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

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Date of Decision: 16.02.2026

+ **BAIL APPLN. 3442/2025**

PRASHANT JAIN

.....Petitioner

Through: Mr. Kirtiman Singh, Senior Advocate
with Mr. Rajat Kapoor, Mr. Sandeep
Mishra, Mr. Mawlik Khurana, Mr.
Ayush Vardhan and Mr. Surbhit
Nandan, Advocates

versus

THE STATE OF NCT OF DELHI

.....Respondent

Through: Mr. Amit Ahlawat, APP for the State
with SI Anil
Mr. Vipul Sharma and Ms. Deepika,
Advocates for complainant *de facto*

CORAM: JUSTICE GIRISH KATHPALIA

J U D G M E N T (ORAL)

1. The accused/applicant seeks regular bail in case FIR No. 237/2024 of PS Crime Branch for offence under Section 420 IPC.
2. As reflected from the record, by way of order dated 28.10.2025, the co-ordinate bench of this Court granted interim bail to the accused/applicant in order to facilitate amicable settlement with the complainant *de facto*. That interim bail continued on date to date basis. Today this matter has come up before me for the first time.



3. Broadly speaking, allegation against the accused/applicant is that in the course of business, he purchased yarn from the complainant *de facto*, but did not pay full consideration thereof.

4. Learned Senior Counsel for accused/applicant has taken me through record including the orders dated 28.10.2025 onwards of the predecessor benches. It is contended that the accused/applicant has not misused the interim bail in any manner whatsoever and now chargesheet stands filed, so no purpose would be served by sending the accused/applicant back to jail. It is also contended by learned Senior Counsel that a purely civil transaction has been given colour of criminality and no offence at all has been made out.

5. Learned APP for State assisted by IO/SI Anil opposes the bail application on the ground that the accused/applicant cheated the complainant *de facto* by purchasing yarn but not making complete payment. Learned APP for State submits that the cheating involves more than Rs.3,00,00,000/- and grant of bail in such case would not be appropriate.

6. I have also heard learned counsel for complainant *de facto* who submits that the accused/applicant initially made part payment at the time of purchase of the yarn but thereafter, he did not pay the balance money. Learned counsel for complainant *de facto* contends that the accused/applicant after purchasing yarn from complainant *de facto* sold the same in the market without bills, so that yarn has to be recovered and for that purpose custodial interrogation is required.



7. To begin with, what has to be probed is as to whether the facts alleged and material collected during investigation make out the ingredients of the offence alleged. The quantum of alleged loss does not make the loss an unlawful loss. What is to be considered here is as to whether the necessary ingredients of cheating are completed.

8. No evidence has been shown to even *prima facie* establish that the accused/applicant had any dishonest intention at the inception of the transaction. Rather, as submitted by both sides, at the inception of the business transaction, the accused/applicant did make part payments. If this ingredient of dishonest intention is overlooked, then every failed business transaction would attract penal consequences. That was never the intention of the legislature. Of course, these observations are subject to final outcome of the trial.

9. So far as the argument of the learned counsel for complainant *de facto* pertaining to the recovery of yarn through custodial interrogation, it is trite that criminal courts are not forum for recovery of money or goods in such situations. Whether or not the accused/applicant sold the yarn without bills also does not fall within the domain of the present criminal proceedings. Chargesheet has already been filed and no purpose would be served by sending the accused/applicant back to jail.

10. Considering the above circumstances, I do not find any reason to deprive liberty to the accused/applicant. Therefore, the bail application is



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allowed and accused/applicant is directed to be released on regular bail subject to his furnishing a personal bond in the sum of Rs.10,000/- with one surety in the like amount to the satisfaction of the Trial Court.

GIRISH KATHPALIA
(JUDGE)

FEBRUARY 16, 2026/as