

MHRG170007332026



IN THE COURT OF ADDITIONAL SESSIONS JUDGE PANVEL-RAIGAD

AT : PANVEL

ORDER BELOW EXHIBIT NO.1 IN

CRIMINAL BAIL APPLICATION NO.373/2026

(DATED 11.08.2026)

1. The applicant Prakash Sadaram Chaudhary has filed the present application seeking anticipatory bail under Section 482 of the Bharatiya Nagrik Sauraksha Sanhita (BNNS), 2023, apprehending arrest from Senior Intelligence Officer, DRI MZU, Dronagiri in connection with the import of Walnut from Chile origin in file No.DRI/MZU/INT-38/ENQ10/2026/15 under Section 135 of the Customs Act.

2. In nut shell, the case of the DRI is that the matter originates from allegations concerning the fraudulent import and mis-declaration of restricted commodities, specifically 'Melon seeds' and 'Green peas' valued at approximately ₹150.34 Crore, declared as 'Pigeon peas' and 'Peas' to evade statutory import restrictions under the Customs Act, 1962. Within this broader investigation, the DRI alleges that 30 consignments valued at approximately ₹33.96 Crore were imported using the Import Export Code (IEC) and GST credentials of M/s Southeast Enterprises, a sole proprietorship associated with the applicant.

3. Mr.Gangan, the learned Advocate for the applicant submits and seeks the confirmation of ad-interim protection previously granted by this Court. In support of his plea, he submits that the is suffering from significant health issues requiring continuous medical management and care. He also submits that his business operations were effectively shut down in 2024, after which NIL GST returns were filed, and that he had no active knowledge, participation, or financial stake in any unauthorized or fraudulent import activities executed by third parties utilizing his statutory credentials. He asserts that he has consistently displayed bona fide conduct by attending the DRI office and making himself available for examination in compliance with judicial directions. He maintains that he is a law-abiding citizen with deep roots in the community, poses no flight risk, and is fully committed to assisting the investigation without requiring physical custody. Mr.Gangan, has placed reliance on *Pradip N. Sharma v. State of Gujarat* (2025) and *Pawan Khera v. State of Maharashtra* (2026), wherein the Hon'ble Supreme Court reiterated that custodial interrogation is not an automatic necessity when the case hinges primarily on documentary or statutory records accessible to the investigating authority, and that personal liberty guaranteed under Article 21 must not be compromised without a high threshold of necessity. These principles directly apply to the present case, as the applicant has submitted to the legal process, appeared before the authorities, and recorded his statement under Section 108 of the Customs Act.

4. Mr. Pathak, the learned Advocate for the DIR, countered the submissions of the applicant. He submits that the applicant is implicated in a grave economic offence impacting the revenue and economic security of the nation. He alleges that despite multiple summonses issued under Section 108 of the Customs Act, 1962, the applicant persistently avoided appearing until directed by this Court. He also points out that during his examination on July 29, 2026, the applicant adopted an evasive stance, refused to answer crucial questions regarding how his active IEC and GST details were utilized to clear restricted imports worth ₹33.96 Crore, and denied association with known syndicate members. He asserts that custodial interrogation is indispensable to trace the financial trail, recover original documents and digital evidence, identify co-conspirators, and prevent the destruction of evidence or tampering with witnesses. Mr. Pathak, has, thus, strongly opposed to grant any relief to the applicant. In support of his contentions, Mr. Pathak on the other hand relies on several landmark rulings of Hon'ble Supreme Court, including *Gurbaksh Singh v. State of Punjab*, *Adri Dharan Das v. State of West Bengal*, *Union of India v. Padam Narain Aggarwal*, *State v. Anil Sharma*, *P. Chidambaram v. Directorate of Enforcement*, *State of Gujarat v. Choodamani Parmeshwaran Iyer*, and *Srikant Upadhyay v. State of Bihar*. While these precedents firmly establish that economic offenses require a stringent approach and that custodial interrogation can be an effective investigative mechanism, their application must be analyzed contextually.

Decisions such as *Adri Dharan Das* and *Padam Narain Aggarwal* primarily deals with the impressibility of passing blanket protection orders or directing mandatory pre-arrest notice periods that fetter statutory powers indefinitely. Similarly, *Choodamani Parmeshwaran Iyer* and *Srikant Upadhyay* pertain to absconding accused or situations where no genuine apprehension of arrest or willingness to join investigation was demonstrated. In the present case, these ratios do not operate as an absolute statutory bar against granting anticipatory bail, as the applicant has already submitted to the legal process, appeared before the authorities, and recorded his statement under Section 108 of the Customs Act.

5. Heard Mr.Gangan, learned Advocate for the Applicant, Mr. Pathak, learned Advocate for the DIR. I have perused the material on record and the reply at (Exh.7) and additional reply at (Exh.19) filed by the DIR. I have also given anxious consideration to the submissions canvassed across the bar. The primary justification advanced for custodial interrogation rests on the premise that the applicant was evasive during his statement on July 29, 2026; however, an applicant's refusal to make self-incriminating admissions or his adherence to a specific legal defense does not inherently constitute non-cooperation or justify custodial detention. Crucially, the respondent has not produced any concrete material establishing that the applicant has violated his ad-interim protection, attempted to flee justice, or interfered with witnesses and

documentary evidence during the period of interim liberty. As reinforced in *Pradip N. Sharma* and *Pawan Khera*, rightly relied upon by Mr.Gangan, where the investigation relies predominantly on official Customs filings, GST records, and digital trails already within the department's custody, the requirement for physical custody is significantly diminished. Thus, considering the applicant's health conditions, coupled with the absence of any documented instances of non-cooperation post-interim bail, custodial detention is not warranted. The interests of the investigating agency can be effectively balanced with the applicant's personal liberty by imposing stringent conditions. The applicant has thus, made a case for the confirmation of the interim bail granted earlier.

6. Hence, the following order;

ORDER

- (i) The ad-interim anticipatory bail granted vide order dated 24-04-2026 stands confirmed.
- (ii) In the event of arrest of the applicant, Shri Prakash Sadaram Choudhary, in connection with the investigation being conducted by the Directorate of Revenue Intelligence, Mumbai Zonal Unit (DRI-MZU) regarding the fraudulent import under M/s Southeast Enterprises, he shall be released on bail on executing a personal bond of ₹50,000/- (Rupees Fifty Thousand Only) with one or two solvent sureties in the like amount, subject to the following conditions :

1. The applicant shall make himself available for interrogation before the Investigating Officer at the DRI office as and when directed, and shall fully extend his cooperation with the ongoing investigation.
2. The applicant shall not directly or indirectly make any inducement, threat, or promise to any person acquainted with the facts of the case so as to dissuade them from disclosing such facts to the Court or to any investigating officer.
3. The applicant shall not tamper with the documentary, physical, or digital evidence connected with the investigation in any manner whatsoever.
4. The applicant shall surrender his passport to the Investigating Officer within seven days from today and shall not leave the country without the prior permission of this Court.
5. The applicant shall furnish his current residential address and contact number to the investigating agency and shall promptly inform them of any change in the same during the pendency of the proceedings.
6. Breach of any of the above conditions shall grant liberty to the investigating agency to move an application before this Court for cancellation of bail.

Place :Panvel
Date :- 11.08.2026

(Vimalnath S. Tiwari)
Additional Sessions Judge,
Panvel

CERTIFICATE

I affirm that, the contents of this P.D.F. file judgment/order are same, word to word, as per the original Judgment.

Name of Stenographer : S.J.Sheth Stenographer (Grade-1)
Court : District Court-1 & Additional Sessions
Court, Panvel
Date of dictation : 11.08.2026
Order signed by the
Presiding Officer on : 11.08.2026
Order uploaded on : 11.08.2026