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MCRC-54935-2025

IN THE HIGH COURT OF MADHYA PRADESH  
AT GWALIOR

BEFORE

HON'BLE SHRI JUSTICE MILIND RAMESH PHADKE

ON THE 16<sup>th</sup> OF DECEMBER, 2025

MISC. CRIMINAL CASE No. 54935 of 2025

*ANKIT RANJAN*

*Versus*

*THE STATE OF MADHYA PRADESH*

.....  
Appearance:

*Shri Raj Kumar Shrivastava - Advocate for the applicant.*

*Shri Mohit Shivhare - Public Prosecutor for the State.*  
.....

ORDER

This is the first application under Section 482 of the Bhartiya Nagrik Suraksha Sanhita, 2023 filed by the applicant seeking grant of anticipatory bail in connection with Crime No.27/2017 registered by Police Station Sirol, District Gwalior for offences punishable under Sections 406, 420, 409, 120-B of IPC and Sections 166, 188-B of the Company Act.

As per prosecution story, on 26.02.2017, the present offence was registered on the complaint lodged by the complainant Rajeev Shrivastava, Director of Esotech C.P. Infrastructure. The complainant submitted a written complaint alleging that the company had started construction and sale of a residential township at Gwalior under the name "Windsor Hill." For execution of the said project, co-accused Manoj Shrivastava and Manager P.K. Shrivastava were appointed. It was alleged that they, in connivance with other persons, sold flats, villas and plots of Windsor Hill and did not deposit



the sale proceeds with the company, and by committing forgery and deceit, cheated the company to the tune of approximately Rs.60 crores.

Learned counsel for the applicant submits that the applicant has been falsely implicated in the present case and no *prima facie* offence is made out against him. It is contended that the applicant was neither a Director nor an office bearer of Esotech C.P. Infrastructure and had no role whatsoever in the management, execution, sale, or financial transactions of the alleged Windsor Hill project. It is further submitted that the allegations contained in the FIR and reflected in the case diary primarily pertain to co-accused Manoj Shrivastava and P.K. Shrivastava, who were entrusted with the responsibility of execution of the project and the applicant is not named in the original complaint, and his implication is founded on vague, omnibus, and bald allegations, without attribution of any specific overt act. It is further submitted that no documentary or other material has been placed on record to show that the applicant received any amount from the alleged sale of flats, villas, or plots, nor is there any evidence to indicate that he was a beneficiary of the alleged misappropriation of approximately Rs.60 crores and mere association or acquaintance with the co-accused cannot give rise to criminal liability, particularly in the absence of *mens rea* or active participation. It is further submitted that the dispute, if any, is essentially civil in nature, arising out of commercial and contractual transactions, and has been given a criminal colour with *mala fide* intention. Thus, continuation of the criminal proceedings against the applicant would amount to abuse of the process of law. It is also submitted that the investigation against the applicant is still



pending under Section 173(8) of the Code of Criminal Procedure and no charge-sheet has been filed against him till date, which itself reflects that the prosecution does not possess sufficient incriminating material against the applicant. It is further submitted that even as per the prosecution story, no offence is made out against the applicant under Sections 420, 406, 409, or 120-B of the Indian Penal Code, nor under Sections 166(5) and 188-B of the Companies Act as the essential ingredients of the aforesaid offences are conspicuously absent insofar as the applicant is concerned. It is further submitted that a bare perusal of the impugned FIR clearly demonstrates that the same has been registered against the applicant with *mala fide* intention and without any substantive material connecting him with the alleged offence. Drawing the attention of this Court to Section 409 of the Indian Penal Code, learned counsel submits that the *sine qua non* for invocation of the said provision is entrustment of property or dominion over property and in the present case, there is neither any allegation nor any evidence to suggest that the applicant was entrusted with any property or exercised dominion over the funds of the company in any capacity whatsoever. Hence, the offence under Section 409 IPC is not attracted. It is further submitted that during the course of investigation, co-accused Manoj Shrivastava approached the learned Superintendent of Police, Gwalior, seeking a fair investigation and pursuant thereto, an enquiry was conducted by the City Superintendent of Police, University, Gwalior, wherein it was categorically found that there was no evidence of embezzlement against the applicant. The enquiry further revealed that the applicant had merely purchased a flat from the company and



the entire sale consideration was duly deposited in the company account. After receipt of the enquiry report, the learned Superintendent of Police, Gwalior, issued a letter dated 02.12.2019 to the Station House Officer, Police Station Sirol, directing that the enquiry report be incorporated in the investigation. However, the said enquiry report and the aforesaid letter were deliberately suppressed by the Investigating Officer, and a Kafiyat report was submitted before the learned trial Court without any reference to the enquiry report, thereby causing serious prejudice to the applicant. The applicant is ready and willing to cooperate with the investigation and abide by all conditions that may be imposed by this Court. Accordingly, anticipatory bail is sought.

*Per contra*, learned counsel for the State as well as learned counsel for the complainant vehemently opposed the application and submitted that the present case involves large-scale financial misappropriation amounting to approximately Rs.60 crores. It is the prosecution case that the co-accused Manoj Shrivastava, who was entrusted with and was looking after the Windsor Hill project at Gwalior, siphoned off huge amounts of money with the active connivance of his wife, employees, relatives, and the present applicant.

It is further submitted that the investigation against the applicant is still pending and during the course of investigation, the police seized the bank statements of the applicant. As per the said bank statements, the applicant and co-accused opened their bank account on 01.01.2010, and immediately thereafter, substantial amounts were deposited in the account on various



dates. On several occasions, large sums were transferred from the applicant's account to companies linked with the co-accused Manoj Shrivastava, including M/s Technoash Infrastructure Pvt. Ltd. and Magnum Financial Services. A consistent pattern emerges from the bank statements, showing repeated deposits of substantial amounts followed by immediate transfers, indicating layering and diversion of funds.

It is pointed out that between 2010 and 2015, crores of rupees were routed through the applicant and co-accused's bank account, including repeated deposits of amounts such as Rs.37,60,000/-, Rs.40,00,000/-, Rs.31,00,000/-, Rs.27,80,000/-, Rs.25,00,000/-, Rs.17,75,000/- and several deposits of Rs.8,00,000/-, followed by transfers to various entities and individuals. Learned counsel submits that the applicant is admittedly an employee drawing a monthly salary of approximately Rs.33,000/-, and therefore, such huge financial transactions cannot be explained by his known sources of income.

It is further submitted that the investigation is still in progress to ascertain the source of the funds deposited in the applicant's account and the ultimate beneficiaries of the amounts transferred by him. The prosecution alleges that the flats of the company were initially sold by co-accused Manoj Shrivastava with the assistance of co-accused P.K. Shrivastava to relatives, close associates, and employees, including the applicant, at undervalued prices. Thereafter, the same flats were resold within a very short span of time to bona fide purchasers at much higher prices, and the escalated consideration amount was never deposited in the company's account.



It is further submitted that the applicant, in connivance with the other co-accused, sold flats in the names of his relatives and thereafter facilitated their resale, thereby deliberately suppressed the real sale consideration and deprived the company of its legitimate income. Such resale transactions within a short period clearly demonstrate a pre-planned conspiracy to siphon off company funds.

It is further submitted that the applicant actively participated in floating several fake and shell companies with intention to defraud the complainant company. It is alleged that firms such as Ecotech Developers, Vistar Developers, Chiranjivi Developers, Gayatri Developers, Infinity-Tech Developers, Shivam Developers, Sidharth Developers, Sundaram Developers, Suryavanshi Developers, and Surya-Tech Developers were floated by the applicant and other co-accused, with their relatives shown as partners. A total of 36 flats were sold either in the names of relatives or in the names of these fake companies, and all registries were executed within a span of three to four days without depositing the sale consideration in the company's account. It is further alleged that bank accounts opened in the names of deceased relatives, including the father and father-in-law of the co-accused, who had expired in the years 2012 and 2008 respectively, were still being operated by the applicant and other co-accused persons by forging their signatures, which further demonstrates the criminal intent and *modus operandi* adopted by the accused persons.

It is further submitted that several co-accused persons have absconded for more than seven years, and their custodial interrogation is necessary to



unearth further evidence relating to misappropriation and illegal transfer of funds. It is also submitted that the applicant has not cooperated with the investigation.

So far as the contention regarding the dispute being civil in nature is concerned, it was further submitted that the systematic manner in which the funds were siphoned off, shell companies were created, sale deeds were executed in favour of relatives, and forged documents were used, clearly establishes the involvement of criminal intent. Therefore, it cannot be said to be a mere civil dispute.

In view of the seriousness of the allegations, the magnitude of the fraud, the ongoing investigation, and the material collected so far, this is not a fit case for interference, and the application deserves to be dismissed.

Upon due consideration of the rival submissions advanced by learned counsel for the parties, and upon a careful perusal of the case diary and the material placed on record, this Court finds that the allegations levelled against the applicant pertain to serious and grave economic offences involving systematic misappropriation of huge public money to the tune of approximately Rs.60 crores, which, by their very nature, have deep-rooted ramifications on the financial discipline of the corporate sector and public confidence at large.

The material collected during the course of investigation, particularly the bank statements seized by the police, *prima facie* disclose a consistent and unexplained pattern of large-scale financial transactions routed through the applicant and co-accused's bank account, which are wholly



disproportionate to their admitted source of income. The repeated deposits of substantial amounts followed by their immediate transfer to entities and firms connected with the co-accused persons clearly indicate the existence of a well-orchestrated mechanism of fund diversion, layering, and siphoning, which cannot be brushed aside at this stage as mere coincidental or innocuous transactions.

This Court also finds substance in the submission of the prosecution that the applicant, acting in concert with the co-accused persons, facilitated the undervalued sale of flats in favour of relatives, shell entities, and associated firms, followed by their prompt resale at escalated prices, with the surplus consideration being deliberately withheld from the account of the complainant company. The manner, frequency, and timing of these transactions, coupled with the allegation of creation of multiple shell companies and operation of bank accounts in the names of deceased relatives, *prima facie* demonstrate a deliberate design to defraud the company and to camouflage the illicit flow of funds.

At this stage, when the investigation is admittedly still in progress under Section 173(8) of the Code of Criminal Procedure, and when several co-accused persons are yet to be apprehended, this Court is of the considered opinion that granting bail to the applicant may not only impede the fair and effective completion of the investigation but may also provide an opportunity to influence witnesses, tamper with documentary evidence, or obstruct the tracing of the diverted funds.

The contention raised on behalf of the applicant that the dispute is





purely civil in nature does not appeal to this Court, in view of the *prima facie* material suggesting criminal intent, pre-meditated conspiracy, and a systematic siphoning of funds through fraudulent means, which transcend the realm of a mere contractual or commercial dispute.

It is well settled that economic offences, particularly those involving large-scale financial fraud and conspiracy, stand on a different footing and require a cautious approach while considering the prayer for bail, having regard to the magnitude of the offence, the nature of accusations, the role attributed to the accused, and the societal impact of such offences.

In the totality of the facts and circumstances of the case, this Court is not inclined to extend the benefit of bail to the applicant at this stage. Accordingly, the bail application stands **dismissed**.

(MILIND RAMESH PHADKE)  
JUDGE

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