

**IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION**

**Criminal Appeal No.4376 of 2026
[@ Special Leave Petition (Crl.) No.6342 of 2026]**

Vijay Kumar Ghai and Ors.

...Appellants

Versus

The State of Uttar Pradesh & Anr.

...Respondents

ORDER

Leave granted.

2. The appellants are the Directors of one M/s Priknit Apparels Pvt. Ltd., who had a franchisee agreement with the second respondent. The second respondent filed a complaint, on the franchisee agreement being cancelled and demand having been raised by Priknit of the outstanding amount of Rs.17,66,423/-; the calculation sheet of which is produced as Annexure P8. As a retaliatory measure, it is alleged, the second respondent filed a complaint before the Additional Chief Judicial Magistrate, III Meerut under Sections 406 and 420 of the Indian Penal Code, 1860 (IPC) produced as Annexure P9.
3. After recording the statement of the second respondent, the

trial court took cognizance of the complaint as per Annexure P12. The petitioner before the High Court, sought to quash the said criminal proceedings in which there was an interim protection against the coercive steps granted as per Annexure P14 dated 19.09.2013. Priknit later fell into Corporate Insolvency Resolution Process and later the High Court dismissed the petition filed under Section 482 by the impugned judgment, which led to this appeal.

4. Admittedly, the disputes arose between the parties on a franchisee agreement. While the appellants contend that huge amounts are outstanding towards the company Priknit from the franchisee, the second respondent's case is that he was duped of Rs.7,00,000/- refundable security and four blank, undated, signed cheques issued as security also remain with the appellants. Admittedly, the facts indicate a commercial dispute and a criminal case initiated is only an attempt to retaliate against the demand of outstanding amounts to the company, which anyway this point is under CIRP.

5. A reading of the complaint produced as Annexure P9 does not bring out any ingredients to initiate a criminal prosecution. The complaint at Annexure P9 and the criminal case initiated therefrom

produced as Annexure P12 as case No.34/2009 shall stand quashed. We make it clear that we have not spoken on the other disputes between the parties nor even the claim of outstanding as raised by the appellants herein or the contention regarding forfeiture of security deposit or the blank, undated, signed cheques alleged to have been given by the respondent to the appellants herein and our finding is only related to the criminal prosecution which has been set aside.

6. The appeal is disposed of.

7. Pending application(s), if any, shall stand rejected.

..... J.
(J. B. PARDIWALA)

..... J.
(K. VINOD CHANDRAN)

**NEW DELHI;
SEPTEMBER 15, 2026.**

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition for Special Leave to Appeal (Crl.) No.6342/2026

[Arising out of impugned final judgment and order dated 16-04-2024 in A482 No. 32317/2013 passed by the High Court of Judicature at Allahabad]

VIJAY KUMAR GHAI & ORS.

Petitioner(s)

VERSUS

THE STATE OF UTTAR PRADESH & ANR.

Respondent(s)

(IA No. 35394/2026 - EXEMPTION FROM FILING O.T.)

Date : 15-09-2026 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.B. PARDIWALA

HON'BLE MR. JUSTICE K. VINOD CHANDRAN

For Petitioner(s) :

Mr. Krishna Dev Jagarlamudi, AOR

Ms. Arundhati Katju, Sr. Adv.

Mr. Aaditya Mishra, Adv.

Ms. Spriha Pachauri, Adv.

Mr. Abhiroop Singh, Adv.

Ms. Muskaan Khurana, Adv.

For Respondent(s) :

Mr. Abhishek Saket, Adv.

Dr. Vijendra Singh, AOR

Ms. Shradha Narayan, Adv.

Mr. Kumar Abhinandan, Adv.

Ms. Reya Paul, Adv.

UPON hearing the counsel the Court made the following

O R D E R

1. Exemption Application is allowed.
2. Leave granted.
3. The appeal is disposed of, in terms of the signed order.
4. Pending application(s), if any, shall stand rejected.

(VISHAL ANAND)
DEPUTY REGISTRAR

(POOJA SHARMA)
COURT MASTER (NSH)

(Signed Order is placed on the file)