Shabnoor

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CRIMINAL APPELLATE JURISDICTION

BAIL APPLICATION NO. 1503 OF 2025

WITH
INTERIM APPLICATION NO.1682 OF 2025

Raju Javaru Chauhan @ Gapal Chandak … Applicant
V/s.
State of Maharashtra … Respondent

Mr. Gaurav Bhawanani i/b Mr. Khan Abdul Wahab, for the applicant.

Mr. Sunny Jain i/b Mr. Sanjay Panday, for Intervener.

Mrs. Mahalakshmi Ganapathy, APP for the State – respondent.

Mr. Rupesh, API, EOW, Mumbai.

CORAM : AMIT BORKAR, J.

DATED : JULY 29, 2025

P.C.:

1. The present bail application is filed by the applicant under Section 439 of the Code of Criminal Procedure, 1973, seeking his release in connection with Crime Register No. 31 of 2024 registered with the Economic Offences Wing (EOW), Unit – 13, Crime Branch, Mumbai. The applicant is facing charges for offences punishable under Sections 420, 409, 406 read with Section 34 of the Indian Penal Code, 1860.

2. As per the case of the prosecution, Accused Nos. 6 and 10 allegedly made representations to various purchasers, including the present applicant, claiming to act on behalf of the informant and assuring supply of raw fabric on credit. Relying on such representations, the informant is stated to have supplied raw cloth valued at ₹1,59,18,861/- to the applicant. Out of the total supplies made, the applicant is alleged to have paid ₹50,11,716/- against the first consignment of ₹11,75,559/-. However, he allegedly failed to make payment for the remaining material supplied thereafter. It is further the prosecution’s case that Accused No. 6 issued five cheques from the account of the applicant’s firm, M/s. MA Enterprises, in favour of the informant. Two of these cheques were dishonoured upon presentation. On the basis of the above facts, a complaint came to be lodged by the informant against the agents (Accused Nos. 1 and 6) as well as against other accused including the present applicant, who is alleged to be the purchaser. The applicant was arrested on 14 October 2024 and his bail application filed before the Sessions Court came to be rejected. Hence, the present bail application is preferred before this Court.

3. The learned Advocate appearing for the applicant submitted that the role attributed to the applicant is limited. He is alleged to have acted merely as an agent who introduced the informant to prospective purchasers and was not actively involved in the alleged conspiracy. It is further pointed out that during the pendency of the present bail application, the applicant and the informant have amicably resolved the dispute and entered into consent terms. As per the said consent terms, the applicant has agreed to pay a sum of ₹25,00,000/- in two equal installments through post-dated cheques dated 14 July 2025 and 14 August 2025. The learned

Advocate also submitted that the applicant has undertaken to fully cooperate with the investigation, especially in the matter of identifying the delivery of goods. It is also submitted that the applicant is in custody since 22 October 2024, and hence, continued incarceration is not necessary.

4. The learned APP, however, has opposed the grant of bail. It is submitted that the bank account statements of the applicant indicate suspicious transactions during the relevant period. Notably, a cash amount of ₹27 lakh was deposited in the accounts of the applicant and his wife. Additionally, it is alleged that during the same period, the applicant purchased a house property and the transaction involved cash payments. These financial dealings, as per the prosecution, strengthen the suspicion that the applicant was not a mere introducer or intermediary, but was actively involved in siphoning funds, thereby committing the alleged offences.

5. At this stage, the learned Advocate appearing for the informant submitted that the informant does not oppose the bail application, subject to strict compliance of the terms agreed upon between the parties. The informant's no-objection is premised on the assurance that the applicant shall adhere to the consent terms, including making the agreed payments and cooperating in the ongoing investigation.

6. The consent terms tendered before this Court are taken on record and marked as 'X' for identification. It is clarified that the said consent terms shall not affect the course of investigation or the right of the prosecution to proceed in accordance with law. However, the fact that the dispute has been resolved between the parties to some extent, coupled with the applicant's willingness to comply with the agreed terms and to cooperate with the investigation, are relevant factors to be considered while deciding the bail application.

7. I have carefully considered the rival submissions and perused the material placed on record. The allegations against the applicant are essentially in the nature of a commercial transaction that has gone sour. The dispute primarily concerns non-payment of dues towards supply of goods, which, though serious, does not involve any act of physical violence or threat to public safety.

8. From the material collected during investigation so far, it appears that the applicant was one of the purchasers to whom the goods were supplied on credit. It is not the case of the prosecution that the applicant had impersonated someone or used forged documents. It is also not in dispute that an initial payment of ₹50,11,716/- was made by the applicant against the first consignment. The allegation is that for the subsequent consignments, no payment was made and cheques issued were dishonoured. These circumstances, on their face, may attract penal provisions; however, they are also capable of being tested during the course of trial based on documentary evidence.

9. The applicant is in custody since 22 October 2024. The investigation appears to have made substantial progress, and no material is shown to indicate that further custodial interrogation of the applicant is necessary at this stage. The possibility of the applicant fleeing from justice or tampering with evidence can be taken care of by imposing suitable conditions.

10. A significant development that cannot be ignored is the fact that the applicant and the informant have entered into consent terms, whereby the applicant has undertaken to pay ₹25,00,000/- in two installments and to cooperate with the investigation. The informant has, through counsel, stated before this Court that he has no objection to the release of the applicant on bail, subject to compliance with the agreed terms. Though such private settlement cannot by itself absolve the criminal liability, it is certainly a relevant consideration while exercising discretion in bail matters, particularly where the offence arises from a commercial dispute.

11. As regards the objection raised by the learned APP that large cash transactions were observed in the accounts of the applicant and his wife and that a house property was purchased, it may be noted that such transactions, though suspicious, would require deeper scrutiny during trial. At this stage, there is no direct evidence on record to link these transactions conclusively with the alleged offence. It is well settled that bail is not to be denied merely on the ground of suspicion, unless supported by concrete material indicating likelihood of interference with the investigation or flight from justice.

12. In the overall circumstances of the case, considering the nature of allegations, the status of investigation, the period of custody undergone, the no-objection by the informant, and the applicant's readiness to comply with the terms and to cooperate, I am of the view that this is a fit case for granting bail, subject to stringent conditions.

13. Hence, the following order :

(i) The Bail Application is allowed.

(ii) The applicant shall be released on bail in connection with Crime Register No. 31 of 2024 registered with EOW, Unit – 13, Crime Branch, Mumbai for offences punishable under Sections 420, 409, 406 read with 34 of IPC, upon furnishing a Personal Bond of ₹50,000/- (Rupees Fifty Thousand only) along with one or more solvent sureties in the like amount, to the satisfaction of the learned Trial Court, subject to the following conditions:

(a) The applicant shall not tamper with evidence, or directly or indirectly contact, influence, threaten, or intimidate any witness.

(b) The applicant shall attend all proceedings before the Trial Court regularly, unless exempted by the Court on valid grounds supported by sufficient cause.

(c) The applicant shall report to theEOW, Unit – 13, Crime Branch, Mumbai on the first Monday of every month between 10.00 a.m. and 12.00 noon, until further orders.

(d) The applicant shall not leave the territorial jurisdiction of the Trial Court without its prior written permission.

(e) The applicant shall not commit any offence or engage in any criminal activity during the pendency of the trial.

(f) The applicant shall, at the time of furnishing surety, provide his current residential address and mobile number to the Investigating Officer as well as the Trial Court, and shall inform the Court in writing of any change in residence or contact details during the pendency of the case.

14. The Bail Application stands disposed of in above terms.

15. In view of disposal of the Bail Application, the interim application stands disposed of.

(AMIT BORKAR, J.)