



In the High Court of Punjab and Haryana, at Chandigarh

Criminal Misc. No. M-1540 of 2024

Date of Decision: 12.03.2026

M/s Jayant Traders

... Petitioner(s)

Versus

State of Haryana and Another

... Respondent(s)

CORAM: Hon'ble Mr. Justice Surya Partap Singh.

Present: Mr. G.C.Shahpuri, Advocate
for the petitioner(s).

Mr. Ramender Singh Chauhan, Assistant Advocate General,
Haryana, for the respondent No.1.

Mr. Sachin Gupta, Advocate
for respondent No.2.

Surya Partap Singh, J.

1. The petitioner is facing prosecution, vide FIR No. 20 dated 19.02.2017 for the commission of offence punishable under Sections 120-B, 406, 409, 420, 467, 468 and 471 of 'the Indian Penal Code, 1860', hereinafter being referred to as "IPC" only, Police Station Jathlana, District Yamuna Nagar, Haryana. The extraordinary jurisdiction of this Court vested by virtue of Section 482 of 'the Code of Criminal Procedure, 1973' has been invoked by the petitioner for the quashing of above-mentioned FIR, and all the subsequent proceedings arising therefrom.

2. In nut-shell, the facts emerging from the record are that the FIR of this case came into being on the complaint of 'Kehar Singh', Chairman

“complainant” only. It was alleged by the above named complainant that in March 2012 he received a complaint with regard to disbursement of loan by the officials of his bank in illegal manner. As per above named complainant, in response to above-mentioned complaint he inspected the branches and came to know about the disbursement of loan to ineligible persons by the bank officials in violation of instructions, in illegal manner. According to complainant, to dig out the truth an Inquiry Committee was constituted. The complainant further alleged that the Inquiry Officers reported that they had found the involvement of Manager ‘Ashwani Sharma’, Manager ‘Puran Chand’, N.F.F. Incharge ‘Krishan Kumar’ and CEO ‘Lokesh Dutt’ in the commission of above-mentioned act, which amounts to commission of an offence.

3. It is the case of the prosecution that in view of above-mentioned complaint, formal FIR of this case was lodged and the investigation taken up.

4. As per prosecution during the course of investigation it was found that a loan was disbursed to the petitioner also in the similar fashion and therefore, instant FIR has been lodged against the petitioner.

5. Reply to the petition has already been filed by the State.

6. Heard.

7. It has been contended by learned counsel for the petitioner that instant case is a case, wherein no loss has been caused to the bank as the entire loan has been repaid by the petitioner to the bank and in that regard the ‘No Due Certificate’ has already been issued by the bank. According to learned counsel for the petitioner there is nothing on record to show that any

fake document was created by the petitioner in order to avail the loan facility from the bank, and therefore, no case against the petitioner is made out.

8. In addition to above, learned counsel for the petitioner has also referred to the order dated 27.07.2023 passed by this Court in the case of “Ms Vansh Shattering and Cement Store through its Proprietor Sukhbir Singh v. State of Haryana and Another” [Criminal Misc. No. M-52078-2018 decided on 21.07.2023] wherein the FIR, which was containing similar allegations has been quashed by this Court.

9. It has also been contended by learned counsel for the petitioner that the departmental proceedings were initiated against the bank officials, and that the bank officers have already been exonerated by the appropriate authority. As per learned counsel for the petitioner, once the bank officials have been found to be not guilty by the departmental authorities, no case against the petitioner is made out.

10. *Per contra* the learned State counsel has contended that there are serious allegations against the petitioner with regard to creation of sham firms for the purpose of availing loan facility. According to learned State counsel only after trial it can be adjudged as to whether any offence has been committed by the petitioner or not. While claiming that no ground for quashing of FIR is made out, the learned State counsel has sought for dismissal of present petition.

11. However, the learned State counsel has not controverted the contention of learned counsel for the petitioner that the entire loan has been repaid by the petitioner.

12. The record has been perused carefully.

13. A perusal of the record shows that all the loans which were availed by the loanees involved in the present cases, stood paid before the registration of the FIR. Therefore, no monetary loss can be alleged by the respondent-Bank. Even the departmental enquiries against the bank officials, who sanctioned the loan, stands concluded in favour of the bank officials.

14. Furthermore, with regard to above-mentioned loan transactions a committee was constituted by the Registrar, Cooperative Societies, Haryana, to hold an inquiry. During that inquiry, the above-mentioned committee, too, found that no serious irregularity was committed by any employee in sanctioning the loan, and that the recovery of the entire amount had already been effected.

15. If the factual matrix of the present case is analysed, it transpires that either of the situations, which have cropped up in the present case, show that firstly, no loss has been caused to the bank and secondly, even the employees who sanctioned the loan have not been found guilty for any irregularity. Thus, it is apparent that in the present case even if the allegations contained in the FIR are accepted to be true no case is made out, as the *mens rea* is missing. In this regard, the principles of law laid down by the Hon'ble Supreme Court of India in the case of "Nathulal v. State of M.P." AIR 1966 Supreme Court 43 are relevant which prescribes that *mens rea* is essential ingredient of criminal offence.

16. In view of above-mentioned factual matrix of the case, it would be in the interest of justice if the alleged criminal aspect involved in the matter is *lent quietus* by quashing the FIR in question.

17. As a sequel to the above-mentioned observations, the present petition is hereby **allowed**. The FIR No. 20 dated 19.02.2017, for the commission of offence punishable under Sections 120-B, 406, 409, 420, 467, 468 and 471 of IPC Police Station Jathlana, District Yamuna Nagar, Haryana and all the consequential proceedings arising therefrom, are hereby ordered to be quashed qua the petitioner.

(Surya Partap Singh)
Judge

March 12, 2026
“DK”

Whether speaking/reasoned :Yes/No

Whether reportable : Yes/No