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IN THE HIGH COURT OF PUNJAB AND HARYANA AT  
CHANDIGARH

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Date of decision : 18.09.2025

MADAN LAL

... Petitioner

Versus

STATE OF HARYANA

...Respondent

CORAM: HON'BLE MR. JUSTICE JASJIT SINGH BEDI

Present: Mr. S.S. Sarwara, Advocate  
for the petitioner.

Mr. Viney Phogat, DAG, Haryana.

Mr. Sanjeev Kaushik, Advocate  
for the complainant.

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**JASJIT SINGH BEDI, J.**

The prayer in the present petition under Section 482 BNSS, 2023 is for the grant of anticipatory bail to the petitioner in case FIR No.0305 dated 02.10.2024 registered under Sections 314, 316(2), 318(4) BNS at Police Station Chhapar, District Yamuna Nagar.

2. The present FIR came to be registered at the instance of Pardeep Kumar, District Manager, Haryana State Warehousing Corporation, Ambala (hereinafter known as HSWC) and the same reads as under:-

*“TO THE S.H.O, POLICE STATION, THANA CHHAPPAR, DISTRICT- YAMUNA NAGAR, HARYANA. SUB:- REGARDING LODGING OF F.I.R. AGAINST:- 1. PROPRIETOR SH. MADAN LAL S/O SH. RAMU MAL, SARASWATI COLONY, SABAL PUR (358), YAMUNA NAGAR*



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*(HARYANA-133103), PROPRIETOR OF M/S MADAN LAL CO., MUSTFABAD FOR MISAPPROPRIATION OF 629.25 MTS PADDY FOUND SHORT AS PER PHYSICAL VERIFICATION REPORT DATED 27.07.2021. 2 GUARANTORS. HARI NARAYAN JINDAL, MADAN LAL AND CO., SHOP NO. 90 SARASWATI NAGAR ANAJ MANDI, YAMUNA NAGAR. RAKESH KUMAR, NAV DURGA FERTILIZER, SHOP NO. 89 SARASWATI NAGAR ANAJ MANDI, YAMUNA NAGAR RAJAN AGGERWAL PROP. M/S/SHAKAMBURI RICE MILL, MANKA ROAD, SARASWATI NAGAR, YAMUNA NAGAR. SMT. POONAM RANA, PROP. M/S LUXMI RICE MILL, VILL. KALAVAD, KHERI LAKKHA SINGH ROAD, DISTRICT YAMUNA NAGAR. HARYANA STATE WAREHOUSING CORPORATION (HSWC) PANCHKULA THROUGH ITS DISTRICT MANAGER HARYANA STATE WAREHOUSING CORPORATION DISTRICT OFFICE AMBALA CITY RESPECTFULLY SUBMIT AS UNDER- 1. THAT HARYANA STATE WAREHOUSING CORPORATION IS A STATE AGENCY FOR MAKING PURCHASE OF PADDY IN THE DISTRICT YAMUNA NAGAR THROUGH ITS DISTRICT OFFICE AMBALA CITY AND STATE WAREHOUSE YAMUNA NAGAR. THE QUANTITY OF PADDY DULY PURCHASED AS PER PRESCRIBED PROCEDURE IS ENTRUSTED TO THE RICE MILLERS WHO ENTER IN TO AN AGREEMENT WITH THE (HSWC) FOR THE PURPOSE OF MILLING THE SAME AND DELIVER THE CUSTOM MILLED RICE (CMR) TO FOOD CORPORATION OF INDIA AS PER DELIVERY SCHEDULE VIVIDLY MENTIONED IN THE AGREEMENT SUBJECT TO OTHER TERMS AND CONDITIONS OF THE MILLING AGREEMENT. THE MILLER IS LEGALLY BOUND TO KEEP AND MAINTAIN THE STOCK OF PADDY SO*



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*RECEIVED AS PER AGREEMENT BEING AN ENTRUSTMENT TILL THE COMPLETE DELIVERY OF CMR TO THE FOOD CORPORATION OF INDIA WITHIN STIPULATED TIME FIXED BY GOVERNMENT OF INDIA/STATE GOVERNMENT. 2. THAT M/S MADAN LAL CO., MUSTFABAD/SARASWATI NAGAR, DISTRICT YAMUNA NAGAR IS A PROPRIETORSHIP FIRM AND SH. MADAN LAL S/O SH. RAMU MAL IS THE PROPRIETOR WHO ENTERED IN TO AN AGREEMENT WITH THE COMPLAINANT THROUGH ITS WAREHOUSE MANAGER DISTRICT MANAGER FOR MILLING THE PADDY DULY PURCHASED FROM MUSTFABAD MANDI DURING KHARIF MARKETING SEASON OF THE YEAR 2023-24 AND 10497.00 MTS PADDY WAS HANDED OVER TO THE MILLER AS PER RECEIPTS DULY ISSUED BY THE MILLER AS PER STATE GOVERNMENT MILLING POLICY OF KMS 2023-24 3. THAT THE MILLER WAS TO DELIVER 7032.99 QTLS. OF CUSTOM MILLED RICE (CMR) AGAINST THE 10497-QTLS OF PADDY AS PER THE T C OF THE MILLING AGREEMENT EXECUTED BETWEEN HIM HSWC THROUGH ITS MANAGER, HSWC YAMUNA NAGAR DISTRICT MANAGER, AMBALA. THE MILLER HAS DELIVERED CMR EQUIVALENT TO 3849.84 QTLS OF PADDY UNTIL 29-05-24 TO FCI. HOWEVER, HE HAS FAILED TO DELIVER ANY FURTHER CONSIGNMENT OF CMR TO THE FCI TILL DATE. THUS, THE HSWC OFFICE ISSUED SEVERAL LETTER AND NOTICES TO THE MILLER AND HIS GUARANTORS FOR ENSURING TIMELY DELIVERY OF CMR TO FCI AGAINST THE BALANCE PADDY. SEEING NO RESPONSE EITHER FROM THE MILLER OR HIS GUARANTOR, A COMMITTEE OF MANAGER, HSWC YAMUNA NAGAR JAGADHARI WAS DEPUTED TO CARRY OUT PHYSICAL VERIFICATION OF*



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*THE HSWC. PADDY/RICE STOCK IN HIS PREMISES. ACCORDINGLY, THEY HAVE SUBMITTED THAT THERE IS A SHORTAGE OF 6608.70 QTLS OF PADDY IN THE MILL PREMISES OF M/S MADAN LAL CO. THE MANAGER HSWC, YAMUNA NAGAR VIDE HIS LETTER SWH/YNR/2024-25/SPL-LL DATED 17-09-2024 HAS ALSO INFORMED THAT THE PROPRIETOR OF M/S UNIQUE RICE MILL, FATEHPUR, SARASWATI NAGAR (MUSTFABAD). 4YAMUNA NAGAR HAS SUBMITTED RECEIPTS OF DATED 05-09-2024 10-07-2024 STATING THAT 3800 QTLS OF RICE FROM M/S MADAN LAL CO. HAS BEEN RECEIVED FOR SORTEX AND ASSURED TO RETURN THE SAME TO THEM AFTER SORTEX. THIS, IMPLIES THAT THE MILLER WITH THE CONNIVANCE OF HIS GUARANTOR HAS MISAPPROPRIATED THE HSWC PADDY. THIS ACT OF THE MILLER AND HIS GUARANTORS HAS RENDERED A LOSS OF APPROXIMATELY RS. 1.80 CRORES TO THE HSWC AND THE GOVERNMENT OF HARYANA. 5. THAT THE ACCUSED MILLER HAS THUS COMMITTED A CRIMINAL BREACH OF TRUST RENDERING HIM LIABLE FOR PROSECUTION. THE ACCUSED MILLER HAS THUS CAUSED A WRONGFUL LOSS TO THE COMPLAINANT BY EARNING WRONGFUL GAIN WITH DELIBERATE DISHONEST AND MALAFIDE INTENTION. 6. THAT AS PER MILLING AGREEMENT EXECUTED BETWEEN HARYANA STATE WAREHOUSING CORPORATION NECESSARY CRIMINAL ACTION AGAINST THE ACCUSED MILLER MAY KINDLY BE TAKEN BY LODGING FIR AGAINST HIM AND HIS GUARANTORS AS NARRATED IN THE AGREEMENT SINCE ALL THE GUARANTORS INDEMNIFY THE LOSS TO THE COMPLAINANT, IF CAUSED BY THE ACCUSED MILLER M/S MADAN LAL*



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*CO., MUSTFABAD, DISTRICT YAMUNA NAGAR. IT IS, THEREFORE REQUESTED THAT F.I.R. AGAINST ABOVE MENTIONED PROPRIETOR OF M/S MADAN LAL CO. AND ITS GUARANTORS FOR CHEATING, FRAUD, BREACH OF TRUST, MISAPPROPRIATION OF GOVERNMENT PROPERTY AND SUBMISSION OF FALLS DOCUMENTS IN THE RELEVANT CLAUSES OF BHARATIYA NYAYA SANHITA 2023, MAY KINDLY BE LODGED PLEASE. SD PARDEEP KUMAR DISTRICT MANGER HSWC, AMBALA.”*

3. The petitioner sought the concession of anticipatory bail before the Court of the Addl. Sessions Judge, Yamuna Nagar which came to be dismissed vide order dated 28.02.2025.

4. Thereafter, the instant petition was filed and on 07.03.2025, this Court passed an order that no coercive steps were to be taken in view of the settlement (Annexure P-3). On 08.04.2025, it was pointed out by the counsel for HSWC that there had been only partial compliance of the compromise and Rs.2 lac per month had not been deposited by the petitioner. Therefore, the petitioner was directed to deposit Rs.50 lac. As the said amount was not deposited, the interim order dated 07.03.2025 was vacated. The petitioner approached the Hon'ble Supreme Court where the interim order was restored on 23.06.2025 subject to the deposit of Rs.10 lac with the Registry of this Court. Later, the petition was disposed of on 21.08.2025 by the Hon'ble Supreme Court with the directions to this Court to dispose of the anticipatory bail petition on merits without insisting on a further deposit.



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5. When the matter came up for hearing on 05.09.2025 before this Court, the matter was partially heard and as this Court was not inclined to grant pre-arrest bail on merits and in view of the law laid down in **Kundan Singh Vs. The Superintendent of CGST and Central Excise, SLP (Crl.) No.9111 of 2025, decided on 23.06.2025** and **Gajanan Dattatray Gore Vs. The State of Maharashtra & another, SLP (Crl.) No.10749/2025** the petitioner was given the liberty to seek refund of Rs.10,00,000/- which he sought and the amount stands refunded. The matter has now come for final hearing today.

6. The learned counsel for the petitioner contends that the petitioner has been falsely implicated in the present case. After the registration of the FIR, on the request of the petitioner, the Managing Director of Haryana State Warehousing Corporation had directed to keep the FIR in abeyance and the petitioner was to comply with three conditions as per letter dated 29.11.2024 (Annexure P-3). The petitioner had complied with the first two conditions but could not make repayment as per condition No.3. This would amount to a civil dispute at best. In fact, the petitioner had been given more paddy for milling purposes. As the petitioner has joined investigation, he is entitled to the concession of anticipatory bail.

7. On the other hand, the learned State counsel while referring to the reply dated 07.04.2025 contends that as per spot inspection at the premises of M/s Madan Lal and Company on 16.09.2024, no paddy or



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rice was found. The cost of the undelivered rice is Rs.1.95 crores. It was only on the representation of the petitioner and his affidavit in which he had undertaken to pay Rs.2 lakhs per month to the Corporation that the FIR had been kept in abeyance. It was in that context that he had been asked to deposit a sum of Rs.50 lakhs as per his own undertaking which he did not deposit. Merely because he has received more paddy for milling does not mean that the offence has not been committed. In fact, the additional paddy was allotted only because the petitioner had mortgaged his property and not because no offence is made out. As the offence is *prima facie* established and as the investigation is to be taken to its logical conclusion, the custodial interrogation of the petitioner is certainly required. Therefore, he is not entitled to the concession of anticipatory bail.

8. I have heard the learned counsel for the parties.

9. The Hon'ble Supreme Court in the case of ***Sumitha Pradeep Vs. Arun Kumar C.K. & Anr.*** 2022 Live Law (SC) 870 held that merely because custodial interrogation was not required by itself could not be a ground to grant anticipatory bail. The first and the foremost thing the Court hearing the anticipatory bail application is to consider is the *prima facie* case against the accused. The relevant extract of the judgment is reproduced hereinbelow:-

*“It may be true, as pointed out by learned counsel appearing for Respondent No.1, that charge-sheet has already been filed. It will be unfair to presume on our part*



*that the Investigating Officer does not require Respondent No.1 for custodial interrogation for the purpose of further investigation.*

*Be that as it may, even assuming it a case where Respondent No.1 is not required for custodial interrogation, we are satisfied that the High Court ought not to have granted discretionary relief of anticipatory bail.*

*We are dealing with a matter wherein the original complainant (appellant herein) has come before this Court praying that the anticipatory bail granted by the High Court to the accused should be cancelled. To put it in other words, the complainant says that the High Court wrongly exercised its discretion while granting anticipatory bail to the accused in a very serious crime like POCSO and, therefore, the order passed by the High Court granting anticipatory bail to the accused should be quashed and set aside. **In many anticipatory bail matters, we have noticed one common argument being canvassed that no custodial interrogation is required and, therefore, anticipatory bail may be granted. There appears to be a serious misconception of law that if no case for custodial interrogation is made out by the prosecution, then that alone would be a good ground to grant anticipatory bail. Custodial interrogation can be one of the relevant aspects to be considered along with other grounds while deciding an application seeking anticipatory bail. There may be many cases in which the custodial interrogation of the accused may not be required, but that does not mean that the prima facie case against the accused should be ignored or overlooked and he should be granted anticipatory bail. The first and foremost thing that the court hearing an anticipatory bail application should***



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*consider is the prima facie case put up against the accused. Thereafter, the nature of the offence should be looked into along with the severity of the punishment. Custodial interrogation can be one of the grounds to decline custodial interrogation. However, even if custodial interrogation is not required or necessitated, by itself, cannot be a ground to grant anticipatory bail.*

10. A perusal of the facts and circumstances of the case would show that the act of the petitioner and his guarantor of misappropriating paddy has caused a loss of approximately Rs.1.80 crores to the HSWC. Even after giving an undertaking that he would pay an amount of Rs.2 lakhs per month based on which the FIR was kept in abeyance, he chose not to do so. As such he has not complied with the terms and conditions of the settlement letter dated 29.11.2024 (Annexure P-3). Further, his custodial interrogation is required so as to ascertain as to whom he has sold the paddy/rice which he was to supply to the FCI and which had been allotted to him for shelling by the HSWC. Since, the offence stands *prima facie* established and the investigation is to be taken to its logical conclusion, the custodial interrogation of the petitioner is certainly required.

11. In view of the aforementioned discussion, I find no merit in the present petition. Therefore, the same stands dismissed.

12. However, the observations made hereinabove are only for the purposes of deciding this bail petition and the Trial Court is free to

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adjudicate upon the matter on the basis of the evidence led before it  
uninfluenced by any such observations made herein.

**(JASJIT SINGH BEDI)**  
**JUDGE**

**18.09.2025**  
JITESH

**Whether speaking/reasoned:- Yes/No**  
**Whether reportable:- Yes/No**