

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

2026.PHHC.077614



286

CRM-M-5658-2024 (O&M)
Date of decision : 18.05.2026

Vikas Choda ...Petitioner
Versus
State of Punjab and another ...Respondents

CORAM: HON'BLE MRS. JUSTICE MANISHA BATRA

Present: Mr. Amit Kumar Walia, Advocate
for the petitioner.

Mr. Durgesh Garg, AAG, Punjab.

Mr. Vivek Kumar Thakur, Advocate
for respondent No. 2.

MANISHA BATRA, J. (Oral)

1. The instant one is the third petition that has been filed under Section 482 Cr.P.C. (*which corresponds to Section 528 of BNSS, 2023*) for quashing of FIR No. 48 dated 16.04.2021, registered under Section 420 of IPC at Police Station Adampur, District Jalandhar (Rural) and all consequential proceedings arising therefrom.
2. Brief facts relevant for the purpose of disposal of this petition are that the aforementioned FIR was registered on a written complaint submitted by respondent No.2/complainant Ravinder Kumar alleging therein that he and his father were engaged in the business of trading of potato seeds under the name and style of Shri Hari Firm and were supplying potato seeds

to various traders. The petitioner had been purchasing potato seeds from the complainant for the last about 5-6 years and during the period from 2015 to 2018, he purchased potato seeds and potato ration worth approximately Rs.32,11,772/- from the complainant on the assurance that payment would be made regularly. It was further alleged that despite repeated demands, the petitioner failed to clear the outstanding amount and initially issued certain cheques amounting to approximately Rs.16,05,886/- in the presence of respectable persons. However, when the cheques were presented for encashment, the bank informed the complainant that the said cheques pertained to a savings account from which such amount could not be withdrawn. Thereafter, the petitioner took back the original cheques on the assurance that payment would be made in cash, but no payment was made. Thereafter, the petitioner issued another set of six cheques drawn on Axis Bank towards the remaining liability, but the said cheques were also dishonoured as the concerned account had already been closed. It was alleged that the petitioner intentionally induced the complainant to continue supplying goods and dishonestly issued false and invalid cheques from time to time with an intention to cheat the complainant and misappropriate the amount. On the basis of these allegations, the aforementioned FIR was registered and investigation proceedings were initiated.

3. During the course of investigation, the matter was amicably settled between the petitioner and respondent No.2 by way of compromise dated 20.10.2022, whereby the dispute was resolved for a total settled amount of Rs.28.00 lakhs. Pursuant thereto, the petitioner paid the entire settled

amount to respondent No.2 through bank transfers and respondent No.2 also acknowledged the compromise before the learned Additional Sessions Judge, Jalandhar when the petitioner was granted concession of anticipatory bail on the ground of said compromise. Respondent No.2 had filed a suit for recovery of an amount of Rs.32,11,172/- but the same was withdrawn by him in view of the said compromise. Thereafter, the petitioner filed a petition bearing **CRM-M-9178-2023** seeking quashing of the FIR on the basis of compromise, however, the same was withdrawn with liberty to file a fresh petition. Subsequently, a second petition bearing **CRM-M-20977-2023** was filed and this Court directed the parties to appear before the Illaqua Magistrate for recording of statements regarding the compromise but at that stage respondent No.2 stepped back from the compromise despite admitting receipt of the settled amount and consequently, the said petition was also withdrawn with liberty to file afresh seeking quashing of the FIR on merits. Hence, the present petition. Vide order dated 05.02.2024, while issuing notice of motion, further proceedings before the learned trial Court were stayed.

4. Learned counsel for the petitioner has argued that he has been falsely implicated in this case/FIR, which came to be registered at the instance of respondent No.2 alleging cheating in respect of business transactions relating to potato seeds between the parties. The dispute was purely commercial and civil in nature arising out of monetary transactions between the parties. During the course of investigation, with the intervention of respectable persons and relatives, a compromise dated 20.10.2022 was

arrived at between the parties whereby the entire dispute was amicably resolved. As per the terms of the compromise, the matter was settled for a sum of Rs.28 lakhs, out of which Rs.25.00 lakhs was paid on the date of execution of compromise itself through bank transfer and the remaining amount of Rs.3 lakhs was also subsequently paid within the stipulated period through banking channels. Learned counsel has referred to the compromise deed as well as the bank account statements to contend that the petitioner has already discharged his entire liability towards respondent No.2 and nothing remains due against him.

5. It is further argued by learned counsel for the petitioner that that respondent No.2 had acknowledged the compromise before the learned Additional Sessions Judge, Jalandhar in anticipatory bail proceedings arising out of the present FIR and did not oppose the grant of anticipatory bail to the petitioner, vide orders dated 21.10.2022 and 15.11.2022 passed by the learned Additional Sessions Judge, Jalandhar, wherein the factum of compromise was duly noticed by the Court. Respondent No.2 had also instituted a civil suit for recovery against the petitioner, however, the same was withdrawn on the basis of the aforesaid compromise. It is contended that respondent No.2 made a statement before the Civil Court that the matter had been compromised and consequently, the suit was dismissed as withdrawn by the National Lok Adalat. Previous petitions for quashing of the FIR were filed before this Court but the same were withdrawn with liberty to file fresh petitions. Learned counsel submits that during the proceedings for verification of compromise, respondent No.2 stepped back from the

compromise despite admitting receipt of the entire settled amount of Rs.28 lakhs and raised a fresh dispute regarding alleged interest liability. It is contended that the conduct of respondent No.2 is dishonest and mala fide as he had earlier accepted the compromise before different Courts and withdrawn the civil proceedings on the basis thereof, but later resiled from his statement only to harass the petitioner.

6. It is also argued that since the petitioner has already fulfilled all obligations under the compromise and paid the settled amount in entirety, continuation of the criminal proceedings would amount to abuse of the process of law. It is, thus, argued that the petition deserves to be allowed and the impugned FIR along with all the subsequent proceedings arising therefrom deserves to be quashed.

7. Reply has been filed by the respondent-State. Learned State counsel has not disputed the factual assertions.

8. Learned counsel for respondent No.2 has argued that the petitioner had cheated respondent No.2 by issuing false and dishonoured cheques despite receiving potato seeds worth substantial amount. It is further argued that although a compromise was effected between the parties and the petitioner had paid part of the settled amount but he had also agreed to pay interest and other outstanding dues to respondent No.2, but failed to honour the said commitment. Therefore, it is contended that the petitioner had not complied with the complete terms of the compromise and as such, the present FIR disclosing commission of offence under Section 420 IPC was not liable to be quashed either on the basis of compromise or on merits.

9. This Court has heard the rival submissions.

10. At the outset, it will be profitable to look into the scope and ambit of the Court's power under Section 482 Cr.P.C. (*which is pari materia with Section 528 of Bharatiya Nagarik Suraksha Sanhita, 2023*) as spelt out in several judicial pronouncements of Hon'ble Supreme Court as well as different High Courts. The well settled proposition of law is that in exercise of inherent powers under Section 482 Cr.P.C., the High Court is not expected to analyze all the facts, which are to be placed before the High Court. The power conferred under this section is very specific. To secure the ends of justice, to prevent the abuse of process of Court or to make any such orders as may be necessary to give effect to any order under the Code, such power can be exercised to prevent abuse of process of Court. The Hon'ble Supreme Court has drawn up some guidelines in some categories of cases by way of illustration to circumscribe the exercise of inherent power under Section 482 of Cr.P.C. to prevent abuse of process of any Court or to secure the ends of the justice or to give effect to an order of the Court. A celebrated pronouncement on this point is the case cited as ***State of Haryana v. Bhajan Lal : 1992 SUPP (1) SCC 335***, wherein Hon'ble Supreme Court has discussed different categories of cases wherein the power under Section 482 Cr.P.C. could be exercised either to prevent abuse of process of law or otherwise to secure the ends of justice, while observing that it might not be possible to lay down any precise, clearly defined, sufficiently channelized, inflexible guidelines or rigid formulae and to give an exhaustive list or

myriad kind of cases where such powers should be exercised. The following principles have been culled out:-

“102 (1) Where the allegations made in the First Information Report or the complaint, even if they are taken at their face value and accepted in their entirety do not prima facie constitute any offence or make out a case against the accused;

(2) Where the allegations in the First Information Report and other materials, if any, accompanying the FIR do not disclose a cognizable offence, justifying an investigation by police officers under Section 156(1) of the Code except under an order of a Magistrate within the purview of Section 155(2) of the Code;

(3) Where the uncontroverted allegations made in the FIR or complaint and the evidence collected in support of the same do not disclose the commission of any offence and make out a case against the accused;

(4) Where the allegations in the FIR do not constitute a cognizable offence but constitute only a non-cognizable offence, no investigation is permitted by a police officer without an order of a Magistrate as contemplated under Section 155 (2) of the Code;

(5) Where the allegations made in the FIR or complaint are so absurd and inherently improbable on the basis of which no prudent person can ever reach a just conclusion that there is sufficient ground for proceeding against the accused;

(6) Where there is an express legal bar engrafted in any of the provisions of the Code or the concerned Act (under which a criminal proceeding is instituted) to the institution and continuance of the proceedings and/or where there is a specific provision in the Code or the concerned Act,

providing efficacious redress for the grievance of the aggrieved party;

(7) Where a criminal proceeding is manifestly attended with mala fide 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.”

11. The principles of law as laid down by Hon’ble Supreme Court in *Bhajan Lal*’s case (supra) have been followed in a catena of judgments. In *Paramjeet Batra v. State of Uttarakhand, (2013) 11 SCC 673*, it was observed by Hon’ble Supreme Court that although the inherent powers of a High Court under Section 482 of the Code should be exercised sparingly and only for the purpose of preventing abuse of process of any Court or otherwise to secure ends of justice, yet, the High Court must not hesitate in quashing such criminal proceedings, where essential ingredients of the offence are not made out. In *Randheer Singh v. State of Uttar Pradesh, (2021) 14 SCC 626*, it was observed by Hon’ble Supreme Court that criminal proceedings cannot be taken recourse to as a weapon of harassment.

12. Reference can further be made to *Gian Singh v. State of Punjab, (2012) 10 SCC 303*, wherein Hon’ble Supreme Court observed that the power of the High Court in quashing a criminal complaint or an FIR, in exercise of its inherent jurisdiction, is distinct and different from the power given to a criminal court for compounding the offences under [Section 320](#) of the Code. Inherent power is of wide plenitude with no statutory limitation but it has to be exercised in accordance with the guidelines engrafted in such power viz; (i) to secure the ends of justice or (ii) to prevent abuse of the

process of any Court. Reference can further be made to ***Narinder Singh and Ors. v. State of Punjab : (2014) 6 SCC 466***, wherein it was by Hon'ble Supreme Court that while exercising power under Section 482 of Cr.P.C., the High Court has to examine as to whether the possibility of conviction is remote and bleak and continuation of criminal case would put him into great oppression and prejudice and injustice would be caused to him by not quashing criminal case.

13. In ***Dhruvaram Murlidhar Sonar v. State of Maharashtra : 2019 (18) SCC 191***, Hon'ble Supreme Court, while reiterating the parameters as laid down in ***Bhajan Lal***'s case (supra), had observed that for quashing of the proceedings, meticulous analysis of factum of taking cognizance of an offence by the Magistrate was not called for. Appreciation of evidence was also not permissible in exercise of inherent powers. If the allegations set out in the complaint did not constitute the offence of which cognizance has been taken, it is open to the High Court to quash the same in exercise of its inherent powers.

14. In ***Neeharika Infrastructure v. State of Maharashtra : 2021 SCC OnLine SC 315***, the Apex Court observed that the Courts ought to be cautious in exercising powers under Section 482 of Cr.P.C. They do have power to quash. The test is whether or not the allegations in the FIR disclose the commission of a cognizable offence? The merits of the allegations are not to be entered into nor the power of the investigating agency to investigate into allegations involving the commission of a cognizable offence is to be trenched upon.

15. On applying the ratio of law as discussed above and after hearing learned counsel for the parties and going through the material available on record, this Court finds that the dispute between the parties arises out of commercial transactions pertaining to supply of potato seeds. The allegations in the FIR essentially revolve around non-payment of outstanding amounts arising from business dealings between the parties. It is not disputed that during the course of investigation, the matter was amicably settled between the petitioner and respondent No.2 vide compromise dated 20.10.2022 for a total settled amount of Rs.28 lakhs and the said amount admittedly stands paid by the petitioner through banking channels. It has further come on record that respondent No.2 not only accepted the settled amount but also acted upon the compromise before various forums. Respondent No.2 acknowledged the compromise before the learned Additional Sessions Judge, Jalandhar in anticipatory bail proceedings and did not oppose the grant of anticipatory bail to the petitioner. Even the civil suit instituted by respondent No.2 for recovery of amount was withdrawn on the basis of the said compromise. Thus, respondent No.2 consciously derived benefits flowing from the settlement and permitted the petitioner to alter his position on the basis thereof.

16. The objection now sought to be raised by respondent No.2 regarding alleged liability towards interest does not persuade this Court to permit continuation of criminal proceedings. Once respondent No.2 had accepted the entire settled amount and acted upon the compromise before competent Courts, he could not have been permitted to approbate and

reprobate simultaneously. The conduct of respondent No.2 in resiling from the compromise at a subsequent stage, despite having enjoyed benefits thereunder, appears to be wholly unjustified and contrary to settled principles of law. Merely because respondent No.2 has subsequently chosen to resile from the compromise after deriving benefits thereunder, the continuation of criminal proceedings would amount to abuse of the process of law.

17. At this stage, it would be apposite to refer to the judgment of the Hon'ble Supreme Court in ***Ruchi Agarwal v. Amit Kumar Agrawal and others, (2005) 3 Supreme Court Cases 299***, wherein it was held that once a party has acted upon the compromise and derived benefits therefrom, such party cannot subsequently back out and continue criminal proceedings only to harass the opposite side. The Hon'ble Supreme Court further observed that continuation of criminal proceedings in such circumstances would amount to misuse of the process of the Court. Reliance can also be placed upon the judgment of the Hon'ble Supreme Court in ***Mohd. Shamim and others v. Smt. Nahid Begum and another, AIR 2005 SC 757***, wherein while relying upon ***Ruchi Agarwal's case (supra)***, it was held that once the complainant had entered into a settlement and accepted the benefits flowing therefrom, continuation of criminal proceedings would be nothing but abuse of the process of law.

18. Reliance can also be placed upon the judgment of this Court rendered in ***Ram Lal and others v. State of Haryana and another, 2008(2) RCR (Criminal) 823***, wherein while relying upon the aforesaid judgments of the Hon'ble Supreme Court, it was held that where the parties had entered

into a compromise and the complainant had received the settled amount but later backed out from the settlement, continuation of criminal proceedings would amount to abuse of the process of Court and the FIR was liable to be quashed. Similarly, this Court in ***Nishan Singh v. State of Punjab and another, CRM-M-36879 of 2016 decided on 10.08.2018***, has held that where the complainant had admitted the compromise and accepted the agreed amount but subsequently failed to support the compromise, the pendency of criminal proceedings would amount to abuse of process of law and the FIR deserved to be quashed. Similar view has been taken by this Court in ***Sandip Somany Vs. State of Haryana and another, CRM-M-8431 of 2014 decided on 23.02.2016***, wherein despite allegations under Sections 406, 420, 467, 468, 471 and 120-B IPC, the FIR was quashed after noticing that the complainant had already received the entire settled amount under the Memorandum of Understanding and thereafter attempted to resile from the compromise.

19. In the present case also, respondent No.2 admittedly received the settled amount from the petitioner pursuant to compromise dated 20.10.2022 and had acted upon the same by acknowledging the compromise before the learned Additional Sessions Judge as well as by withdrawing the civil suit. Once respondent No.2 had derived benefits under the compromise, he could not have been permitted to approbate and reprobate simultaneously by subsequently resiling from the settlement and insisting upon continuation of criminal proceedings. Continuation of the present FIR and consequential proceedings, therefore, would amount to sheer abuse of the process of law and would not serve any useful purpose. Hence, in view of the discussion

made above, this Court is of the considered opinion that this is a fit case for exercise of inherent powers by this Court. Accordingly, in order to secure the ends of justice and to prevent abuse of the process of Court, the present petition is allowed and FIR No.48 dated 16.04.2021 registered under Section 420 of IPC at Police Station Adampur, District Jalandhar (Rural) and all consequential proceedings arising therefrom are hereby quashed qua the petitioner.

(MANISHA BATRA)
JUDGE

18.05.2026
Waseem R. Ansari

<i>Whether speaking/ reasoned</i>	:	<i>Yes / No</i>
<i>Whether reportable</i>	:	<i>Yes / No</i>