award dated 16.12.2021 holding the write-back to be bonafide.

9. Apart from the aforesaid common contentions, Nathan Chowgule – Accused No.3 has additionally contended that no role is attributed to him in the entire charge sheet, save and except the fact that he has filed the affidavit with the Board Resolutions in the arbitration proceedings and that he has endorsed the minutes of the meeting, and that no role is attributed to him as regards the offence of criminal conspiracy.

10. Similarly, apart from the aforesaid common contentions, Ms Rohini Chowgule – Accused No.4, has additionally contended that she is sought to be implicated only on the ground of criminal conspiracy for which there is no material in the charge sheet to show meeting of minds which is a sine qua non for the offence of criminal conspiracy to be

[6] (2024) 10 SCC 690

attracted and that she has no role to play in the preparation of the minutes of meeting.

11. The State has opposed the grant of relief to the Petitioners arguing that applying the parameters of quashing of FIR/criminal proceedings particularly at the stage where charge sheet is filed and there is adequate material to make out a *prima facie* case against the Petitioners, no interference is necessary or warranted. The Respondent No.4, who is the original Complainant, has in his affidavit supported the stand of the State while arguing that since the charge sheet consists of documents, statements of witnesses and other evidence, the truth or otherwise of which cannot be gone into at this stage and hence the Petitions may be dismissed.

12. The issue before us is whether continuation of the proceedings against the Petitioner would amount to an abuse of law, and whether the FIR, charge sheet and its annexures, cumulatively taken, not adverting to the defence, if any, of the accused would fall squarely within the exception carved out and the parameters set out in the landmark judgment of the Hon'ble Supreme Court in ***State of Haryana V/s. Bhajan Lal***[7].

13. We have perused the FIR charge sheet along with the statements and material collected by the Investigating Officer during the

[7] 1992 SUPP (1) SCC 335

investigation. We have also gone through the reply of the Respondent No.4 – Company.

14. At the outset, it would be necessary to advert to an order of this Court dated 14.08.2025 in WPCR No.77/2023 arising out of the same FIR and subsequent criminal proceedings wherein this Court had the occasion to deal with a petition seeking quashing of FIR and consequent criminal proceedings at the instance of one Pradip Mahatme, a Chartered Accountant, and Accused No.1 in the aforesaid FIR. Although no parity is claimed by the Petitioners with the Accused No.1 – Pradip Mahatme, the pleadings in the Petition refer to the said order and hence we deem it appropriate to mention that he stands on a completely different footing as compared to the accused before us (Petitioners herein). Accused No.1 was only an advisor to the Company and he had no role to play in the manner in which the decision was taken by the Company in the form of a Resolution, which is alleged to have been forged. He was neither a Director nor a shareholder of the Company, nor was he present during the Board meeting on 07.06.2021. It was in the light of the fact that there was no material to connect Accused No.1 with the commission of the said offences, even taking the allegations in the FIR and charge sheet at face value, that this Court had deemed it appropriate to quash the proceedings against him. The Petitioners herein, therefore, cannot claim any parity or even a beneficial advantage from the aforesaid order since they stand on a completely different footing as set out herein below.

15. Dealing with the principal argument of the Petitioners that the offence of forgery is not attracted since the factual foundation, i.e. making of a false document is not made out even taking the prosecution case as it stands, we are reminded of the constant refrain of the Apex Court that to exercise powers under writ jurisdiction the complaint/FIR/charge sheet shall have to be examined in its entirety and we are neither expected to conduct a roving inquiry on merits nor examine the correctness of the allegations. The truth or falsity of the allegations in the FIR and charge sheet cannot be gone into at this stage and being triable issues can be adjudicated only during a trial. The parameters of quashing of criminal proceedings, whether at the stage of the FIR or at the stage of the charge sheet, would have to be tested on the touchstone of whether or not the continuation of the criminal proceedings would amount to an abuse of the process of the Court. In the facts of the present case, to examine the truth or falsehood of the allegations of forgery, we would be required to undertake the exercise of going through the statements recorded by the Police, documents and evidence relied upon by them and such an exercise is not only unwarranted but also impermissible.

16. Insofar as the argument that the disputes are essentially civil in nature, arbitral proceedings are pending between the parties and a cloak of criminal offence is sought to be given to a commercial dispute, it is trite law that merely because the offence was committed during the course of a commercial transaction would not be sufficient to hold that the complaint did not warrant a trial. Simply because arbitral proceedings are initiated by the parties, it does not *ipso facto* give rise to a conclusion that the initiation of criminal proceedings would necessarily be an abuse of process of Court. The effect of the arbitral proceedings can be seen only when evidence is led and the Petitioners go through a trial. In the wake of the aforesaid observations, we are of the considered view that this is not a fit case for exercising our writ jurisdiction to quash and set aside the criminal proceedings against the Petitioners.

17. This proposition would apply in respect of the other arguments of the Petitioners, *inter alia*, that ingredients of cheating and criminal conspiracy are not made out and that there is no overt act attributed to Accused Nos.3 and 4. We are fortified in our view by the observations of the Hon'ble Supreme Court in ***Priti Saraf and Anr. V/s. State (NCT of Delhi) and Anr.***[8], ***Neeharika Infrastructure Private Limited V/s. State of Maharashtra and Ors.***[9], ***Manik B. V/s. Kadapala Sreyes Reddy and Anr.***[10] and ***Meenakshi Bala V/s. Sudhir Kumar and Ors.***[11]

18. From a perusal of the FIR, charge sheet, statements of witnesses and available records annexed along with the charge sheet collected during the course of investigation, we are of the view that, within the

[8] (2021) 16 SCC 142
[9] (2021) 19 SCC 401
[10] 2023 LiveLaw (SC) 642
[11] (1994) 4 SCC 142

material collected against the petitioners, constituting offence with which they are charged, they must go for trial and the charge sheet or proceedings cannot be scuttled by quashing the charge sheet.

19. Hence, finding no merit and substance the petitions are dismissed. No order as to costs.

20. Needless to say, Petitioners are at liberty to avail of all remedies available to them in law and the proceedings in the Trial Court will proceed unimpeded by the observations made hereinabove.

ASHISH S. CHAVAN, J. **BHARATI DANGRE, J.**