

Chobbe Ram & Ors vs State Of Hp & Ors on 9 October, 2026

2026:HHC:44342

IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Cr. MMO No. 344 of 2026

Reserved on: 29.9.2026

Date of Decision: 09.10.2026.

Chobbe Ram & ors.		 Petitioners
	Versus	
State of HP & ors.		 Respondents

	of	
Coram		
Hon'ble Mr Justice Rakesh Kainthla, Judge.		
rt		
Whether approved for reporting?1	No.	
For the Petitioners	:	Mr Ankit Dhiman, Advocate.
For Respondents No.1 & 2	:	Mr Ajit Sharma, Deputy Advocate General.
For Respondents No.3 to 7	:	Mr Hemant Thakur, Advocate.
Rakesh Kainthla, Judge		

The petitioners have filed the present petition for quashing of FIR No. 146 of 2024, dated 28.08.2024, registered at Police Station Manali, District Kullu, H.P., for the commission of offences punishable under Sections 318(3), 319(2), 11(b) of the Bhartiya Nyay Sanhita (BNS), 2023 and [Sections 418, 419, 420](#), and [120-B](#) of the Indian Penal Code ([IPC](#)), and the consequential proceedings arising out of it.

Whether reporters of Local Papers may be allowed to see the judgment? Yes.

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2. It has been asserted that the matter was reported to the police because of certain misunderstandings, confusion, and . miscommunication between the parties, particularly on account of family disputes. Respondent No.3/informant submitted a complaint to the Sub-Registrar, Manali, who forwarded it to the police station. The dispute between the parties is private in nature and does not affect the society at large. Therefore, it was prayed that the present petition be allowed and the FIR and its consequential proceedings arising out of it be quashed.

3. The petition is opposed by filing a status report asserting that the informant, Bali Devi, made a complaint to the Sub-Registrar, Manali, asserting that she is the co-owner of the land with the present petitioner. The petitioner and Bali Devi purported to have sold their share in the land to one Vikas Katyayan for ₹19,82,000/-. However, Smt. Bali Devi had never appeared for the execution of the sale deed, and some other person had impersonated her. The police registered the FIR and investigated the matter. The informant, Bali Devi, stated that she had reconciled the matter with the petitioner. The petitioner revealed during interrogation that Phagni Devi had impersonated Bali Devi. Her thumb impressions were taken and sent to SFSL ::: Downloaded on - 09/10/2026 21:57:06 ::CIS 3 2026:HHC:44342 Junga. A report was issued mentioning that the specimen thumb impressions of Phagni Devi and the thumb impressions .

appearing on the sale deed matched each other. Hence, the status report.

4. The statement of Bali Devi was recorded on 19.08.2024, in which she stated that she had entered into a compromise with the petitioner voluntarily, without any influence from any person. The Sub-Registrar, Anil Rana, stated on 19.08.2024 that he had an objection to the quashing of the FIR based on the compromise between the parties.

5. I have heard Mr Ankit Dhiman, learned counsel for the petitioner, Mr Ajit Sharma, learned Deputy Advocate General, for respondents No. 1 & 2, and Mr Hemant Thakur, learned counsel for respondents No. 3 to 7, and have gone through the records carefully.

6. Mr Ankit Dhiman, learned counsel for the petitioner, submitted that there is a distinction between the informant and the victim. Bali Devi was the victim in the present case, who has compromised the matter. Anil Rana had merely forwarded the complaint to the police, and he has no role in the settlement ::: Downloaded on - 09/10/2026 21:57:06 ::CIS 4 2026:HHC:44342 between the parties. The dispute between the parties is a private dispute and does not affect the society at large. The offences .

punishable under [Sections 418, 419](#), and [420](#) of IPC are compoundable, and there is no impediment to quashing the FIR based on the compromise between the parties. The offence punishable under [Section 120-B](#) of IPC does not survive after the compromise of the main matter. Therefore, he prayed that the present petition be allowed and the FIR and consequential proceedings arising out of it be quashed based on the compromise effected between the parties. He relied upon the following judgments in support of his submissions: -

- (i) [B.N. John Vs. State of U.P. & Anr.](#) (2025) 11 SCC 701;
- (ii) [Madan Mohan Abbot Vs. State of Punjab](#) (2008) 4 SCC 582;
- (iii) [Ganesha Vs. Sharanappa](#) & anr. (2014) 1 SCC 87;
- (iv) Jagjeet Singh & ors. Vs. Ashish Mishra alias Monu & anr. (2022) 9 SCC 321;
- (v) Naushey Ali & ors. Vs. State of U.P. & anr. (2025) 4 SCC 78;
- (vi) [Gian Singh Vs. State of Punjab](#) & anr. (2012) 10 SCC 303;
- (vii) [Anand Kumar @ Sanjay Lalwani Vs. State of M.P.](#) & ors. 2026INSC 928; and
- (ix) Vijaysingh @ Ankush Rakeshkumar Chauhan Vs. State of Gujarat 2014 (1) SCC 87.

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7. Mr Ajit Sharma, learned Deputy Advocate General for respondents No. 1 and 2/State, submitted that the status report . shows that Phagni Devi had impersonated Bali Devi and she had put her thumb impression on the sale deed. Therefore, it was a case of forgery and fraud, which is a grievous offence. The documents were forged, and a public official was cheated

while of discharging his official duties. Such offences have wide ramifications on society and should not be quashed. Hence, he rt prayed that the present petition be dismissed.

8. Mr. Hemant Thakur, learned counsel for respondents No.3 to 7 submitted that he has no objection in allowing the petition.

9. I have given considerable thought to the submissions made at the Bar and have gone through the records carefully.

10. It was laid down by the Hon'ble Supreme Court in [Parbatbhai Aahir v. State of Gujarat](#) (2017) 9 SCC 641 that a settlement between the offender and the victim in offences against society will not justify the quashing of the FIR. The offences punishable under [Sections 467, 468](#) and [471](#) of the IPC :: Downloaded on - 09/10/2026 21:57:06 :: CIS 6 2026:HHC:44342 involve the forgery of the document and such offences cannot be quashed under [Section 482](#) of the Cr PC. It was observed: -

13. In [State of Maharashtra v. Vikram Anantrai Doshi](#), (2014) 15 SCC 29; (2015) 4 SCC (Cri) 563, a Bench of two learned Judges of this Court explained the earlier decisions and the principles which must govern in deciding whether a criminal proceeding involving a non-compoundable offence should be quashed. In that case, the respondents of were alleged to have obtained letters of credit from a bank in favour of fictitious entities. The charge sheet involved the offences under [Sections 406, 420, 467, 468](#) and [471](#), read with [Section 120-B](#) of the Penal Code. Bogus rt beneficiary companies were alleged to have got them discounted by attaching fabricated bills. Mr Justice Dipak Misra (as the learned Chief Justice then was) emphasised that the case involved an allegation of forgery; hence, the Court was not dealing with a simple case where "the accused had borrowed money from a bank, to divert it elsewhere". The Court held that the manner in which letters of credit were issued, and funds were siphoned off, had a foundation in criminal law (SCC p. 42, para 26) "26. ... availing of money from a nationalised bank in the manner, as alleged by the investigating agency, vividly exposes fiscal impurity and, in a way, financial fraud. The modus operandi, as narrated in the charge sheet, cannot be put in the compartment of an individual or personal wrong. It is a social wrong, and it has an immense societal impact. It is an accepted principle of handling finance that whenever there is manipulation and cleverly conceived contrivance to avail of these kinds of benefits, it cannot be regarded as a case having overwhelmingly and predominantly civil character. The ultimate victim is the collective. It creates a hazard to the financial interests of society.

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2026:HHC:44342 The gravity of the offence creates a dent in the economic spine of the nation."

The judgment of the High Court quashing the criminal .

proceedings was hence set aside by this Court.

14. The same principle was followed in v. Maninder Singh, (2016) 1 SCC 389; (2016) 1 SCC (Cri) 292 by a Bench of two learned Judges of this Court. In that case, the High Court had, in the exercise of its inherent power under [Section 482](#), quashed proceedings under [Sections 420, 467, 468](#) and [471](#) read with [Section 120-B](#) of the Penal Code. While of allowing the appeal filed by the Central Bureau of Investigation, Mr Justice Dipak Misra (as the learned Chief Justice then was) observed that the case involved rt allegations of forgery of documents to embezzle the funds of the bank. In such a situation, the fact that the dispute had been settled with the bank would not justify a recourse to the power under [Section 482](#) (SCC p. 394, para 17) "17. ... In economic offences, the Court must not only keep in view that money has been paid to the bank which has been defrauded, but also the society at large. It is not a case of simple assault or theft of a trivial amount, but the offence with which we are concerned was well planned and was committed with a deliberate design with an eye on personal profit, regardless of consequence to society at large. To quash the proceedings merely on the ground that the accused has settled the amount with the bank would be misplaced sympathy. If the prosecution against the economic offenders is not allowed to continue, the entire community is aggrieved."

15. In a subsequent decision in State of T.N. v. R. Vasanthi Stanley, (2016) 1 SCC 376; (2016) 1 SCC (Cri) 282, the Court rejected the submission that the first respondent was a woman "who was following the command of her husband" and had signed certain documents without being aware of the nature of the fraud which was being :: Downloaded on - 09/10/2026 21:57:06 :: CIS 8 2026:HHC:44342 perpetrated on the bank. Rejecting the submission, this Court held that (SCC p. 387, paras 14-15) "14. ... Lack of awareness, knowledge or intent is .

neither to be considered nor accepted in economic offences. The submission assiduously presented on gender leaves us unimpressed. An offence under criminal law is an offence, and it does not depend upon the gender of an accused. True it

is, there are certain provisions in [CrPC](#) relating to the exercise of jurisdiction under [Section 437](#), etc., therein, but that of altogether pertains to a different sphere. A person committing a murder or getting involved in a financial scam or forgery of documents cannot claim discharge or acquittal on the grounds of her gender, as that is neither constitutionally nor statutorily a valid argument. The offence is gender-neutral in this case. We say no more on this score.

15. ... A grave criminal offence or serious economic offence, or for that matter the offence that has the potential to create a dent in the financial health of the institutions, is not to be quashed on the ground that there is a delay in trial or the principle that when the matter has been settled, it should be quashed to avoid the load on the system. ..."

16. The broad principles which emerge from the precedents on the subject may be summarised in the following propositions:

16.1. [Section 482](#) preserves the inherent powers of the High Court to prevent abuse of the process of any court or to secure the ends of justice. The provision does not confer new powers. It only recognises and preserves powers which inhere in the High Court.

16.2. The invocation of the jurisdiction of the High Court to quash a first information report or a criminal proceeding on the ground that a settlement has been arrived at between the offender and the victim is not the same as the invocation of jurisdiction for the purpose of compounding an offence. While compounding an offence, the power of the court is governed by the provisions of [Section 320](#) of the [Code of Criminal Procedure](#), 1973. The power to quash under [Section 482](#) is attracted even if the offence is non-compoundable.

16.3. In forming an opinion on whether a criminal proceeding or complaint should be quashed in the exercise of its jurisdiction under [Section 482](#), the High Court must evaluate whether the ends of justice would justify the exercise of the inherent power.

16.4. While the inherent power of the High Court has a wide ambit and plenitude, it has to be exercised (i) to secure the ends of justice or (ii) to prevent abuse of the process of any court.

16.5. The decision as to whether a complaint or first information report should be quashed on the ground that the offender and victim have settled the dispute revolves ultimately on the facts and circumstances of each case, and no exhaustive elaboration of principles can be formulated.

16.6. In the exercise of the power under [Section 482](#) and while dealing with a plea that the dispute has been settled, the High Court must have due regard to the nature and gravity of the offence. Heinous and serious offences involving mental depravity or offences such as murder, rape and dacoity cannot appropriately be quashed, though the victim or the family of the victim have settled the dispute. Such offences are, truly speaking, not private in nature but have a serious impact on society. The decision to continue with the trial in such cases is founded on the overriding element of public interest in punishing persons for serious offences.

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2026:HHC:44342 16.7. As distinguished from serious offences, there may be criminal cases which have an overwhelming or predominant element of a civil dispute. They stand on a distinct footing insofar as the exercise of

the inherent power to quash is concerned. 16.8. Criminal cases involving offences which arise from commercial, financial, mercantile, partnership or similar transactions with an essentially civil flavour may, in appropriate situations, fall for quashing where parties have settled the dispute.

16.9. In such a case, the High Court may quash the criminal proceeding if, in view of the compromise between the disputants, the possibility of a conviction is remote and the continuation of a criminal proceeding would cause oppression and prejudice, and 16.10. There is yet an exception to the principle set out in proposition 16.8. and 16.9. above. Economic offences involving the financial and economic well-

being of the State have implications that lie beyond the domain of a mere dispute between private disputants. The High Court would be justified in declining to quash where the offender is involved in an activity akin to financial or economic fraud or misdemeanour. The consequences of the act complained of upon the financial or economic system will weigh in the balance.

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18. The present case, as the allegations in the FIR would demonstrate, is not merely one involving a private dispute over a land transaction between two contesting parties. The case involves allegations of extortion, forgery and fabrication of documents, utilisation of fabricated documents to effectuate transfers of title before the registering authorities and the deprivation of the complainant of his interest in land on the basis of a fabricated power of attorney. If the allegations in the FIR :: Downloaded on - 09/10/2026 21:57:06 :: CIS 11 2026:HHC:44342 are construed as they stand, it is evident that they implicate serious offences having a bearing on a vital societal interest in securing the probity of titles to or interest in land. Such offences cannot be construed to be .

merely private or civil disputes but implicate the societal interest in prosecuting serious crimes. In these circumstances, the High Court was eminently justified in declining to quash the FIR, which had been registered under [Sections 384, 467, 468, 471, 120-B](#) and [506\(2\)](#) of the Penal Code."

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11. It was held in [CBI v. Hari Singh Ranka](#) (2019) 16 SCC 687; (2020) 2 SCC (Cri) 413; 2017 SCC OnLine SC 1837 that a grave criminal offence does not come to an end because of the compromise between the parties. It was observed at page 697:

"17. In the Rumi Dhar case [[Rumi Dhar v. State of W.B.](#), (2009) 6 SCC 364; (2009) 2 SCC (Cri) 1074], this Court has observed that when a settlement is arrived at between the creditors and the debtor, the offence, if committed, as such does not come to an end. Even a judgment rendered in the civil proceedings, when it is rendered on the basis of a settlement entered into between the parties, would not be of much relevance as per the criminal offence required by [Section 43](#) of the Evidence Act. The judgment of the civil court is admissible only for limited purposes.

18. In [State of Maharashtra v. Vikram Anantrai Doshi](#), (2014) 15 SCC 29 : (2015) 4 SCC (Cri) 563], this Court has considered the decision in [Narinder Singh v. State of Punjab](#), (2014) 6 SCC 466 : (2014) 3 SCC (Cri) 54], [Dimpey Gujral v. State \(UT of Chandigarh\)](#), (2013) 11 SCC 497 : (2012) 4 SCC (Cri) 35 and [Gian Singh v. State of Punjab](#), (2012) 10 SCC 303 : (2012) 4 SCC (Civ) 1188 : (2013) 1 SCC (Cri) 160 :

(2012) 2 SCC (L&S) 988 and has laid down the principles for interfering in such matters thus : (State of Maharashtra :: Downloaded on - 09/10/2026 21:57:06 :: CIS 12 2026:HHC:44342 v. Vikram Anantrai Doshi, (2014) 15 SCC 29 : (2015) 4 SCC (Cri) 563], SCC pp. 38-39 & 41-42, paras 18, 24 & 26) "18. Recently, in [Narinder Singh v. State of Punjab](#), .

(2014) 6 SCC 466 : (2014) 3 SCC (Cri) 54], a two-Judge Bench placed reliance on [Gian Singh v. State of Punjab](#), (2012) 10 SCC 303 : (2012) 4 SCC (Civ) 1188 : (2013) 1 SCC (Cri) 160 : (2012) 2 SCC (L&S) 988] and [Dimpey Gujral v.](#)

[State \(UT of Chandigarh\)](#), (2013) 11 SCC 497 : (2012) 4 SCC (Cri) 35 and distinguished the decision in [State of Rajasthan v. Shambhu Kewat](#), (2014) 4 SCC 149 : (2014) 4 of SCC (Cri) 781, and came to hold that in the facts of the said case the proceedings under Section 307 deserved to be quashed. The two-judge Bench laid down certain guidelines by which the High Courts would be guided in giving adequate treatment to the settlement between the parties and exercising their power under Section 482 of the Code while accepting the settlement and quashing the proceedings or refusing to accept the settlement. Some of the guidelines which are relevant for the present purpose are reproduced below:

([Narinder Singh v. State of Punjab](#), (2014) 6 SCC 466:

(2014) 3 SCC (Cri) 54, SCC p. 483, para 29) '29.2. When the parties have reached a settlement and, on that basis, a petition for quashing the criminal proceedings is filed, the guiding factor in such cases would be to secure the following:

(i) ends of justice, or

(ii) to prevent abuse of the process of any court.

While exercising the power, the High Court is to form an opinion on either of the aforesaid two objectives.

29.3. Such a power is not to be exercised in those prosecutions which involve heinous and serious offences of mental depravity or offences like murder, rape, dacoity, etc. Such offences are not private in nature and have a serious impact on society. Similarly, offences alleged to have been :: Downloaded on - 09/10/2026 21:57:06 :: CIS 13 2026:HHC:44342 committed under special statutes like the [Prevention of Corruption Act](#) or offences committed by public servants while working in that capacity are not to be quashed merely on the basis of a .

compromise between the victim and the offender. 29.4. On the other hand, those criminal cases having overwhelmingly and predominantly civil character, particularly those arising out of commercial transactions or arising out of matrimonial relationships or family disputes, should be quashed of when the parties have resolved their entire disputes among themselves.

29.5. While exercising its powers, the High Court is rt to examine as to whether the possibility of conviction is remote and bleak, and continuation of criminal cases would put the accused to great oppression and prejudice, and extreme injustice would be caused to him by not quashing the criminal cases.' ***

24. In the case at hand, as per the charge sheet, the respondents had obtained LCs issued by the bank in favour of fictitious companies propped up by them, and the fictitious beneficiary companies had obtained letters of credit discounted by attaching their bogus bills. The names of 10 fictitious companies have been mentioned in the charge sheet. Thus, the allegation of forgery is very much there. As is manifest from the impugned order [[Vikram Anantrai Doshi v. State of Maharashtra](#), 2010 SCC OnLine Bom 2242], the learned Single Judge has not adverted to the same. It is not a simple case where an accused has borrowed money from the bank and diverted it somewhere else and, thereafter, paid the amount. It does not create a situation where there is a dealing between a private financial institution and an accused, and after initiation of the criminal proceedings, he pays the sum :: Downloaded on - 09/10/2026 21:57:06 :: CIS 14 2026:HHC:44342 and gets the controversy settled. The exposé of facts tells a different story. As submitted by the learned counsel for CBI, the manner in which the letters of credit were issued, and the funds were siphoned off, .

has a foundation in criminal law. The learned counsel would submit that it does not depict a case which has overwhelmingly and predominantly a civil flavour. The intrinsic character is different. The emphasis is laid on the creation of fictitious companies.

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26. We are in respectful agreement with the aforesaid view. Be it stated that availing of money from a nationalised bank in the manner as alleged by the rt investigating agency vividly exposes fiscal impurity and, in a way, financial fraud. The modus operandi, as narrated in the charge sheet, cannot be put in the compartment of an individual or personal wrong. It is a social wrong, and it has an immense societal impact. It is an accepted principle of handling finance that whenever there is manipulation and cleverly conceived contrivance to avail of these kinds of benefits, it cannot be regarded as a case having overwhelmingly and predominantly civil character. The ultimate victim is the collective. It creates a hazard to the financial interests of society. The gravity of the offence creates a dent in the economic spine of the nation. The cleverness which has been skilfully contrived, if the allegations are true, has a serious consequence. A crime of this nature, in our view, would definitely fall in the category of offences which travel far ahead of personal or private wrong. It has the potential to usher in an economic crisis. Its implications have their own seriousness, for it creates a concavity in the solemnity that is expected in financial transactions. It is not such a case where one can pay the amount and obtain a "no-dues certificate" and enjoy the benefit of quashing the criminal proceeding on the hypothesis that nothing more remains to be done. The collective interest of :: Downloaded on - 09/10/2026 21:57:06 :: CIS 15 2026:HHC:44342 which the Court is the guardian cannot be a silent or a mute spectator to allow the proceedings to be withdrawn, or, for that matter, yield to the ingenuous dexterity of the accused persons to invoke the .

jurisdiction under [Article 226](#) of the Constitution or Section 482 of the Code and quash the proceedings. It is not legally permissible. The Court is expected to be on guard against these kinds of adroit moves. The High Court, we humbly remind, should have dealt with the matter keeping in mind that in this kind of litigation, of the accused, when he perceives a tiny gleam of success, readily invokes the inherent jurisdiction for quashing the criminal proceedings. The Court's principal duty, at that juncture, should be to scan the entire facts to find rt out the thrust of the allegations and the crux of the settlement. It is the experience of the Judge that comes to his aid, and the said experience should be used with care, caution, circumspection and courageous prudence, as we find in the case at hand, the learned Single Judge has not taken pains to scrutinise the entire conspectus of facts in proper perspective and quashed the criminal proceedings. The said quashment neither helps to secure the ends of justice nor does it prevent the abuse of the process of the Court, nor can it be said that, as there is a settlement, no evidence will come on record, and there will be a remote chance of conviction. Such a finding, in our view, would be difficult to record. Be that as it may, the fact remains that the social interest would be in peril, and the prosecuting agency, in these circumstances, cannot be treated as an alien to the whole case. Ergo, we have no other option but to hold that the order [[Vikram Anantrai Doshi v. State of Maharashtra](#), 2010 SCC OnLine Bom 2242] of the High Court is wholly indefensible."

19. It has been observed by this Court that when the charge sheet reflects that the respondent got LCs issued by the Bank in favour of fictitious companies propped up by them, and the fictitious beneficiary companies had got :: Downloaded on

- 09/10/2026 21:57:06 ::CIS 16 2026:HHC:44342 letters of credit discounted by attaching their bogus bills. It is not a simple case where an accused has borrowed money from the bank and diverted it somewhere else and, thereafter, paid the amount. Civil settlement of the .

controversy would not suffice to wipe off the criminal liability. The case reflects fiscal impropriety and, in a way, financial fraud. The modus operandi, as narrated in the charge sheet, cannot be put in the compartment of an individual or personal wrong. It is a social wrong, and it has an immense societal impact. This Court has further observed that the accepted principle of handling of finance is that whenever there is manipulation and cleverly conceived contrivance to avail of this kind of benefits, it cannot be regarded as a case having overwhelmingly and predominantly civil character. The gravity of the offence creates a dent in the economic spine of the nation. The quashing of the case was set aside as social interest would be in peril. The order of the High Court was held to be indefensible. Facts are more or less similar in the instant case, and as such, the impugned orders cannot be permitted to be sustained on the anvil of the aforesaid principles.

23. In [Ashok Sadarangani v. Union of India](#), (2012) 11 SCC 321: (2013) 1 SCC (Civ) 298: (2013) 1 SCC (Cri) 638, an offence was registered by CBI. The allegation was that they had secured the credit facility by submitting forged documents, and had collected and utilised such facilities in a dishonest and fraudulent manner by obtaining letters of credit in respect of foreign suppliers of goods without actually bringing any goods, but inducing the bank to negotiate letters of credit in favour of the foreign suppliers and also by exercising the cash credit facility.

24. This Court has considered the various decisions in [Sushil Suri v. CBI](#), (2011) 5 SCC 708: (2011) 2 SCC (Cri) 764 and [Gian Singh v. State of Punjab](#), (2012) 10 SCC 303: (2012) 4 SCC (Civ) 1188: (2013) 1 SCC (Cri) 160: (2012) 2 SCC (L&S)

988. This Court also considered whether, when the dispute has been settled by the bank, the continuance of criminal proceedings would be futile. This Court distinguished the decision of [Nikhil Merchant v. CBI](#), (2008) 9 SCC 677: (2008) 3 SCC (Cri) 858, as the case projected a larger conspiracy than this Court refused to grant the relief in the prayer for .

quashing of the case.

25. In [Sushil Suri v. CBI](#), (2011) 5 SCC 708; (2011) 2 SCC (Cri) 764, this Court made the following observations: (SCC pp. 716-17, para 23) "23. It is manifest from a bare reading of the charge sheet, placed on record, that the gravamen of the of allegations against the appellant, as also the co- accused, is that the Company, acting through its Directors in concert with the chartered accountants and some other persons:

(i) conceived a criminal conspiracy and executed it by forging and fabricating a number of documents, like photographs of old machines, purchase orders and invoices showing the purchase of machinery in order to support their claim to avail of a hire-

purchase loan from PSB;

(ii) on the strength of these false documents, PSB parted with the money by issuing pay orders and demand drafts in favour of the Company and

(iii) the accused opened six fictitious accounts in the banks (four accounts in Bank of Rajasthan and two in Bank of Madras) to encash the pay orders/bank drafts issued by PSB in favour of the suppliers of machines, thereby directly routing back the loan amount to the borrower from these fictitious accounts, and in the process committed a systematic fraud on the Bank (PSB) and obtained pecuniary advantage for themselves.

Precise details of all the fictitious accounts, as well as the further flow of money realised on encashment of demand drafts/pay orders, have been incorporated in the charge sheet. Additionally, by allegedly claiming depreciation on the new machinery, which was never purchased, on the basis of forged invoices, etc., the accused cheated the public exchequer as well." This Court considered the modus operandi noted in the .

afore-extracted para 23. Considering the allegations that the accused had obtained pecuniary benefit by producing forged documents, the case was dismissed, and the trial court was directed to decide the case expeditiously. The facts of the instant case are more or less similar.

12. Recently, in [CBI v. Maninder Singh](#) (2016) 1 SCC 389, the allegation against the accused was that bill of lading of presented by the proprietors of the accused firms were found forged and cases were registered under [Section 120-B IPC](#) read with [Section 420 IPC](#) and [Section 5\(2\)](#) read with [Section 5\(1\)\(d\)](#) of the Prevention of Corruption Act, 1947 and further substantive offences under [Sections 420, 467, 468 and 471 IPC](#). The accused person arrived at a settlement with

the Bank and thereafter moved the High Court under [Section 482](#) CrPC for quashing of the FIR. The High Court placed reliance on the decision in *Nikhil Merchant* [(2008) 9 SCC 677; (2008) 3 SCC (Cri) 858] and allowed the petition and directed the quashing of the criminal proceedings. This Court placed reliance on *Vikram Anantrai Doshi* [(2014) 15 SCC 29; (2014) 10 Scale 690] and came to hold as follows: ([Maninder Singh](#) case [(2016) 1 SCC 389], SCC p. 394, paras 16-17) "16. The allegation against the respondent is 'forgery' for the purpose of cheating and the use of forged documents as genuine in order to embezzle public money. After facing such serious charges of forgery, the respondent wants the proceedings to be quashed on account of a settlement with the bank. The development in means of communication, science and technology, etc., has led to an enormous increase in economic crimes, viz. phishing, ATM frauds, etc., which are being committed by intelligent but devious individuals involving huge sums of public or government money. These are actually public wrongs or crimes committed against society, and the gravity :: Downloaded on - 09/10/2026 21:57:06 :: CIS 19 2026:HHC:44342 and magnitude attached to these offences are concentrated on the public at large.

17. The inherent power of the High Court under Section .

482 of the [Code of Criminal Procedure](#) should be sparingly used. Only when the Court comes to the conclusion that there would be manifest injustice or there would be abuse of the process of the Court if such power is not exercised can the Court quash the proceedings. In economic offences, the Court must not only keep in view that money has been paid to the bank of which has been defrauded, but also the society at large. It is not a case of simple assault or theft of a trivial amount, but the offence with which we are concerned was well planned and was committed with a deliberate design with an eye on personal profit, regardless of consequence to society at large. To quash the proceedings merely on the ground that the accused has settled the amount with the bank would be a misplaced sympathy."

12. This position was reiterated in [Daxaben v. State of Gujarat](#) (2022) 16 SCC 117: 2022 SCC OnLine SC 936, wherein it was observed at page 134:

"44. In *State of T.N. v. R. Vasanthi Stanley*, (2016) 1 SCC 376:

(2016) 1 SCC (Cri) 282, this Court held: (SCC p. 387, paras 14-

15) "14. ... Lack of awareness, knowledge or intent is neither to be considered nor accepted in economic offences. The submission assiduously presented on gender leaves us unimpressed. An offence under the criminal law is an offence, and it does not depend upon the gender of an accused. True it is, there are certain provisions in [CrPC](#) relating to the exercise of jurisdiction under Section 437, etc., therein, but that altogether pertains to a different sphere. A person committing a murder or getting involved in a financial scam or forgery of documents cannot claim :: Downloaded on - 09/10/2026 21:57:06 :: CIS 20 2026:HHC:44342 discharge or acquittal on the ground of her gender, as that is neither constitutionally nor statutorily a valid argument. The offence is gender-neutral in this case. We say no more on this score.

15. ... A grave criminal offence or serious economic offence, or for that matter the offence that has the potentiality to create a dent in the financial health of the institutions, is not to be quashed on the ground that there is a delay in trial or the principle that when the matter has been settled, it should be quashed to avoid the load on the of system."

13. The status report specifically mentions that the thumb impressions of Phagni Devi were sent for comparison with the thumb impression appearing on the sale deed, and they were found to be the same. Prima facie, Phagni Devi had executed the sale deed with the intention of causing it to be believed that the sale deed was executed by Bali Devi, and the petitioner Chobbe Ram had prima facie assisted her in making a false document. The petitioner, Chobbe Ram, had produced Bali Devi before the Sub-Registrar, and Panna Lal had identified her as Bali Devi. The Sub-Registrar would not have executed the sale deed but for the representation made by Panna Lal that Phagni Devi is Bali Devi. Therefore, it cannot be said that the Sub-

Registrar was a stranger having no concern with the matter. He was made to register the sale deed based on a representation made to him that the executant was Bali Devi, which he would :: Downloaded on - 09/10/2026 21:57:06 :: CIS 21 2026:HHC:44342 not have done had Phagni Devi not put her thumb impression impersonating herself as Bali Devi. Hence, the FIR cannot be .

quashed when the sub-registrar is objecting to it. Further, the investigations revealed that the offences of forgery of the sale deed and using the forged sale deed as genuine were committed, which cannot be quashed after the compromise as per the of binding precedent of the Hon'ble Supreme Court.

14. In [Ganesh](#) (supra) and [Jagjit Singh](#) (supra), the distinction between the informant and victim was explained, which is well-settled. In [Gian Singh](#) (supra), it was held that offences involving the public at large should not be quashed. In [Anand Kumar](#) (supra), it was held that the informant cannot object to the compromise between the parties if he is not the victim. In the present case, the Sub-Registrar was a victim, as he was affected by the misrepresentation and the forgery of the document. Therefore, the cited judgment does not apply to the present case. In [Madan Mohan](#) (supra), the offence related to Section 406, but in the present case, the offence relates to forgery of documents. [B.N. John](#) (supra) deals with the quashing of an FIR based on merits and is not relevant. Naushey Ali (supra) ::: Downloaded on - 09/10/2026 21:57:06 ::: CIS 22 2026:HHC:44342 relates to an offence punishable under [Section 307](#) of IPC and does not apply to the present case.

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15. In view of the above, the FIR cannot be quashed based on a compromise effected between the parties. Hence, the present petition fails, and it is dismissed.

of

16. The observations made hereinabove are regarding the disposal of this petition and will have no bearing whatsoever on the merits of the case.

rt (Rakesh Kainthla) Judge 9th October, 2026 (Chander) ::: Downloaded on - 09/10/2026 21:57:06 ::: CIS