



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

251

CRM-M-55033-2025
Date of decision: 06.02.2026

SACHIN SANGAL & ANOTHERPetitioners

VERSUS

STATE OF UT CHANDIGARH & ANOTHERRespondents

CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

Present: - Mr. Chetan Kumar, Advocate for
Mr. Mandeep Singh, Advocate
for the petitioners.

Mr. Aarav Gupta, Additional Public Prosecutor,
for respondent No.1-U.T. Chandigarh.

None for respondent No.2.

VINOD S. BHARDWAJ, J. (Oral)

1. Prayer in the present petition under Section 528 of the Bharatiya
Nagarik Suraksha Sanhita, 2023 is for quashing of FIR No.80 dated
06.12.2023 registered under Sections 420 and 120-B of the Indian Penal Code,
1860 at Police Station Sector-49, Chandigarh along with all consequential
proceedings arising therefrom on the basis of compromise dated 14.08.2025
(Annexure P-4).

2. The present FIR was registered on the statement of Rajinder
Kumar Sharma son of late Sh. P.N. Vashisht, the same reads as under:-

“.....that I am resident of Flat No. 2417, BSNL

Society, Sector 50, Chandigarh. I have a business of trading in compressor parts at Baddi. The above-mentioned accused No.1 Sachin Sangal had an institute in the name of Nimit at Doon Metro Mall Sai Road Baddi Near Vishal Mega Mart, Baddi, H.P. I had known him & his father i.e. accused no.2 for the last 10 years. In the month of August & September 2018, the accused no.1 along with his father i.e. accused no.2 had come to meet me at my residence and informed me that accused no.1 is the Managing Director of the company Xcentric Learning Edge Pvt. Ltd. The accused no. 1 & 2 had further informed that their company is in the business of providing workforce of skilled candidates to various Big pharmaceutical industries like Cipla, Sun Pharmaceutical industries Ltd., Torrent Pharma, Zydus Cadila, Mankind, Aurobindo etc. They further informed that their company have corporate tie-up with these companies. The accused no.1 & 2 also supplied me the brochure of their company in which it is clearly mentioned that company is having corporate tie-ups for placement of students with various big pharmaceutical companies. Copy of Brochure is attached herewith. Both the accused requested me that they require money for the expansion of the business of the company. In order to convince me about the scheme, the accused No. 1 constantly had been visiting me at my residence in the month of August and September 2018. The accused No.1 would come to my residence along with a large pile of catalogues, papers and magazines in order to convince me about the viability and growth prospects of his company. On 2/3 occasions, the accused No.2 also assured me that he and his son i.e. accused no.1 had already setup a huge company and many students due to placement given by his company have been benefited from it. These assurances since were coming from the mouth of an old person i.e. accused no. 2 have convinced me about their scheme and I could not see the malicious motive of cheating me. The accused No.1 & 2 have informed me that the company being run in the name of the

accused no.1 was conducting a big exhibition at Amity University at Noida for promotion of business of company. They both convinced me that their company is a very profitable company and further it has good future. They induced me to make the payments through RTGS directly to Indian Pharma Congress Association (IPCA), the company which was conducting the exhibition. This exhibition was being conducted at Amity University in Noida. Believing their inducement, I had transferred sum of Rs. 10.00 lacs directly to the account of IPCA through NEFT from my account no.117810014100 with Dena Bank Branch Baddi on 18.09.2018 on behalf of company of accused no. 1. Copy of my account statement is attached herewith. The accused No.1 and 2 had again approached me and requested me for further expanding the business of company being run by accused No. 1, the accused No.1 further require the sum of Rs. 12.00 lacs and further requested me to give Rs. 12.00 lacs more. I had transferred a sum of Rs. 1.00 lacs on 29.10.2018 from my bank account no.620210110001928 of Bank of India Branch Sector 32 Chandigarh, another sum of Rs. 40,000/ on 05.11.2018 from account no.620210310000128 of Bank of India Branch Sector 32 Chandigarh of my wife i.e. Smt. Seema Sharma, another amount of Rs.4.00 lacs on 15.11.2018 from account of my friend i.e. Sh. Rajesh Sharma of the Indusind Bank Sector 35 Chandigarh to the bank account no. 1 at Axis Bank Branch Sai Road Baddi. Copy of account 3 statement of me, my wife is attached herewith. He further assured me that he will return back the earlier payment of Rs. 10.00 lacs transferred to IPCA by me for the exhibition of the company of accused No. 1, sum of Rs.5.40 lacs transferred by me in the account of accused No. 1 and further assured me that he will also return back the payment of Rs. 1.90 lacs along with good returns. The accused requested me that they require the further a sum of Rs. 1.90 lacs thus I had handed over sum of Rs.1.90 lacs in cash to accused no.1 in November 2018 and in this manner, I had paid the total sum of

Rs. 17.30 lacs to accused No.1 & 2. Subsequently I had requested the accused no. 1 to return back my payment of Rs. 17.30 lacs, but he had informed me that at that time some bills of his company were pending for clearance with various pharmaceutical companies. Accused No. 1 insisted me that I should become Director of the company of the accused no.1 and after some time after the clearance of the fee bills from the various pharmaceutical companies, he will return back my payment of Rs.17.30 lacs along with good returns. There upon the accused no. 1 had informed me in November 2018 that he had made me a director in his company i.e. Xcentric Learning Edge Pvt Ltd and that he was carrying out the necessary procedures for issuance of shareholding in lieu of the money brought in by me. The accused no.1 promised me that he will also issue me the shareholding of the company The accused no.1 took me to the ICICI bank branch at Ghaziabad in November 2018 and opened bank account of the company. The accused no.1 told me that the account could be operated by me or by him. He further assured me that he would settle the account of company after opening account of company, he would issue me the shares for all this money that I had given. I asked the accused no.1 to provide me with the necessary details required for operating the account. However, the accused no.1 did not give me any details and told me that because he understood the business better, therefore it would be the only who would have the necessary passwords and powers to operate the account. Due to this I had no access to the accounts even though my signatures were used for its opening. All through, the account was operated by the accused no.1 only and I was never even given any access to its statements. The accused no.1 had taken my signature on blank cheques of the company and kept it with him only by telling me that it was necessary to facilitate the business. The accused No. 1 & 2 again demanded the payment of Rs.30.00 Lacs from me required for their company. The accused no.2 in his own writing had informed

me that 174 students from different colleges i.e. Gyatri College of Pharmacy. Sambhalpur University, the Pharmacy Institute, Vikas Group of College had already joined their company for training. Copy of calculation given by the accused no.2 in his own writing is attached herewith. The accused no.2 had again requested me that company of accused no.1 had required more payment in order to expand the business. I had informed the accused no. 1 & 2 that I had already invested huge amount of payment on their inducement and now I had no money left. The accused no. 1 & 2 started inquiring about my Residential property and further induced me to obtain the loan against my residential Flat no.2417 Sector 50-C Chandigarh. On their inducement I had visited the bank for the loan facility, but bank had Informed that since there was no title deed executed for my flat, therefore they cannot grant me loan facility. I informed the same to the accused no. 1 & 2. The accused no.1 & 2 had transferred a sum of Rs.2.00 Lacs from the account of Smt. Sudha Sangal wife of accused no.2 and mother of accused no.1 with HDFC Bank to my account with the Kotak Mahindra Sector 44 Chandigarh on 16.01.2019. Copy of account statement is attached herewith. From that amount I had executed conveyance deed 17.01.2019 of my flat and get it registered with the Sub Registrar at Chandigarh. Copy of conveyance deed is attached herewith. The expenses of Rs.1.55 Lakhs incurred in the registry process of my flat. After that I had availed the loan facility of Rs. 18.00 lacs from the Bank of India Branch Sector 32 Chandigarh by mortgaging my above flat. There upon believing upon assurances and the projections which the accused no. 1 & 2 had given me, I had further transferred an amount of Rs.21.75 lacs from my account no.620229010000026 with Bank of India Branch Sector 32 Chandigarh and account No.6212720460 with the Kotak Mahindra Bank branch Sector 44, Chandigarh into the current accounts of the company with bank ICICI Bank branch Mahivadinpur, Ghaziabad between 31.01.2019 to 12.06.2019.

Copy of the account statement is attached herewith as Annexure. The accused No. 1 & 2 had again requested me that the accused no. 1 require the sum of Rs.4.00 lacs immediately due to some urgent work. On their assurance, I had transferred a sum of Rs.4.00 lacs on 08.02.2019 from my account no.620229010000026 with Bank of India Branch Sector 32 Chandigarh to the personal account of accused No.1 with the Axis Bank Branch Baddi. However, my doubts started rising when, even after making me a director in the company, the accused no.1 did not provide me any information about the working of the company and kept on putting things to a future date. Every time I had talked to accused no.1, he told me that the company had reached great milestones and had opened the branches in Kolkata, District Sambhalpur, Odisha, Bhubneshwar and Cuttak. I kept believing accused no.1 and for a few months did not ask for details believing that he was investing money in the company and expanding it at a very rapid pace. During this time period I had asked accused no.1 about the accounting details a number of times and also about the utilization of the money and the profits generated, but the accused No.1 kept putting off the matter on one pretext or the other. After a few months, in July 2019, I started smelling doubts about Sachin Sangal and started enquiring about his entire scheme. Till July 2019, I had not been given any shares in the company and I had not been told anything about the working of the company or its scheme. Thereafter I had contacted a few professionals who dug out the data of the company being run by accused no.1 i.e. Sh. Sachin Sangal. From this data I came to know that I had been made a director in the company, but I had not been given any shareholding. It further came to my knowledge that accused Sachin Sangal had issued share capital of Rs. 10.00 lacs only whereas he had made me invest more than Rs.50.00 lacs in his project, without even issuing any shareholding to me. Subsequently I pressurized the accused no. 1 to provide me with

the details of the company. but he did not respond at all and kept evading my enquiries. The accused No. 1 had handed over me cheques. I had presented the Cheque No. 51340 dated 15.08.2019 for Rs.9.40 Lacs drawn on IDBI Bank issued in my favour issued on account of partial return of money which I had advanced to accused no 1 as personal loan. The said cheque was dishonoured on 21.08.2019 due to reason insufficient fund. I again had presented the said cheque in bank and again the same was dishonoured on 13.09.2019 due to same reason of insufficient fund. The accused no.1 had requested me to present it again, stating that due to financial problem, he could not arrange the required amount. I contacted accused no. 2 who bluntly said that he was not responsible for his son and that I should have invested money after checking all the facts and circumstances and he was not responsible if I had been cheated. When the accused No.2 refused to give any plausible answer, I had contacted accused No.1 and 2 again. When I insisted upon having the detail of money given by me and its use in the company, accused No.1 had flatly refused and even started threatening me and threatened me not to interfere or try to get in touch with him. Thereupon I myself went to the ICICI Bank branch Ghaziabad and gave them in writing that I should be given the information about the operations in the account. I was horrified to see that he had transferred more than a sum of Rs. 12.00 lacs from the company account to his own personal account. This is completely illegal and fraudulent misappropriation of my money by accused No.1. The said amount was transferred by accused no.1 in his personal account without any resolution and without the consent of directors. Copy of the account statement of the account of the company is attached herewith. Both the accused had cheated me with common and malafide intention to cause monetary loss to me and to gain themselves by inducement which are false in connivance with each other, Both the accused had committed these offences with

full preparation. Both the accused have been visiting me at Chandigarh number of times for the commission of offences and induced me to give huge money for the business of accused no. 1. The offence has been committed at Chandigarh. Both the accused are liable to face the criminal consequences for their wrongful acts. Hence this complaint. At this stage I came to know that since I had been cheated by the above said accused persons and in a very smart manner and they had misappropriated my money by their fraudulent assurances. The fact that I had presented the cheque came to the knowledge of accused no.1 also who immediately started threatening me with dire consequences. The accused No.1 told me that he had extensive links with mafia and could get me killed very easily. The accused no.1 & 2 had told me that accused no.1 & 2 had already cheated a number of persons and none had been able to even touch them. The accused no.1 flatly told me that I should not file any case for dishonour of cheque and in case I was to do that, I would have to pay its cost with my life. I told him that whatever money I had invested on his assurances & accused no.2 was borrowed from various persons/bank and I was under pressure to return the money to them and that I was in deep depression because I had not been able to do so. Upon hearing this the accused no.1 became very agitated and enraged and threatened that he would get me killed that very day for talking to him in this manner. The accused no. 1 had told me that I should forget the money and rather must prefer to save my life. In the similar manner, the accused no.1 & 2 had also defrauded one more person i.e. Sh. Pradeep Kapil son of Late Sh. Chiranjil Lal Kapil, Kuteer Arya Nagar, Ward no.1, New Bus stand Una (H.P). By the same modus operandi, the accused no.1 had also induced Sh. Pradeep Kapil to transfer a sum of Rs. 19.80 Lacs to accused no. 1. Copy of the account statement of Sh. Pradeep Kapil is attached herewith. Now I understood that the accused no.1 & 2 are very dangerous persons who had not only cheated me, but can, also get me killed very

easily. As per the version of the accused no.1 & 2, they had cheated a large number of people and misappropriated their money and no one has been able to do anything about it. The accused no. 1 & 2 are powerful persons with extensive links with antisocial elements and can easily harm me and my family. The accused no.1 & 2 had induced me to pay the huge amount of money to them by mis-representations at Chandigarh. Most of the money was also transferred to the accused no. 1 from Chandigarh. I request you to register an FIR against the accused no.1 & 2 and take the strictest action under the law at the earliest possible so that they cannot harm me or my family for whose safety I'm highly concerned. The cheque presented by me for encashment had also been handed over to me by accused no.1 at my house at Chandigarh.”

3. The parties entered into a settlement with intervention whereupon the parties were directed to appear before the learned trial Court/Illaq Magistrate vide order dated 29.09.2025 of this Court, to get their statements recorded regarding the compromise arrived at between the parties and a report in this regard was called for.

4. Pursuant to the aforesaid order, a report has been received from the Judicial Magistrate 1st Class, Chandigarh vide Memo No.323 dated 15.11.2025. The relevant extract of the report reads thus:-

(i) **Total number of persons found involved as accused in the dispute/FIR;**

(ii) **Number of complainant/victim(s);**

(v) **Whether any accused has been declared as a proclaimed offender/person or any such proceedings against him/her have been initiated or pending adjudication;**

In these regard, it is submitted that as per the statement of Investigating Officer S1 Sanjay Dutt, there are two persons

namely Sachin Sangal & Arun Kumar have been arrayed as accused in the FIR in question and there is only one complainant/aggrieved person namely Rajinder Kumar Sharma in the FIR in question. Neither the accused persons have been declared as proclaimed offender/person at any time nor any such proceedings against them have been pending adjudication.

(III) Whether all the accused and complainant/victims are party to compromise and signed the same;

(IV) In case, any affected person (accused or complainant) is left out or not arrayed as party in the quashing petition before Hon'ble High Court, detail whereof;

Or His/her statement is still to be recorded, in compliance to the direction of this Court, details of such person;

In these regard, it is submitted that both the accused persons and the complainant have compromised the present matter and in aid thereof, have signed the compromise and got their respective statements recorded before this Court on 31.10.2025. No affected person is left to be arrayed as party in the petition pending before the Hon'ble High Court.

(VI) Report of the Court whether compromise is genuine, voluntary and without any coercion or undue influence;

In this respect, it is submitted that the statements of both the concerned parties i.e. accused persons and the complainant have been recorded with regard to genuineness and of voluntarily compromise and as per the satisfaction of the undersigned, the compromise as effected between the parties is not the result of any pressure or coercion or undue influence in any manner.

(VII) Any other aspect relevant to the present case.

In this respect, it is submitted that no other aspect is left. However, the challan (Report U/s 193 of BNSS) in this case is not presented yet and the accused are already on anticipatory

bail from the Hon'ble High Court.

5. Learned State counsel does not dispute the factum of the compromise amongst the parties and does not have any serious objection to the resolution of the dispute amongst the parties.

6. The broad principles governing the exercise of powers under Section 482 of the Code of Criminal Procedure were summarized by the Hon'ble Supreme Court in the matter of 'Parbatbhai Aahir @ Parbatbhai Bhimsinhbhai Karmur and others versus State of Gujarat and another' (2017) 9 SCC 641' wherein it was held as under:

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 an 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 whether a criminal proceeding or complaint should be quashed in 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 an 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 upon 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.

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 propositions 16.8. and 16.9. above. Economic offences involving the financial and economic well-being of the State have implications which 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 a financial or economic fraud or misdemeanour. The consequences of the act complained of upon the financial or economic system will weigh in the balance.

7. On consideration of the above, the following relevant factors emerge for supplementing a case for invocation of the powers under Section 528 of BNSS, 2023:-

- a. The entire dispute arises out of investment in a private limited company and alleged failure of business commitments. The allegations pertain to financial arrangements and shareholding expectations, which are predominantly commercial in nature.
- b. The complainant had been inducted as a Director of the company and had participated in corporate decisions, including opening of bank accounts. Any grievance relating to mismanagement, diversion of funds, or shareholding could be addressed through civil proceedings for recovery, accounting or oppression/mismanagement.
- c. The transactions were spread over several months, involving bank transfers through NEFT/RTGS and formal corporate processes. This indicates an ongoing business relationship rather than an immediate act of deception at inception.

- d. The complainant has entered into a voluntary compromise and expressed no desire to pursue criminal prosecution, thus, the possibility of conviction becomes remote.
- e. The investigation does not substantiate allegations of large-scale public fraud and the matter remains confined to a bilateral investment dispute amenable to settlement.
- f. In view of the compromise, the complainant has unequivocally stated that he does not wish to pursue the criminal proceedings any further.
- g. The accused persons are not habitual offenders and have no criminal antecedents thus continuation of criminal proceedings may cause disproportionate hardship.

8. In view of the report submitted by the Judicial Magistrate First Class, Chandigarh and having regard to the settled principles laid down by the Hon ble Supreme Court on the subject, the instant petition is allowed. The aforesaid FIR No.80 dated 06.12.2023 registered under Sections 420 and 120-B of the Indian Penal Code, 1860 at Police Station Sector-49, Chandigarh and all other consequential proceedings arising therefrom **are hereby quashed** in view of the compromise dated 14.08.2025 (Annexure P-4)

Petition is allowed.

(VINOD S. BHARDWAJ)
JUDGE

FEBRUARY 06, 2026

Vishal Sharma

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No