

IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION

CRIMINAL APPEAL NO. /2026
@ SLP (CRL) NO.16118/2025

ANIRUDDH SINGH CHAUHAN APPELLANTS

VERSUS

STATE OF MADHYA PRADESH & ANR. RESPONDENT

O R D E R

1. Heard.
2. Leave granted.
3. The appellant sought for quashing of the proceedings pending against him by virtue of FIR No.85/2017 registered for the offences punishable under Sections 409 and 420 of the Indian Penal Code, 1860 and subsequent compromise having been entered into between appellant and the complainant.
4. The facts in brief are as under:

The complainant - respondent No.2 held a current account in Canara Bank, Gwalior Branch in the name of Sai Medicals and his wife also had a Saving Bank Account in the same bank. Complainant had applied for a loan in his wife's name. After being informed by the Bank Manager that he could not get the loan due to existing overdraft facility availed by the

appellant, on 30.05.2016, the complainant discovered that the loan was sanctioned in the name of his wife and on the same day, Rs.6,00,000/- was transferred from his wife's account to his firm account and then transferred to M/s. Om Sai Property contending that neither he nor his wife had authorized these transactions and the relevant documents lacked their signatures, a complaint came to be lodged resulting in FIR 85/2017 referred to hereinsupra being registered against the Bank Manager Mr. Sachin Soni.

The complainant sought to arraign the appellant as an additional accused by filing an application under Section 319 of the Code of Criminal Procedure, 1973 ("CrPC") which came to be rejected by the trial court by order dated 15.02.2023. Complainant filed one more application which resulted in appellant being summoned and was arraigned as an additional accused by order dated 23.07.2024 for allegedly transferring Rs.6,00,000/- to M/s. Om Sai Properties traceable to appellant. Subsequently, the appellant and the complainant have settled the dispute and full amount of Rs.6,00,000/- was repaid to the complainant via Demand Draft and as such this was also brought to the notice of the High Court while assailing the initiation of proceedings against the appellant, the compromise entered into between the accused and the complainant was pressed for as the basis for quashing of the proceedings. The High Court by the

impugned order rejected the said contention by opining that manipulation of the bank records is a serious offence and it is against the society and, therefore, the prosecution was not quashed.

5. In order to ascertain the factual position, this Court had ordered notice on the complainant and as per the Office Report, the same was duly served on the second respondent - complainant. However, this Court not being satisfied with such report insisted for the State to serve the complainant through the jurisdictional SHO. Pursuant to same, an affidavit has been filed enclosing the service report which would clearly indicate that notice of this petition has been served on the complainant who is arraigned as respondent No.2 and yet he has not appeared or represented through counsel. In that view of the matter, we do not propose to keep this matter pending and having heard the learned counsels appearing for the parties, we notice that an offence under Section 420 of the IPC is a compoundable offence and the ingredients of Section 409 of the IPC is lacking in the instant case as is evident from the application for summoning the appellant as an accused.

6. Having regard to the fact that the ignition for a criminal prosecution being launched against the appellant was the application filed under Section 319 of the CrPC and in the instant case, namely, on the basis that the amount transferred

from the complainant's wife's account was traceable to the account of the appellant, he was arraigned as an accused. The said amount having been refunded and compromise having been entered into between them and there being no possibility of order of conviction being imposed on the appellant, we are of the considered view that continuation of the present criminal prosecution would only be an exercise in futility and would be an abuse of the process of the Court. As such, we allow this appeal and the proceedings initiated against the appellant on the strength of FIR No.85/2017 qua the appellant stands quashed. However, we make it clear that right of the Bank if any to recover, the amount is kept intact and Bank would be at liberty to proceed to recover the said amount in accordance with law.

7. Pending application(s), if any, stands consigned to records.

.....J.
(ARAVIND KUMAR)

.....J.
(PRASANNA B. VARALE)

NEW DELHI;
MAY 25, 2026.

ITEM NO.43

COURT NO.15
S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

SECTION II-E

Petition(s) for Special Leave to Appeal (Crl.) No(s).16118/2025

[Arising out of impugned final judgment and order dated 27-02-2025 in MCRC No.8381/2025 passed by the High Court of Madhya Pradesh at Gwalior]

ANIRUDDH SINGH CHAUHAN

Petitioner(s)

VERSUS

STATE OF MADHYA PRADESH & ANR.

Respondent(s)

IA No. 226945/2025 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT

IA No. 288999/2025 - EXEMPTION FROM FILING O.T.

IA No. 226943/2025 - EXEMPTION FROM FILING O.T.

Date : 25-05-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE ARAVIND KUMAR
HON'BLE MR. JUSTICE PRASANNA B. VARALE

For Petitioner(s) : Mr. Siddharth Sharma, Adv.
Mr. Shashank Singh, AOR
Ms. A Anisha, Adv.
Ms. Sneha Chandna, Adv.

For Respondent(s) : Mr. Surjeet Singh Ga, Adv.
Mr. Yashraj Singh Bundela, AOR
Mr. Bitu Singh, Adv.
Mr. Arpit Garg, Adv.

UPON hearing the counsel the Court made the following
O R D E R

Leave granted.

Criminal Appeal is allowed in terms of the signed order placed on the file.

Pending application(s), if any, stand consigned to records.

(NEHA GUPTA)
COURT MASTER (SH)

(AVGV RAMU)
COURT MASTER (NSH)