IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/CRIMINAL MISC.APPLICATION (FOR ANTICIPATORY BAIL) NO. 6870 of 2026

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GAJENDRASINH RANMALSINH GOHEL PROP. SHREE VAISHNAVI CORPORATION

Versus

STATE OF GUJARAT

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Appearance:

MR ASHUTOSH S DAVE(8865) for the Applicant(s) No. 1

MR. ROHAN SHAH, APP for the Respondent(s) No. 1

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CORAM:**HONOURABLE MR.JUSTICE P. M. RAVAL**

Date : 01/04/2026

ORAL ORDER

1. Rule. Learned Additional Public Prosecutor waives service of Rule for the respondent – State.

2. The applicant before this Court is seeking bail in anticipation on his arrest pursuant to FIR being C.R. No.11201005250003 of 2025, dated 22.06.2025, registered before CID Crime, Vadodara Zone Police Station, for the offence punishable under Sections 406, 409, 420, 467, 468, 471, 474, 114 and 120(B) of Indian Penal Code, 1860 (for short "IPC"), and Sections 7(a), 13(1)(a), 13(1)(b) and 13(2) of the Prevention of Corruption Act, 1988.

3. Learned advocate Mr. Ashutosh S. Dave for the applicant would submit that:

3.1. Sections 406, 409 and 420 of the IPC are mutually exclusive in nature and cannot stand together. He would further submit that during the investigation, the Water and Sanitization Management Organisation (for short "WASMO") unearthed certain discrepancies as regards the execution of the contract by various agencies and in pursuance to which various notices were issued to contractors demanding the amount which were either paid in excess or the material was not used in adequate quantity. Thus, on the perusal of the aforesaid notices, an inference can safely be drawn that on the one hand, the First Informant being the Unit Manager of WASMO had issued demand notices to the applicant alleging the discrepancies in the execution of the work, however, juxtaposite to that, in the FIR, it is stated that bills and test reports were forged by the contractors so as to give the civil dispute allegedly a criminal colour.

3.2. He would further submit that the aspect of delay is to be made brush aside for the reason that although the First Informant was live with the situation of the material discrepancy in the year 2024, no cogent reason has been stated as to why the FIR was lodged after such a long delay. Even otherwise, assuming without admitting that the report of the Investigating Officer is true which suggests that the documents which can prove the guilt of the applicant are in his possession and, therefore, no logical purpose would be served to put the applicant to the custodial interrogation.

3.3. He would further submit that the impugned FIR is lodged without cross verification, without the assignment of the contract which was not allotted to the applicant. In as much as by comparing said aspect with the version of the First Informant in the FIR, at item No.38 would clearly point out that the work of the village was executed by M/s. Chirag Rig Services Agency and not by the present applicant. That, even as per the FIR, the work carried out for Taluka: Kadana, Village: Karvai Dungar Fali, the Investigating Officer alleged the role of the present applicant is that the Bill of Rs.4,26,047/- dated 12.05.2021 which was submitted to the WASMO is wrong, however, the Officer of WASMO alleges that w.e.f. 04.01.2021, one contractor namely Shri D. H. Patel was assigned task of laying down the pipelines by the Water Committee (pani samiti) and the discrepancies have crept in from there.

3.4. That, the trial Court has also confused in not considering the fact that the bills issued by Kamdhenu Pipes and its registered trademark as ‘Bhimani’, and thus, cannot be alleged that the present applicant has non-supplied pipes manufactured by Kamdhenu Pipes, in as much as the Chief Engineer WASMO vide letter dated 08.08.2024 informed the Unit Manager, DWSU, Mahisagar, that he was in receipt of the report from Kamdhenu Pipes which came to be invoices issued by the applicant's firm were in line with one which were submitted in order to receive the remuneration against the execution of the work, thus, also the present applicant deserves indulgence.

3.5. He would further submit that the prosecution has given a criminal colour to civil dispute which is impermissible under criminal jurisprudence, and it would have been in the fitness of the things to carry the same before the Gujarat Public Works Contract Dispute Arbitration Tribunal, more particularly, as the WASMO could not recover the moneys through notice, it being a Public Charitable Trust, the FIR is lodged only to arm-twist the principle issue of not approaching the Tribunal, thus also the present application deserves to be allowed.

4. Per contra, learned Additional Public Prosecutor Mr. Rohan Shah appearing on behalf of the respondent - State vehemently opposed grant of anticipatory bail looking to the nature and gravity of the offence. He would submit that the State Government has floated one scheme viz., "Nal Se Jal" for the welfare of villages of Mahisagar district, wherein several illegalities and irregularities have been committed by the accused persons in connivance with each other, as a result of which, there is huge loss to the Government exchequer and those amount have been pocketed by the accused. He would further submit that there are several illegalities and

irregularities committed by the accused in connivance with each other and those were found out during the course of investigation, details of which are as under:

i). as per the scheme floated by the Government, the work was to carry out in 620 villages of Mahisagar district, wherein without carrying out work, the accused have raised bills, which were forwarded to higher-ups for its approval / section, thereafter, amount has been released and thus without carrying out work, bills for an amount of Rs.123.00 crises have been raised, which are forged and fabricated bills and thus, there is huge loss to the Government exchequer;

ii). out of total 620 villages, for 169 villages, work order has been issued to particular agencies to carry out work but the work has been carried out by 169 agencies other than the agencies, which have been allotted work order and thus, there is malpractice adopted by the accused in connivance with each other for their personal benefits;

iii). in 12 villages, though there was no tender process undertaken nor any agreement was issued to any agencies, payments have been made before the issuance of work order;

iv). out of total 620 villages, in 445 villages, bills were forged with regard to the purchase of pipes and on the basis of forged invoices, bills were raised and the authority concerned, without verifying the actual position, have cleared those bills;

v). out of total 620 villages, in 445 villages the actual bills were not raised and the accused have taken benefit of price variation, wherein they have raised the bills of more amount than the amount on which the pipes were purchased and thus, absolute forged and fabricated bills were raised with a sole intent to dupe the Government;

vi). as per the scheme, underground water pipes were to be installed in total 620 villages, however the agencies concerned have raised bills for the purchase of pipes of 451 villages, which comes to around 4780 kms. and thus the payments have been made for the installment of underground water pipes of 4780 kms., however while examining the actual site, it was found out that the installation of underground water pipes was done for 2480 kms. only and despite the said fact, invoices were submitted for more 2300 kms. and thus, there is access payment than the actual work and those amount have been misappropriated by the accused;

vii). out of total 620 villages, pipes were supplied to 119 villages by the concerned department but on verification, it was found out that 74 villages have not received the pipes supplied by WASMO and thus, remaining pipes were used and/or misused by the accused for their benefits;

viii). as per the scheme, it was decided to provide facility of tap connection to al the units/residence of 620 villages but when the inquiry was made, it was found out that the bills were raised for the installation work carried out in 202 villages and payments have already been made but the connections were lesser than the actual connections, for which, bills were raised and thus, huge fraud has been committed by the accused with the Government;

ix). as per the scheme, the Unit Management did not have any authority to approve the tender, however despite the said fact, the concerned Unit Manager has flouted the guidelines issued by the Government under the scheme and approved the tenders in different villages of 8 talukas and thereby illegalities and irregularities have been committed;

x). it was also found out during the course of investigation that 570 bills were forged with regard to the report of pipe testing of Gujarat Industrial Research & Development Agency (for short "GIRDA");

xi). it was also found out that 445 forged bills were prepared in the name of total 31 different Companies, which are manufacturing pipes and even 31 forged material testing reports in the name of Airsh Consultancy have been prepared and on the strength of those forged bills, amount has been misappropriated by the accused;

4.1. Learned Additional Public Prosecutor would further submit that out of 17 works alleged to the present applicant which running agency in the name of Shree Vaishanvi Corporation has placed on record forged test report purported to have been issued by GIRDA. He would further submit that out of 75426 meters of pipeline, on factual checking of the site only 39620 meters of pipe has been installed though amount of 75426 meters is paid. He would further submit that as per the taps to be installed at various residences, 746 residential houses are shown by the present applicant - Agency having installed water connection taps, however, on factual verification only 442 residence were found. Thus, it is argued that forged invoices are produced, the size of the pipes also differs from the specification given by the Government, the foundation of the pipes are less than the depth as fixed by the Government.

4.2. Lastly it is argued that 620 villages of Mahisagar district are included in the scheme of “Nal Se Jal” for which 112 separate agencies, firms / partnership firms / persons are involved wherein false testing reports are placed on record, work is executed and forged bills raised and thus approximately 123 crores rupees are siphoned and for which the custodial interrogation of the present applicant is required, hence, argued to reject the present application.

5. Heard, the learned advocates for the respective parties. This Court has perused the papers of Investigation. While considering an application for anticipatory bail, the factors (i) the nature and gravity of the accusation; (ii) the antecedents of the applicants including the fact as to whether he has previously undergone imprisonment on conviction by a Court in respect of any cognizable offence; (iii) the possibility of the applicant to flee from justice; and (iv) where the accusation has been made with the object of injuring or humiliating the applicants by having him so arrested; are required to be considered. It is also well settled principle of law that the stage of deciding anticipatory bail an elaborate examination of evidence and detailed reasons touching the merit of the case, may prejudice the accused and should be avoided.

5.1. Though there is no straitjacket formula which can be applied for grant or refusal of anticipatory bail, however, various relevant factors would guide the judicial discretion of the Court and it all depends on the facts and circumstances of each case, thus this Court has to draw the balance between the liberty of an individual and need for a fair and free investigation, which must be taken to its logical conclusion. It is also well settled principle that the arrest has devastating and irreversible social stigma, humiliation, insult, mental pain and other fearful consequences, however, on considering of material information gathered by the Investigating Agency, this Court is *prima facie* satisfied that there is something more than a mere suspicion against the accused, the Court cannot jeopardise the investigation, more particularly, when the allegations are grave in nature.

5.2. It is also settled principle of law that the anticipatory bail being an extraordinary privilege should be granted only in exceptional cases or exceptional circumstances where the court is *prima facie* of the view that the applicant has falsely been enroped in the crime and would not misuse his liberty. It is held by the Hon’ble Supreme Court in the case of ***Siddhram Satlingappa Mhetre vs. State of Maharashtra & Ors.***, reported in ***(2011) 1 SCC 694,*** more particularly paragraph No.112, which reads as under:-

> “112. The following factors and parameters can be taken into consideration while dealing with the anticipatory bail: The nature and gravity of the accusation and the exact role of the

accused must be properly comprehended before arrest is made; the antecedents of the applicant including the fact as to whether the accused has previously undergone imprisonment on conviction by a Court in respect of any cognizable offence; The possibility of the applicant to flee from justice; The possibility of the accused's likelihood to repeat similar or the other offences. Whereas the accusation have been made only with the object to injuring or humiliating the applicant by arresting him or her. Impact of grant of anticipatory bail particularly in cases of large magnitude affecting a very large number of people. The courts must evaluate the entire available material against the accused very carefully. The court must also clearly comprehend the exact role of the accused in the case."

6. Tested on the annual of the aforestated principle and having considered the allegations leveled against the present applicant and papers of investigation, it surfaces from the record of the case that, during the period between 2019 to 2023, the Government has floated a public welfare scheme namely "Nal Se Jal" including 620 villages in Mahisagar district, where it was decided to provide a portable water through tap connection by laying underground pipeline and while executing the said scheme the Government employees as well as certain contractors, in connivance, have been syphoning huge amount despite there being incomplete work carried out, as found in the present case, coupled with the fact that the documents namely certificates alleged to have been issued by GIRDA are found to be forged and forwarded for its approval / sanction by the recommendation of the co-accused persons who were working with

the Government and thus have acted in a manner resulting into the loss to the Government exchequer, without there being the actual execution of work.

6.1. The *modus operandi* would reveals that the present applicant is involved in the sophisticated white-collar crime targeting a vital public welfare initiative namely the "Nal Se Jal" scheme which is designed to provide fundamental necessity of portable water to the rural household and by allegedly installing fewer pipeline than contracted, the applicant has not merely committed financial fraud but has also jeopardised the "Right to Water" for citizens across the various villages in Mahisagar district.

7. The use of forged certificate suggests a pre-meditated intend to deceive the state exchequer and thereby under mining the transparency of public procurement process. The geographical spread of the scheme in Mahisagar district and the systemic nature of the over billing indicate a large scale misappropriation of public funds requires a detailed and unhindered investigation. Custodial interrogation would be necessary to unearth the trail of the forged documents, identify potential collusion with departmental officials, and recovery of misappropriated funds. Thus, the applicant alongwith the co-accused have committed deliberated and calculated designed to achieve personal profit regardless of the consequences to the community at large.

7.1. The applicant's alleged action of installing less pipeline than paid for, is a textbook example of calculating economic crime against the state resources. Time and again, the Hon'ble Supreme Court as well as this High Court have consistently held that in cases of complex financial fraud involving forged documents and the systematic layered *modus operandi*, hand in glove with the Government Officials, the investigative freedom of the agency is paramount and grant of anticipatory bail will effectively stifle the investigation into the origin of the forged documents.

7.2. While Article 21 guarantees personal liberty, however, the scheme impacts the basic survival (water) of the rural populace of Mahisagar district, the collective interest of society outweighs the individual's right of pre-arrest bail. Thus, the applicant's alleged "ghost billing" suggests a systemic drain on the state exchequer that cannot be treated as a routine civil dispute or a simple breach of contractor's obligation. Given the potential involvement of the Government Officials, need to search misappropriation of funds across the multiple villages, forging of the certificates and "ghost billing" would certainly require interrogation and is indispensable in the given facts and circumstances of the case. Thus, while custodial interrogation can be a factor in denying the anticipatory bail, it is not the sole determinant, and while considering the other factors as stated above need for comprehensive investigation cannot be brush aside.

8. In view of the aforestated facts and circumstances and discussion, after considering the material placed before this Court, strong *prima facie* involvement of the present applicant in commission of the alleged offence is surfaces on record and thus, grant of anticipatory bail is likely to hamper the investigation, and there is likelihood that the involvement of the other accused and digging out the correct involvement of other co-accused including forging the certificates would hampered, and investigating agency is likely to lose an opportunity of custodial interrogation.

9. Under the circumstances, this Court does not find any exceptional ground to exercise discretionary jurisdiction under Section 482 of the Bhartiya Nagarik Suraksha Sanhita, 2023, hence, the present application stands rejected. Rule discharged.

10. The matter was kept for order today and listed at Sr. No. 15 of the Daily Board No.1. When the matter was called out, the order which was already dictated but yet to be corrected and sign, and at that time, the learned advocate for the applicant stated that he wants to place on record the written submissions which were argued and stated in the memo of petition. However, when the mater was argued at length, learned advocate for the applicant was at liberty to place on record the written submissions on 30.03.2026 since 28th, 29th and 31 of March, 2026 are holidays, however, has failed to do so and orally requested to place on record the written arguments when the matter was called out, which is rejected at the threshold, since the

matter is already dictated and is to be procurement after recess at 02:30 p.m., under the circumstances, allowing the applicant to place on record written arguments in not acceded to.

(P. M. RAVAL, J)

NITIN MAKWANA