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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Date of Decision: 11th December, 2025***

\+ CRL.M.C. 8860/2025 & CRL.M.A. 36968/2025

BHUPENDRA KUMAR GUPTA .....Petitioner

Through: Ms. Komal Jain, Advocate (through VC).

versus

STATE NCT OF DELHI AND ANR .....Respondents

Through: Mr. Ritesh Kumar Bahri, APP for the State with Mr. Lalit Luthra, Advocate. With SI Sachin, PS R.K. Puram.

CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

AMIT MAHAJAN, J. *(Oral)*

1. The present petition is filed against the order dated 25.10.2024 passed by the learned Additional Sessions Judge, Patiala House Courts, New Delhi whereby Respondent No. 2 was admitted on bail in FIR No. 47/2021 dated 11.02.2021, registered at Police Station R. K. Puram for offences under Sections 420/406/34 of the Indian Penal Code, 1860 ('**IPC**').

2. The petitioner also challenges the order dated 08.08.2025 passed by the learned Additional Sessions Judge, New Delhi whereby the application preferred by the petitioner seeking cancellation of bail granted to Respondent No. 2 *vide* order dated 25.10.2024 was dismissed.

3. Briefly stated, the FIR was registered on a complaint given by the petitioner/complainant who is stated to be the Managing Director M/s Matsya Fincap Pvt Ltd ('**complainant company**'). It is stated that the complainant company is engaged in the business of providing loan facilities to prospective clients and is operating since the year 2018. It is alleged that in the month of November, 2018, Respondent No. 2 approached the complainant company and assured to provide numerous prospective clients to the complainant company. It is alleged that based on said representations, the complainant company allowed Respondent No. 2 to work on a freelance basis and he was tasked with searching prospective clients for availing the loan facilities and collecting required documents and instalments as per the stipulated terms and conditions. It is alleged that thereafter Respondent No. 2 along with his associates sought issuance of fake loans on the basis of forged documents and Respondent No. 2 also misappropriated funds in his personal account from numerous customers thereby cheating the complainant company to the tune of two crores. The same led to the registration of the present FIR.

4. Respondent No. 2 was thereafter arrested on 04.04.2024.

5. By order dated 25.10.2024, the learned Trial Court granted bail to Respondent No. 2. It was noted that the investigation in the case was complete and that the chargesheet had already been filed. It was noted that Respondent No. 2 had already settled the matter with the complainant and a sum of ₹5,00,000/- was also

paid to the petitioner in terms of the settlement. The learned Trial Court also took note of the fact that the petitioner had given his no objection for grant of regular bail to Respondent No. 2. Consequently, considering that Respondent No.2 was arrested on 04.04.2024 and had already undergone custodial interrogation and considering the fact that after the completion of investigation, the chargesheet had also been filed, the learned Trial Court admitted Respondent No. 2 on bail *vide* order dated 25.10.2024.

6. Subsequently, by order dated 08.08.2025, the application preferred by the petitioner seeking cancellation of bail granted to Respondent No.2 *vide* order dated 25.10.2024 was dismissed. The petitioner, on that occasion, sought cancellation of bail on the ground that the settlement was arrived at between the parties for a sum of ₹55 lakhs. It was contended that Respondent No. 2 had only paid a sum of ₹5 lakhs, and for the outstanding amount, certain post dated cheques were issued, which on presentation, got dishonoured. It was consequently contended that since Respondent No. 2 failed to honour his part of the settlement, the bail granted to Respondent No. 2 ought to be cancelled.

7. The learned Trial Court, while dismissing the application filed by the petitioner, noted that while the factum of the settlement between the parties, and the no objection tendered by the petitioner for grant of bail was noted in the order dated 25.10.2024, the same was not the sole criterion for grant of bail. It was noted that the relief of bail granted to Respondent No. 2

was not helmed on him paying the remainder amount but it was considered that Respondent No. 2 was arrested on 04.04.2024 and had already undergone custodial interrogation. It was further noted that no allegation *qua* Respondent No. 2 flouting any of the conditions of bail or him misusing the liberty granted to him were made. Consequently, the application preferred by the petitioner seeking cancellation of bail was dismissed.

8. The learned counsel for the petitioner submits that the orders dated 25.10.2024 (whereby Respondent No. 2 was admitted on bail) and 08.08.2025 (whereby the petitioner's application seeking cancellation of bail was dismissed) are liable to be set aside. She submits that the petitioner had tendered his no objection for grant of bail to Respondent No. 2 in lieu of the settlement arrived at between the parties. She submits that in terms of the settlement dated 16.10.2024, Respondent No. 2 had issued 10 post dated cheques for payment of the outstanding amount of ₹50 lakhs. She submits that since the said post dated cheques on presentation got dishonoured, and Respondent No. 2 failed to comply with the terms of the settlement agreement, the bail granted to Respondent No. 2 *vide* order dated 25.10.2024 is liable to be set aside.

9. Before adverting to deal with the contention raised by the petitioner, it is pertinent to note that the law in relation to the setting aside or cancellation of bail is well settled. It is trite law that an order granting bail ought not to be disturbed unless there are strong reasons and overwhelming circumstances to do so. The

party seeking cancellation of bail must establish a compelling case and demonstrate that the said order was illegal, unjust or improper or that the accused flouted the conditions of bail or misused the liberty. The Hon'ble Apex Court in ***Mahipal vs. Rajesh Kumar @ Polia and Anr*** **: (2020) 2 SCC 118**, has opined as under :

> *"12. The determination of whether a case is fit for the grant of bail involves the balancing of numerous factors, among which the nature of the offence, the severity of the punishment and a prima facie view of the involvement of the accused are important. No straitjacket formula exists for courts to assess an application for the grant or rejection of bail. At the stage of assessing whether a case is fit for the grant of bail, the court is not required to enter into a detailed analysis of the evidence on record to establish beyond reasonable doubt the commission of the crime by the accused. That is a matter for trial. However, the Court is required to examine whether there is a prima facie or reasonable ground to believe that the accused had committed the offence and on a balance of the considerations involved, the continued custody of the accused subserves the purpose of the criminal justice system. Where bail has been granted by a lower court, an appellate court must be slow to interfere and ought to be guided by the principles set out for the exercise of the power to set aside bail.*
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> *13. The principles that guide this Court in assessing the correctness of an order [Ashish Chatterjee v. State of W.B., CRM No. 272 of 2010, order dated 11-1-2010 (Cal)] passed by the High Court granting bail were succinctly laid down by this Court in Prasanta Kumar Sarkar v. Ashis Chatterjee [Prasanta Kumar Sarkar v. Ashis Chatterjee, (2010) 14 SCC 496 : (2011) 3 SCC (Cri) 765] . In that case, the accused was facing trial for an offence punishable under Section 302 of the Penal Code. Several bail applications filed by the accused were dismissed by the Additional Chief Judicial Magistrate. The High Court in turn allowed the bail application filed by the accused. Setting aside the order [Ashish Chatterjee v. State of W.B., CRM No. 272 of 2010, order dated 11-1-2010 (Cal)] of the High Court, D.K. Jain, J., speaking for a two-Judge Bench of this Court, held : (SCC pp. 499-500, paras 9-10)*

"9. … It is trite that this Court does not, normally, interfere with an order [Ashish Chatterjee v. State of W.B., CRM No. 272 of 2010, order dated 11-1-2010 (Cal)] passed by the High Court granting or rejecting bail to the accused. However, it is equally incumbent upon the High Court to exercise its discretion judiciously, cautiously and strictly in compliance with the basic principles laid down in a plethora of decisions of this Court on the point. It is well settled that, among other circumstances, the factors to be borne in mind while considering an application for bail are:

(i) whether there is any prima facie or reasonable ground to believe that the accused had committed the offence;

(ii) nature and gravity of the accusation;

(iii) severity of the punishment in the event of conviction;

(iv) danger of the accused absconding or fleeing, if released on bail;

(v) character, behaviour, means, position and standing of the accused;

(vi) likelihood of the offence being repeated;

(vii) reasonable apprehension of the witnesses being influenced; and

(viii) danger, of course, of justice being thwarted by grant of bail.

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10. It is manifest that if the High Court does not advert to these relevant considerations and mechanically grants bail, the said order would suffer from the vice of non-application of mind, rendering it to be illegal."

14. ***The provision for an accused to be released on bail touches upon the liberty of an individual. It is for this reason that this Court does not ordinarily interfere with an order of the High Court granting bail.*** *However, where the discretion of the High Court to grant bail has been exercised without the due application of mind or in contravention of the directions of this Court, such an order granting bail is liable to be set aside. The Court is required to factor, amongst other things, a prima facie view that the accused had committed the offence, the nature and gravity of the offence and the likelihood of the accused obstructing the proceedings of the trial in any manner or evading the course of justice. The provision for being released on bail draws an*

appropriate balance between public interest in the administration of justice and the protection of individual liberty pending adjudication of the case. However, the grant of bail is to be secured within the bounds of the law and in compliance with the conditions laid down by this Court. It is for this reason that a court must balance numerous factors that guide the exercise of the discretionary power to grant bail on a case-by-case basis. Inherent in this determination is whether, on an analysis of the record, it appears that there is a prima facie or reasonable cause to believe that the accused had committed the crime. It is not relevant at this stage for the court to examine in detail the evidence on record to come to a conclusive finding.

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16. The considerations that guide the power of an appellate court in assessing the correctness of an order granting bail stand on a different footing from an assessment of an application for the cancellation of bail. The correctness of an order granting bail is tested on the anvil of whether there was an improper or arbitrary exercise of the discretion in the grant of bail. The test is whether the order granting bail is perverse, illegal or unjustified. On the other hand, an application for cancellation of bail is generally examined on the anvil of the existence of supervening circumstances or violations of the conditions of bail by a person to whom bail has been granted…"

(emphasis supplied)

10. In the present case, the only ground sought to be impressed upon this Court is that since the no objection tendered by the petitioner in relation to grant of bail was premised on the settlement between the parties as a consequence of which Respondent No. 2 was enlarged on bail *vide* order dated 25.10.2024, and that Respondent No. 2 issued certain post-dated cheques in furtherance of the settlement between the parties which subsequently, on presentation, got dishonoured, the bail granted to Respondent No. 2 is liable to be set aside. No other ground pertaining to the orders dated 25.10.2024 and 08.08.2025

being perverse or that Respondent No. 2 misused the liberty granted to him by flouting the conditions of bail has been pleaded on behalf of the petitioner.

11. In that regard, from a perusal of the order dated 25.10.2024, it is apparent that while granting bail to Respondent No. 2, the learned Trial Court was weighed by the fact that Respondent No. 2 was arrested on 04.04.2024 and had already undergone custodial interrogation. Another consideration that shaped the learned Trial Court's view was that the investigation was complete and that the chargesheet had already been filed. While the learned Trial Court also took note of the fact that Respondent No. 2 had settled the matter with the petitioner and paid a sum of ₹5 lakhs to him and that the petitioner had also tendered his no objection for grant of regular bail to Respondent No. 2, the bail granted to Respondent No. 2 was not *per se* solely premised on the fulfilment of the conditions stipulated in the settlement agreement or the payment of the outstanding amount.

12. As rightly noted by the learned Trial Court in the order dated 08.08.2025 while dismissing the application preferred by the petitioner seeking cancellation of bail, the bail granted to Respondent No. 2 was not helmed on payment of the remainder amount but on the fact that the applicant was arrested on 04.04.2024 and had already undergone custodial interrogation. It was also noted that the investigation was already complete and the chargesheet had also been filed.

13. Even otherwise, once liberty was granted to Respondent

No. 2 on cogent grounds, the same cannot be interfered with on extraneous considerations. Courts while exercising bail jurisdiction cannot be converted into an instrument to enforce private arrangements between the parties or operate as a recovery agents to compel compliance of contractual terms outside the realm of the proceedings. The breach or non compliance of the terms of settlement furnishes the aggrieved party with a fresh cause of action. The same, however, cannot be a ground to cancel bail granted to Respondent No. 2. It is not the case of the petitioner that Respondent No.2 had flouted the conditions of the bail order or had misused the liberty granted to him.

14. Consequently, this Court does not find any infirmity in the order dated 25.10.2024 whereby Respondent No. 2 was enlarged on bail and the order dated 08.08.2025 whereby the application preferred by the petitioner seeking cancellation of bail was dismissed, and the same cannot be faulted with.

15. The present petition is accordingly dismissed. Pending application also stands disposed of.

AMIT MAHAJAN, J

DECEMBER 11, 2025
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