

Judgment reserved on:03.06.2026

Judgment delivered on:17.07.2026

IN THE HIGH COURT OF UTTARAKHAND
AT NAINITAL

Writ Petition (Criminal) No.638 of 2025

Vaibhav Agrawal and others. Petitioners.

Versus

State of Uttarakhand and others. Respondents.

Present:

Ms. Bani Dikshit, learned counsel for the petitioners.

Mr. Himanshu Sain, learned AGA, for the State of Uttarakhand.

Mr. Lalit Sharma, learned counsel for the respondent/complainant.

Hon'ble Mr. Justice Rakesh Thapliyal, J.

1. The instant criminal writ petition has been preferred by the petitioners under Article 226 of the Constitution of India seeking a writ of certiorari to quash the FIR dated 20.03.2025, bearing FIR No.0011 of 2025, Police Station, Laxamnjhula, District Pauri Garhwal lodged by the respondent/complainant against the petitioners for the offences punishable under Sections 120-B, 420, 467, 468, 471, 504 and 506 of IPC.

2. The matter was heard at length on 03.06.2026, and judgment was reserved and both the parties also submitted their written submission.

3. The brief facts giving rise to the filing of the present petition as per the record are that the complainant/respondent no.3 Sanjay Singh Rawat, and his wife executed two registered agreement to sell on 05.04.2023, in favour of the petitioner no.1 Shri Vaibhav Agrawal and petitioner no.2 Ms. Shivani Agrawal respectively, for sale of a piece of land measuring 0.3345 hectares (approximately 4000 square yards/16.66 Nali) at village Kund, Block Yamakeshwar, District Pauri Garhwal, with a sale

consideration of Rs.3,39,00,000/- (Rs.3.39 crore). After receiving the entire sale consideration, the informant and his wife refused to execute the sale deeds. Consequently, the petitioners preferred two separate civil suits for enforcement of each of the agreement to sell dated 05.04.2023 as well as lodge the FIR. In the civil suits, there is an interim injunction order restraining the respondent no.3 from creating any third party interest over the property in question, which continues to be in operation.

4. In the FIR lodged by the petitioners against the respondent no.3 on 13.06.2024 bearing FIR No.0040 of 2024, the informant and his wife were chargesheeted for the offences punishable under Sections 406 and 420 of IPC. Now the respondent no.3 also lodged the FIR on 20.03.2025 bearing FIR No.0011 of 2025 against the petitioners, which is now being assailed in this petition.

A. Submission on behalf of petitioners:-

5. Learned counsel for the petitioners Ms. Bani Dixit, submits that the crux of the matter is that the informant/respondent no.3 and his wife executed two registered agreement to sell on 05.04.2023 with the petitioner nos.1 and 2 respectively for sale of a piece of land measuring 0.3345 hectares (approximately 4000 square yards/16.66 Nali) at village Kund, Block Yamakeshwar, District Pauri Garhwal, with the total sale consideration of Rs.3,39,00,000/- (Rs.3.39 crore). She submits that the petitioner no.1 paid Rs.75,00,000/- in advance through cheques and the entire sale consideration was also subsequently paid through A/c payee cheques, and there is no dispute on this, and in total Rs.3.39 crore, was paid to the informant and his wife.

6. She further argued that the requisite permissions in terms of Section 154 of the UPZA & LR Act, 1950 was obtained by the

respondent no.3 himself from the Collector/District Magistrate on 20.11.2023, which was later on intimated by him to the petitioners through Whatsapp communication on 21.11.2023. She submits that having received the permission and receipt the balance sale consideration from petitioners, the informant and his wife deliberately and dishonestly refused to execute the sale deed. Consequently, the petitioners have no option except to initiate the civil and criminal proceedings.

7. She submits that in order to protect their legal right, the petitioner no.1 filed a Civil Suit No.09 of 2024, titled as “Vaibhav Agrawal Vs. Sanjay Singh Rawat and another” and the petitioner no.2 also filed another Civil Suit No.10 of 2024, “Shivani Agrawal Vs. Sanjay Singh Rawat and another” before the learned Civil Judge, (Senior Division), Kotdwar, District Pauri Garhwal, praying for permanent injunction as well as for consequential reliefs.

8. In these civil suits, the learned Civil Judge (Senior Division) granted an interim injunction in favour of petitioners on 20.02.2024, by restraining the informant/respondent no.3 from creating any third party interest over the property in question and which continues to be in operation.

9. She submits that since there was regular threat from the informant and his wife, consequently an FIR was also lodged on 13.06.2024 against them by the petitioners bearing Case Crime No.0040 of 2024, at Police Station Laxmanjhula, District Pauri Garhwal, for the offences punishable under Sections 406 and 420 of IPC, wherein, after thorough investigation, the Investigating Officer submit the chargesheet on 04.09.2024, by chargesheeting the informant and his wife for the offences punishable under Sections 406 and 420 of IPC.

10. Learned counsel for the petitioners argued that both the remedies as availed by the petitioners i.e. the civil suits as well as the criminal proceedings, are the proceedings legitimately initiated by the petitioners.

11. Learned counsel for the petitioners further submits that the FIR No.0040 of 2024 lodged by the petitioners against the informant and his wife was earlier challenged in WPCRL No.879 of 2024, wherein, on 21.08.2024, an interim protection was granted to them that no coercive action shall be taken against them, provided they cooperate with the investigation, however subsequently the said writ petition was dismissed as infructuous on 19.03.2025 since the chargesheet was filed, and on the very next day i.e. on 20.03.2025, the respondent no.3 lodged the impugned FIR bearing FIR No.0011 of 2025 at Police Station Laxmanjhula, District Pauri Garhwal, against both the petitioners.

12. It is argued by the learned counsel for the petitioners that the impugned FIR is nothing but is a manifestly malafide counter blast to the legitimate civil proceedings initiated by the petitioners by way of Civil Suit No.09 of 2024 and Civil Suit No.10 of 2024, wherein, the temporary injunction was granted and continues to be in operation as well as counter blast to the FIR lodged by the petitioners bearing Case Crime No.0040 of 2024, wherein, both the informant and his wife have been chargesheeted on 04.09.2024 for the offences punishable under Sections 406 and 420 of IPC.

13. She submits that the lodging of the impugned FIR merely one day after the dismissal of WPCRL No.879 of 2024, was not coincidence, but a malafide intent on the part of the informant in lodging the impugned FIR solely to mount pressure on the petitioners and to intimidate them from pursuing their pending

civil suits as well as the chargesheet dated 04.09.2024 arising out of Case Crime No.0040 of 2024 lodged by petitioners.

14. She further argued that the allegations as alleged in the impugned FIR are that the petitioners had presented certain forged documents containing forged signature of the informant before the District Magistrate, Pauri Garhwal, for procuring the permission in terms of Section 154 of the UPZA & LR Act, though the admitted position is that the permissions under Section 154 of UPZA & LR Act, dated 20.11.2023, was obtained by the informant himself from the office of Collector/District Magistrate for the petitioners, which is evident from the fact that the respondent no.3/informant himself communicated such permission to the petitioners via Whatsapp message on 21.11.2023, and thereafter also received the balance sale consideration from the petitioners, therefore, the allegations that the petitioners procured these permissions by forgery, is absurd and false.

15. She submits that the Collector/District Magistrate by subsequent order dated 28.02.2025, cancelled the permission in Miscellaneous Case No.01 of 2024, only on a procedural ground since sale deed could not be executed within the stipulated period of 180 days' from the date of permission and even no application for extension of time was moved. She further submits that the order dated 28.02.2025, does not in any manner record that the permissions were cancelled on account of any fraudulent activities, forgery of signatures or misrepresentation by the petitioners, which itself reveals that the allegations as alleged by the informant in the impugned FIR are imaginary and afterthought.

16. In addition to this, learned counsel for the petitioners submits that the impugned FIR is nothing but an abuse of process

of law, lodged with malafide intent which is evident from the fact that the petitioner nos.3, 4 and 5, have been roped into the impugned FIR without any basis only in order to mount pressure upon them. In reference to this she make following submissions:-

*“(1). **“Petitioner no.3, Shri Sushant Agrawal”**, is the father of petitioner no.1 and he is neither a party nor a signatory of two agreements to sell dated 05.04.2023, even he is neither a buyer, seller nor witness in any of the transaction and as such no criminal liability can therefore be attributed to him in connection with the allegations as alleged in the impugned FIR.*

*(2). **“Petitioner no.4 Shri Sanjay Kalra”**, is a Chartered Accountant by profession, who has been associated in a professional advisory capacity with the petitioner no.3 Sri Sushant Agrawal, and he has no bearing on the subject matter of the impugned FIR, since he is neither a buyer, seller nor the witness under the agreement to sell.*

*(3), **“Petitioner no.5 Shri Naveen Chetal”**, acts solely in the capacity of a property dealer and was responsible only for facilitating the introduction between the parties to the transaction and his role was limited to bringing the parties together and he had no further involvement neither in the transaction forming the subject matter of the impugned FIR nor a buyer, seller and even witness under the agreement to sell.*

17. She submits that implicating petitioner nos.3, 4 and 5 in the impugned FIR appears to be a pressure tactics and so far as the petitioner nos.1 and 2 are concerned, they have been implicated in the impugned FIR, which appears to be counter blast to the

remedies as availed by the petitioners by way of civil suits as well as by FIR.

18. It is argued by the learned counsel for the petitioners that implicating petitioner nos.3, 4 and 5 in the impugned FIR despite their having no role either in the transaction or in execution of agreement to sell itself indicates that with malafide intent they have been implicated in the impugned FIR.

19. She further submits that in fact the entire dispute is purely civil in nature arising from registered agreement to sell dated 05.04.2023, in respect of which, civil suits have already been filed which are pending, wherein, the informant and his wife are arrayed as defendants, and this fact is very well in their knowledge that there is an interim injunction order, which continues to be in operation, despite this, the impugned FIR have been lodged.

20. Learned counsel for the petitioners argued that even from the face of the FIR itself no cognizable offence is made out and the allegations of forgery are entirely false as evident from the order of the Collector/District Magistrate dated 28.02.2025, whereby the permission was cancelled only on a procedural ground, since, within the stipulated period of 180 days' sale deed was not executed and the reason for non execution of sale deed was that despite receiving the entire sale consideration the informant and his wife have not come forward for execution of sale deed, and now under the garb that the permission has been cancelled by the Collector they are not refunding their money which is a mischievous act and this is the reason that in the FIR lodged by the petitioners, the informant and his wife have been chargesheeted for the offences punishable under Sections 406 of

420 of IPC by chargesheet dated 04.09.2024 and now after almost six months impugned FIR has been lodged.

21. It is further argued by the learned counsel for the petitioners that even otherwise in the impugned FIR, the essential ingredients of cheating are absent since there was no dishonest or fraudulent intent at the inception of the transactions, and all payments were made through Account Payee cheques, pursuant to the registered agreement to sell dated 05.04.2023. She further submits that the continuation of the investigation pursuant to the impugned FIR is nothing but an abuse of process of law, particularly when, the impugned FIR has been lodged after institution of the civil suits by the petitioners against the informant.

22. She further submits that in fact the petitioners are the real victims of the fraud committed by the respondent no.3 and his wife, who have already been chargesheeted in the FIR lodged by the petitioners for the offences punishable under Sections 406 and 420 of IPC.

23. Learned counsel submits that the present case is squarely falls within the categories as enumerated by the Hon'ble Apex Court in the case of **"State of Haryana Vs. Bhajan Lal"** reported in **1992 Supp. (1) SCC 335**, particularly Category (1), (5) and (7).

24. Learned counsel for the petitioners placed reliance to a decision of the Hon'ble Apex Court in the case of **"Indian Oil Corporation Vs. M/s NEPC India Ltd., reported in 2006 (6) SCC 736**, wherein, it has been held that the criminal law cannot be used as a tool to settle scores in commercial or contractual matters. Paragraph nos.13 and 14 of the said decision are being reproduced herein as under:-

"13. While on this issue, it is necessary to take notice of a growing tendency in business circles to convert purely civil disputes into criminal cases. This is obviously on account of a prevalent impression that civil law remedies are time consuming and do not adequately protect the interests of lenders/creditors. Such a tendency is seen in several family disputes also, leading to irretrievable break down of marriages/families. There is also an impression that if a person could somehow be entangled in a criminal prosecution, there is a likelihood of imminent settlement. Any effort to settle civil disputes and claims, which do not involve any criminal offence, by applying pressure through criminal prosecution should be deprecated and discouraged. In [G. Sagar Suri vs. State of UP](#)], this Court observed :

"It is to be seen if a matter, which is essentially of civil nature, has been given a cloak of criminal offence. Criminal proceedings are not a short cut of other remedies available in law. Before issuing process a criminal court has to exercise a great deal of caution. For the accused it is a serious matter. This Court has laid certain principles on the basis of which High Court is to exercise its jurisdiction under Section 482 of the Code. Jurisdiction under this Section has to be exercised to prevent abuse of the process of any court or otherwise to secure the ends of justice."

14. While no one with a legitimate cause or grievance should be prevented from seeking remedies available in criminal law, a complainant who initiates or persists with a prosecution, being fully aware that the criminal proceedings are unwarranted and his remedy lies only in civil law, should himself be made accountable, at the end of such misconceived criminal proceedings, in accordance with law. One positive step that can be taken by the courts, to curb unnecessary prosecutions and harassment of innocent parties, is to exercise their power under [section 250](#) Cr.P.C. more frequently, where they discern malice or frivolousness or ulterior motives on the part of the complainant. Be that as it may.

25. She also placed reliance to another judgment of the Hon'ble Apex Court in the case of **"Shailesh Kumar Singh @ Shailesh R. Singh Vs. State of Uttar Pradesh and others"**, reported in **2025 SCC Online SC 1462**, wherein, the Hon'ble Apex Court has emphatically reiterated that "to constitute an offence of cheating, there has to be something more than prima

facie on record to indicate that the intention of the accused was to cheat the complainant right from the inception”.

26. She further placed reliance to another decision of the Hon’ble Apex Court in the case of “**Ankul Singh Vs. State of U.P.**” reported in **2025 SCC Online SC 2060**, by placing reliance to paragraphs 14 and 15 of the aforesaid judgment, which reads as under:-

“14. It is significant to note that prior to registration of the present FIR, the appellant had already initiated proceedings against Respondent No.2, namely a complaint under [Section 138](#) of the N.I. Act (Complaint No. 2402840 / 2005) before the N.I. Court, Moradabad, as well as FIR No. 120/2002, in which, the complainant himself was arrested. The present FIR was lodged nearly three months after the filing of the [Section 138](#) complaint and seven months after FIR No. 120/2002. The plea that the FIR is a retaliatory counterblast to the proceedings legitimately initiated by the appellant, therefore, carries substantial weight.

15. The mala fide nature of the complaint is further fortified by the fact that, by judgment dated 15.01.2025, the trial Court convicted Respondent No. 2 under [Section 138](#) of the N. I. Act, sentencing him to one month’s imprisonment and imposing a fine of Rs. 90,000/-. This conviction lends strong support to the appellant’s case that the initiation of the present FIR was a retaliatory measure, maliciously instituted with an ulterior motive to neutralise the lawful action taken by him.”

27. By placing reliance to the aforesaid judgments, learned counsel for the petitioners submits that since the petitioners already initiated the civil and criminal proceedings against the informant and his wife, which itself establishes the malafide character of lodging of the impugned FIR.

28. Learned counsel for the petitioners concluded her argument that in the present case, the agreement to sell dated 05.04.2023, is registered document, therefore, the allegations of forgery in order to procure permission are totally absurd, particularly when, there is no allegation of any cutting, overwriting and tampering, in the

order of District Magistrate in cancelling the permission, therefore, no offence is made out. She further argued that there is no dispute that the entire sale consideration has been received by the informant and his wife, despite this, they never turn up for execution of the sale deed and even their amount has not been returned which shows dishonest intention of the informant.

B. Submission on behalf of Respondent/Informant.

29. On the other side, learned counsel for the respondent Mr. Lalit Sharma, submits that the informant are the owner of a land situated at Village Kund, Tehsil Yamkeshwar, and in the year 2023, the petitioners approached them in connection with the Resort Project and obtained ownership record, revenue record and project documents and other confidential papers relating to the property, and subsequently, the complainant discovered that petitioners had initiated the proceedings for obtaining permission under Section 154 of UPZA & LR Act, for purchasing a land situated in State of Uttarakhand and while seeking permission from the authorities, the petitioners submitted his affidavit as well as affidavit of the complainant and moved application with supporting documents containing forged signatures for obtaining permission to purchase the land since they are the resident of outside the State of Uttarakhand and there is a mandatory condition to obtain permission from the Collector to purchase the land in the State of Uttarakhand.

30. He further submits that the entire foundation of the writ petition proceeds on an assumption that the dispute between the parties is purely of civil in nature arising out of certain agreements, though as a matter of fact, from the contents of the FIR, the allegations as alleged, therein, travelling far beyond the scope as alleged by the petitioners in the petition.

31. He submits that in fact the impugned FIR has been lodged much prior to the date when the complaint was made to the authorities regarding forged signatures in obtaining the permission under Section 154 of the UPZA & LR Act, and the complainant pursued his complaint as well as the complaint of the co-tenure holders and local residents and an administrative enquiry was also conducted, wherein, the petitioners were asked to appear on 13.03.2024 and again on 24.04.2024 for the verification of the disputed documents and signatures, despite this, they failed to cooperate and subsequently a complaint was uploaded in the CM portal on 03.11.2024, alleging, therein, that the signatures appearing on the "No Objection Certificate" are forged and subsequently on 11.11.2024, the concerned authority acknowledged the necessity of inquiry into the allegations. He submits that the District Magistrate, also conducted a detail inquiry into the allegations, wherein, the statement of the several persons, including the co-tenure holders were recorded on 06.01.2025, and in their statement, they categorically denied about execution of the affidavits and issuance of "No Objection Certificate".

32. He further submits that the inquiry report specifically noted serious discrepancy in the signatures on an affidavit, "No Objection Certificate" as well as other documents submitted during the proceeding of Section 154 of UPZA & LR Act, and subsequently the District Magistrate cancelled the permission by order dated 28.02.2025. He further submits that the impugned FIR is the culmination of long chain of complaints and inquiry, and therefore, the impugned FIR at this stage when the investigation is going on cannot be quashed.

33. He further submits that admittedly the petitioners belong to the different State, therefore, it is mandatory upon them to get the permission from the Government however in order to secure permission from the Government, the signatures of the informant and other co-tenure holders were forged which prima facie constitute an offence. He submits that the impugned FIR discloses the cognizable offence and as such cannot be quashed.

34. He further submits that the FIR is supported by the complaint of co-tenure holders and on the inquiry of revenue officials. He further submits that the petitioners have attempted to portray that the impugned FIR is counter blast to the proceedings initiated by them and the said contentions are wholly misconceived. He also submits that the investigation is at a crucial stage and scientific evidence is yet to be collected and while granting interim protection to the petitioners vide order dated 30.05.2026, the petitioners were directed to cooperate with the ongoing investigation, therefore, on this account also, the FIR cannot be quashed. He further submits that the petitioners have not cooperated with the investigation and the disputed question of fact cannot be examined in a petition, wherein, a relief was sought for quashing of the FIR and it is settled principle of law that while exercising jurisdiction for quashing of the criminal proceedings, the Court is not expected to conduct a mini trial or written finding on disputed factual aspects. He further submits that the petitioners have not disclose about the criminal antecedents of one case bearing FIR No.244 of 2026, registered at Police Station DLF Gurugram, and is also is an accused in another FIR lodged at Noida.

35. Learned counsel for the respondent/complainant placed reliance to the judgment of the Hon'ble Apex Court in the case of

“Zeba Khan Vs. State of U.P. and others” reported in 2026 SCC Online SC 188 and “Sharla Bazliel Vs. Baldev Thakur and others”, reported in 2026 SCC Online SC 396, as well as the decision of the Hon’ble Apex Court in the case of “Neeharika Infrastructure (P) Ltd. Vs. State of Maharashtra”.

C. Submission on behalf of State.

36. Mr. Himanshu Sain, learned AGA for the State submits that the investigation is going on in reference to the impugned FIR, however, he submits that while registration of the impugned FIR the complainant have not disclosed about pending civil suits.

D. Analysis & Conclusion

37. Having heard the learned counsel for the respective parties at length and perused the material placed on record.

38. The genesis of the dispute in between the parties admittedly arises from a civil transaction pursuant to an agreement to sell dated 05.04.2023, against which the petitioners paid a substantial amount towards sale consideration amounting to Rs.3.39 crore, and there is no denial from the informant to this effect however, despite receiving the full sale consideration in terms of two agreement to sell, the informant failed to execute the sale deed within the stipulated time frame. Consequently, the petitioners approached to the competent civil court by way of two suits bearing Civil Suit No.09 of 2024, “Vaibhav Agrawal Vs. Sanjay Singh Rawat and another” and Civil Suit No.10 of 2024, “Shivani Agrawal Vs. Sanjay Singh Rawat and another” wherein, the informant and his wife are arrayed as a defendants and the civil court grants temporary injunction order in favour of the petitioners on 20.02.2024, restraining defendants from creating

any third party interest over the property in question, which continues to be in operation.

39. Furthermore, the petitioners had previously lodged a First Information Report on 13.06.2024 bearing FIR No.0040 of 2024, wherein, on culminating of the investigation, the informant and his wife were chargesheeted for the offences punishable under Sections 406 and 420 of IPC on 04.09.2024, and the informant preferred criminal writ petition No. 879 of 2024 challenging the FIR dated 13.06.2024 bearing FIR No.0040 of 2024, which was dismissed as infructuous on 19.03.2025 since the chargesheet was filed and admittedly on the very next day, the informant lodged the impugned FIR on 20.03.2025 bearing FIR No.0011 of 2025 at P.S. Laxmanjhula, District Pauri Garhwal implicating both the petitioners, which itself reveals that subsequent criminal machinery was set in motion by the informant by lodging the impugned FIR against the petitioners as a retaliatory measure, cloaking a fundamental civil dispute into a criminal due to wreak private vengeance.

40. There is no dispute that the petitioners filed civil suits, wherein, the injunction order is granted, which continues to be in operation and furthermore there is no dispute that an amount of Rs.3.39 crore was paid to the respondent, and the complainant and his wife have also been chargesheeted in the FIR lodged by the petitioners, but interestingly there is no whisper in the written submissions in this regard. Thus, the admitted position is that the respondent/complainant lodged the impugned FIR in counter blast to the civil remedies as availed by the petitioners as well as the counter blast to the FIR lodged by the petitioners.

41. As it reveals from the contents of the FIR, the primary allegations in the impugned FIR is that the petitioners forged the

informant's signatures to procure permission from the District Magistrate, which in fact is a mandatory requirement in terms of **Section 154 of Zamindari Abolition & Land Reforms Act** for the buyer residing outside the State to purchase a land in the State of Uttarakhand. The record reveals that the permission was cancelled by the Collector/District Magistrate since within the statutory period of 180 days no sale deed was executed and the reason as pointed by the learned counsel for the petitioners that despite full and final payment towards sale consideration, the informant never turned up to execute the sale deed nor refund the amount. The record further reveals that the Collector cancelled the permission by operation of law and due to the non fulfillment of the statutory requirement, therefore, after perusing the record it reveals that no useful benefit was derived by the petitioners nor did any wrongful loss occurred to the informant out of the alleged forged NOC and neither there is any dishonest or fraudulent intention of the petitioners at inception since the huge amount of Rs.3.39 crore was paid by the petitioners to the informant/respondent no.3, which has not been denied by the informant.

42. On the other side, the informant's contentions that the petitioners failed to disclose their criminal antecedents has no relevance to the issue in hand particularly when the petitioners are challenging a particular FIR. Furthermore, the informant place reliance heavily on the administrative inquiry pointing towards signatures discrepancies and such a finding of the administrative inquiry cannot override the gross abuse of process of law in lodging the impugned FIR, the informant has failed to give any plausible explanation as to why the petitioner nos.3, 4 and 5 were roped into the impugned FIR though they have no nexus with the transaction in between the parties, which itself reveals that an

attempt was made to over implicate the petitioner nos.3, 4 and 5, and this Court is not hesitating to draw a conclusion that all such an attempt has been made to exert undue coercive pressure upon the petitioners, which is nothing but the act in retaliation which appears to be in counter blast to the civil proceedings initiated by the petitioners by way of two civil suits as well as counter blast to the FIR lodged by the petitioners, wherein, on culmination of investigation the informant and his wife has been chargesheeted and such an attempt appears to be an abuse of process of law, particularly when, on the very next day of dismissal of informant's petition, the impugned FIR has been lodged.

43. The Hon'ble Apex Court has consistently deprecated the practice growing tendency of converting purely civil and commercial dispute into a criminal offence. In the landmark decision in the case of **"State of Haryana Vs. Bhajan Lal", 1992 Supp. (1) SCC 335**, the Hon'ble Apex Court carved out specific categories where the High Court must invoke its inherent power to quash the proceedings to prevent the abuse of process of law and the present case falls squarely within the Category (7), which reads as under:-

"Where a criminal proceeding is manifestly attended with malafide and/or where the proceeding is maliciously instituted with an ulterior motive for wreaking vengeance on the accused and with a view to spite him due to private and personal grudge."

44. In the present case interestingly the informant harping upon the NOC alleged to be forged in order to procure permission from the District Magistrate which was subsequently cancelled by the Collector and also harping upon the criminal antecedents of the petitioners, but surprisingly there is no

whisper about the huge amount which he has received from the petitioners. Sequence of events clearly demonstrates that the petitioners were victimized by the informant by lodging the impugned FIR that too after the institution of the civil suits by the petitioners in the year 2024, wherein, the temporary injunction order was granted restraining the informant from creating any third party interest and also after lodging the FIR lodged by the petitioners, wherein, the informant and his wife have been chargesheeted much prior to lodging of the impugned FIR. Thus, this Court is of the view that registration of the impugned FIR is gross abuse of process of law and appears to be a glaring example of malicious prosecution initiated solely to neutralize the pending civil suits as well as the previous chargesheet pending against the informant.

45. Thus chronology of events clearly reveals that the Respondent lodged subsequent FIR only after being chargesheeted in the petitioner's prior FIR, and after being restrained in the parallel civil proceedings. To allow such an investigation to continue based on allegations that are entirely vague, non-specific and lacking the basic ingredients of a cognizable offence, would amount to a gross abuse of the judicial process. The machinery of criminal law cannot be used as a tool for harassment or as a weapon to settle civil disputes.

46. Even otherwise, order of District Magistrate/Collector dated 28.02.2025 reveals that the permission was cancelled only on a procedural ground since the sale deed was not executed within the stipulated time frame which itself falsifies the Respondent's allegation in the impugned FIR that the petitioner forged the signature in order to fraudently to procure permission.

47. The record establishes that the petitioner paid Rs.3.39 crore to the Respondent. The delay in execution of sale deed was entirely attributable to the Respondent, who failed to turn up for the execution of the sale deed despite receiving huge amount towards sale consideration that too after due permission in terms of Section 154 of UPZA & LR Act as prevailing in the State of Uttarakhand which was communicated by the informant himself to the petitioners through Whatsapp. The petitioners cannot be held responsible for a procedural lapse forced upon them by the Respondent's own default.

48. Admittedly the competent authority cancelled the permission solely due to the expiration of stipulated period and not on any finding or allegation of fraud or forgery and as well as the very substance of the impugned FIR is completely demolished. The criminal allegation of forgery are a plain fabrication, engineered to give a fraudulent criminal colour to a civil breach committed by the Respondent themselves. The judgment as relied upon by the respondent/informant has no application to the facts of the case in hand.

49. Consequently, applying the settled principles laid down by the Hon'ble Supreme Court in the case of **"State of Haryana Vs. Bhajan Lal"** (Supra), which still hold a good law, this Court is of the firm opinion that the interest of justice demands the invocation of it's inherent powers to prevent further miscarriage of justice.

50. Accordingly, the instant criminal writ petition is allowed. The impugned FIR dated 20.03.2025, bearing FIR No.0011 of 2025, registered at Police Station Laxmanjhula, District Pauri Garhwal, and all the consequential proceedings arising out of it is hereby quashed.

51. It is made clear that the observations made herein shall have no bearing on the pending civil suits between the parties, and the concerned Civil Court is free to proceed with the civil suits without being influenced with the observations as above.

52. All pending applications are closed. No order as to costs.

(Rakesh Thapliyal, J.)

17.07.2026
NR