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

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CRM-M-20804-2025
Date of decision: July 15, 2025

MOHIT KUMAR

.....Petitioner

Versus

STATE OF HARYANA

.....Respondent

CORAM: HON'BLE MRS. JUSTICE MANJARI NEHRU KAUL

Present: Mr. Sahil, Advocate
for the petitioner.

Mr. Rajat Gautam, Addl. A.G., Haryana.

MANJARI NEHRU KAUL, J.

1. The instant petition has been filed under Section 482 of Bharatiya Nagarik Suraksha Sanhita, 2023 for grant of anticipatory bail to the petitioner in case FIR No.667 dated 09.11.2024 under Sections 406 and 420 of Indian Penal Code, 1860, registered at Police Station Gharaunda, District Karnal (Annexure P-1).

2. Learned counsel for the petitioner has contended that the petitioner has been falsely implicated in the instant case, and that the allegations levelled against him are wholly misconceived and untenable. It has been submitted that as on 30.09.2024, a physical stock of 3687.300 quintals of rice was available at the rice mill of the petitioner, and therefore, the allegation regarding a shortage of 5025.425 quintals of custom Milled Rice (CMR), as alleged by the complainant, is factually incorrect and misleading.

3. It has been further submitted by the learned counsel for the petitioner that the petitioner had deposited a sum of Rs.15 lakhs through a

legitimate bank transfer to the concerned Department on 30.11.2024 as security towards the Fixed Deposit Receipt (FDR), thereby evidencing his *bona fide* intent. Learned counsel has further argued that the FDR in question, as per Clause 30 of the Custom Milling of Rice Policy (CMR Policy), was required to be taken from the miller i.e. the petitioner. However, the Department arbitrarily obtained the FDR from the guarantor/surety, one Ved Prakash, contrary to the provisions of the said clause. In support, learned counsel has drawn the attention of this Court to the Policy, which has been annexed as Annexure P-4.

4. Learned counsel has also asserted that the allegation of having submitted forged property documents for allocation of milling work is erroneous, as no such documents were ever demanded or requisitioned by the Department. Furthermore, the rice mill was being operated by the petitioner on a valid lease basis, which is duly permissible under Clause 27(IV) of the CMR Policy, thereby entitling him to participate in the milling operations.

5. Learned counsel for the petitioner has still further contended that the mill of the petitioner had already delivered 67% of the allocated rice stock to the Food Corporation of India (FCI), and that a significant portion of the remaining stock was damaged due to unprecedented heavy rainfall on 21.08.2024. The said incident was immediately reported to the concerned Department, and as per the learned counsel, any shortfall in delivery must be viewed in that light. Learned counsel has also submitted that ironically, the

complainant itself issued an e-auction notice for disposal of 3687.300 quintals of rice still lying in the petitioner's mill, which contradicts the allegations of complete misappropriation.

6. Lastly, learned counsel for the petitioner has argued that due to the pendency of the present FIR and the resultant investigation, the operations of the petitioner's rice mill have been brought to a grinding halt, causing severe financial stress to him.

7. Status report by way of an affidavit of the Deputy Superintendent of Police, Gharaunda, Karnal on behalf of the respondent-State has been filed in the Registry of this Court and the same is taken on record subject to all just exceptions.

8. *Per* contra, learned State counsel has vehemently opposed the prayer and submissions made by the counsel opposite. It has been submitted by the learned State counsel that the allegations against the petitioner are serious and grave in nature, involving large scale misappropriation of Government stock, resulting in substantial loss to the public exchequer, amounting to approximately Rs.2.66 crores.

9. It has also been submitted by the learned State counsel that the petitioner failed to deliver the requisite quantity of rice after having received paddy from HAFED under the CMR agreement. Specifically, of the 6458.990 quintals of rice due from the petitioner, only a partial delivery was made, with approximately 5025.425 quintals remaining unaccounted for.

This unexplained shortfall is alleged to be a result of willful misappropriation.

10. Learned State counsel has further contended that the petitioner fraudulently concealed the material fact that he had already sold the rice mill in the year 2022, which was not disclosed at the time of entering into the milling agreement, thereby inducing the Department into allocating the milling work under false pretenses.

11. Learned State counsel has still further alleged that the petitioner had dishonestly pledged an invalid FDR dated 23.10.2023 in favour of HAFED. The fraudulent nature of this pledge only came to light when the complainant attempted to encash the FDR and was informed that it was not validly pledged in accordance with banking procedure.

12. I have heard learned counsel for the parties and perused the relevant material placed on record.

13. The allegations against the petitioner are not only serious and grave in nature, but *prima facie* suggest active concealment, misrepresentation of material facts and fraudulent conduct, which has allegedly resulted in substantial financial loss to the public exchequer.

14. The petitioner, having entered into a formal agreement with HAFED for the milling of paddy, was entrusted with a large quantity of Government stock. The alleged failure to account for approximately 5025.425 quintals of rice, as well as the allegations of submission of misleading property documents and dishonest pledging of an FDR, raise

concerns that go to the very root of the public trust and the integrity of Governmental procurement processes.

15. The contention that the petitioner had already delivered 67% of the rice and that the remaining stock was damaged due to rainfall does not satisfactorily explain the magnitude of the alleged shortage, at this stage. Further, the issuance of an e-auction notice for the leftover stock does not itself exonerate the petitioner from explaining the alleged discrepancy between the received and delivered quantities.

16. As to the claim that the petitioner had legally leased the rice mill, the submissions made by the learned State counsel that the mill had been sold in the year 2022 remains uncontroverted at this stage. The contradiction between the claim of the petitioner of lawful possession and the alleged sale of the rice mill casts serious doubt on the veracity of the petitioner's disclosures.

17. Moreover, the plea regarding irregularities in FDR collection does not absolve the petitioner from the liability, especially when the FDR itself was not validly pledged and failed upon invocation.

18. It is settled law that the discretionary relief of anticipatory bail is not to be granted as a matter of routine, particularly in the cases, where the allegations reflect misuse of public resources, breach of trust, and possible economic offences of a serious nature.

19. In view of the aforementioned facts and circumstances, this Court is not inclined to extend the extraordinary concession of anticipatory

bail to the petitioner as the allegations involve serious economic offence, for which his custodial interrogation may be necessary to unearth the larger conspiracy.

20. Accordingly, the instant petition stands dismissed.

21. However, it is made clear that anything observed hereinabove shall not be construed to be an expression of opinion on the merits of the case.

July 15, 2025 **(MANJARI NEHRU KAUL)**
Jaspreet Kaur **JUDGE**

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No