Gajanan Dattatray Gore v. State of Maharashtra & Anr.

Whether a court may grant regular or anticipatory bail conditioned upon an accused's voluntary undertaking to deposit a sum of money, and whether such bail is liable to be cancelled when the accused, after securing release, resiles from that undertaking

Date of Order: July 28, 2025
Case Law No: GIB-SC-2025-56
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CASE DESCRIPTION / SUMMARY

Background

The appellant was arrested on 17-8-2023 in registered with the Satara City Police Station, Maharashtra, for offences punishable under Sections 406, 408, 420, 467, 468, 471, 504, 506 read with 34 of the IPC. The allegation was that the appellant, while employed as a business development manager with the complainant's advertising business and training institute, siphoned off about Rs. 1,66,00,000 (recorded by the Supreme Court at one place as Rs. 1,60,00,000) from the legitimate funds of the complainant. After the Trial Court declined to release him on regular bail, the appellant approached the High Court of Bombay.

Facts

Before the High Court, the appellant voluntarily filed an affidavit-cum-undertaking dated 22-3-2024, affirming that he would deposit Rs. 25,00,000 within five months to demonstrate his bona fides. On the basis of this undertaking, the High Court, by order dated 1-4-2024, granted regular bail subject (inter alia) to condition (i) requiring deposit of Rs. 25,00,000 in the Trial Court. The appellant secured his release pursuant to this order but failed to deposit the amount as undertaken on oath.

The appellant first filed Interim Application No. 3106 of 2024 (on 6-8-2024) seeking relaxation of the deposit condition, but unconditionally withdrew that application on 23-6-2025. The original complainant thereafter filed Interim Application No. 4524 of 2024 seeking cancellation of bail. By the impugned order dated 1-7-2025, the High Court held that the appellant had foreclosed consideration of his bail on merits by voluntarily offering the deposit and had then reneged on it, and accordingly cancelled the bail in exercise of jurisdiction under Section 483(3) of the BNSS, 2023, directing the appellant to surrender. The appellant challenged this cancellation before the Supreme

Court and also pressed his plea for regular bail.

Court's Observations (verbatim)

15. *We have noticed over a period of time that orders of regular bail and anticipatory bail are being passed by different High Courts subject to deposit of some amount.*

16. *We have come across cases like the one in hand where accused persons have gone to the extent of filing affidavits in the form of undertaking that they would deposit a particular amount within a particular period and then conveniently resile from such undertakings saying it is an onerous condition.*

17. *In some cases, perhaps the accused may abide by such undertaking, but our experience so far has been that in many cases the accused later would not abide and flout the undertaking. In many cases it would be argued on behalf of the accused that he had never made such a statement and the court on its own had recorded in the order that the accused is ready and willing to deposit a particular amount. At times the entire blame is thrown on the lawyer in making such statement for the purpose of obtaining order of bail or anticipatory bail as the case may be. In such circumstances, the concerned court would be left with no other option but to cancel the bail either at the instance of the State or the original complainant.*

18. *The case in hand is one in which the appellant on his own free will and volition filed an affidavit in the form of an undertaking before the High Court that he would deposit an amount of Rs. 25,00,000/- but ultimately resiled to do so and the High Court had to cancel the bail. It was too much for the lawyer of the appellant to argue before the High Court that asking his client to deposit Rs. 25,00,000/- was unreasonable. It reflects on the professional ethics.*

19. *By this order, we make it clear and that too in the form of directions that henceforth no Trial Court or any of the High Courts shall pass any order of grant of regular bail or anticipatory bail on any undertaking that the accused might be ready to furnish for the purpose of obtaining appropriate reliefs.*

20. *The High Courts as well as the Trial Courts shall decide the plea for regular bail or anticipatory bail strictly on the merits of the case. The High Courts and the Trial Courts shall not exercise their discretion in this regard on any undertaking or any statement that the accused may be ready and willing to make.*

21. *This practice has to be stopped. Litigants are taking the courts for a ride and thereby undermining the dignity and honor of the court.*

23. *In the case in hand, so far as the plea for regular bail is concerned, we are not inclined to look into. The appellant has made a mockery of justice. He could be said to have abused the process of*

law. If at all the High Court wanted to release the appellant on bail, it should have first asked him to deposit the amount within a particular period of time and upon such deposit the appellant could have been released.

24. *Be that as it may, now we have made ourselves very clear that there shall not be a single order that the High Courts and the Trial Courts shall pass for grant of regular bail or anticipatory bail on the basis of any accused or his/her family members giving an undertaking to deposit a particular amount. The plea shall be decided strictly on merits in accordance with law. If the case is made out on merits the court may exercise its discretion and if no case is made out on merits the court shall reject the plea for regular bail or anticipatory bail as the case may be. However, in any circumstances the High Courts or trial courts shall not pass a conditional order of regular bail or anticipatory bail.*

Final Verdict

The appeal was dismissed and the cancellation of bail was upheld; the appellant was directed to surrender and a cost of Rs. 50,000 was imposed for gross abuse of the process of law. The Supreme Court further directed that henceforth no Trial Court or High Court shall grant regular or anticipatory bail on the basis of any undertaking to deposit money, and that such pleas must be decided strictly on merits, with the order circulated to all High Courts.

Cases Referred / Relied Upon

Kundan Singh v. The Superintendent of CGST and Central Excise — relied upon by the High Court; deprecates the practice of foreclosing consideration of a bail application on merits by voluntarily offering monetary deposits and thereafter reneging on it.

Ramesh Kumar v. State of NCT of Delhi — cited for the proposition that a criminal court exercising bail jurisdiction is not expected to act as a recovery agent and that financial deposit as a condition for bail is impermissible.

Apurva Kirti Mehta v. State of Maharashtra — cited along with Ramesh Kumar for the same proposition on impermissibility of financial deposit as a bail condition.

Biman Chatterjee v. Sanchita Chatterjee — cited for the proposition that non-fulfilment of the terms of a compromise cannot, by itself, be the basis of granting or cancelling bail.

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