IN THE HIGH COURT AT CALCUTTA

CRIMINAL REVISIONAL JURISDICTION

APPELLATE SIDE

Present:-

HON'BLE JUSTICE CHAITALI CHATTERJEE DAS.

CRR 3361 OF 2022

ABHIJIT HALDER

VERSUS

CENTRAL BUREAU OF INVESTIGATION & ANR.

For the Petitioner	:	**Ms. Sekhar Kumar Basu, Sr.Adv.**
		Mr. Antarikhya Basu, Adv.
		Mr. Proshit Deb, Adv.
		Mr. Sayan Mukherjee, Adv.
		Ms. M. Saha, Adv.
For the CBI	:	**Mr. Anirban Mitra, Adv.**
		Mr. Subrata Santra, Adv.
For the respondent Bank	:	**Mr. B.K. Singh, Adv.**
		Mr. Barun Ghosh, Adv.
		Mr. Jayanta Mitra, Adv.

Last heard on	:	**24.06.2026**
Judgement on	:	**16.09.2026**
Uploaded on	:	**16.09.2026**

CHAITALI CHATTERJEE DAS, J.:-

1. This application filed for quashing of the entire proceeding arising out of FIR no. RCBSK2018E0001 of 2018 dated 06.02.2018 under Section 120B R/W 420 of the Indian Penal Code and Section 13 (2) R/W 13(1) (d) of the Prevention of Corruption Act 1988 registered by CBI BS and FC/Kolkata corresponding to Special Case 01/2019, RC No. 01/2018B and the charge sheet dated 30.11.2018 filed under Section 120B R/W/ 420 and 468/471 of the Indian Penal Code and all other proceeding in connection there with.

Brief fact of the case

2. Factual matrix of the case unveils that on the basis of a letter of complaint dated 05.02.2018 by the Regional Manager of SBI, Regional Business Office 1, Burdwan by the Superintendent of Police, Central Bureau of Investigation, Banks Securities and frauds Cell, Kolkata alleged the commission of offences as above. The allegation levelled against the present petitioner and others as follows:-

3. The Petitioner herein and the other Director of M/s. Umananda Rice Mill Pvt. Ltd. in collusion with Advocates, cavaliers and unknown bank officials of SBI had entered into a criminal conspiracy availed a cash credit limit,Term loan and Bank Gurantees to cheat the State Bank of India,SMR Burdwan Branch, Burdwan to the tune of Rs. 28.35 Crores (plus interest) to set up a RICE Mills at the Village Kalna ,District Purba Bardwan and by fraudulently and dishonestly inducing the bank to sanction the said loan on the basis of co-lateral securities by creating euitable mortgage of collateral security of landed property in the name of Madan Kumar Halder and Sri

Gobinda Halder . Later on the property lying in the name of Gobinda Halder which was already mortgaged on 28.7.2007 was transferred in the names of Prasenjit Halder one of the director of the borrower company and without the knowledge of the bank. The said properties transferred, were re-mortgaged on 8.12.2009 as co-lateral securities for availing loan facility in favour of an associate company namely M/s. Kalimata Krishipanya Bipanan Pvt. Ltd. It was alleged that the Directors of M/s Umananda Rice Mill Pvt. Ltd. diverted the loan funds for accusation of working with requirement of thai rice mill without any underline business for which the credit facilities were sanctioned and released. The Directors did not re-pay the loan and it slipped into NPA with SBI, SMR , Burdwan Branch on 31.12.2014 causing a wrongful loss to the bank to the tune of Rs. 28.35 crores (plus interest) as on 31.12.2017. On conclusion of investigation the charge sheet was submitted whereby all the advocates, valuers and bank known were exonerated of the commission of alleged offence along with one of the director of the company being Bharati Halder when the present petitioner and three other director of the company were charge sheeted for the offence punishable under Section 120B R/W 420 and 468/471 of the Indian Penal Code. The petitioner has come before this for quashing of the said charge sheet on the ground that he has been falsely implicated and no role has been attributed against the petitioner who is one of the directors of the said bank.

<u>Submission</u>

4. The Learned Senior Advocate Mr. Sekhar Basu argued that since the charge sheet exonerated all the public servants the case no longer attracted the provision of Prevention of Corruption Act 1988 and the matter was later transferred before the Learned Chief Judicial Magistrate , Purba Burdwan at Burdwan which prima facie shows that there were lack of materials against the petitioner along with other accused person. It is further submitted that the petitioner is one of the Directors of M/s. Umananda Rice Mill Pvt. Ltd. and involved in the manufacturing of grain mill production and he was performing his duties in the said position of a director of the most upright manner and never derelicted in his duties. The proceeding was initiated before the Debt recovery tribunal and by way of compromise settlement entered between the company and the bank and along with other associated company namely M/s. KKBPL and towards full and final settlement of all its dues towards the bank in respect of then loan account of both the companies were duly paid. Despite that that the bank most illegally started this criminal case against the company suppressing the fact on settlement between them and on by way of misrepresentation. It is submitted that no due certificate was issued by the bank on 22.02.2019 which was fully suppressed in the written complaint. In one hand the bank withdrawn the case before the Debt recovery Tribunal when initiated a criminals case which expose their malicious endeavour against the petitioner. It is further the contention of the Learned Senior Advocate that the order of settlement was recorded by the DRT and the proceeding filed being OA 352/2015 was withdrawn.

5. In addition the bank officials who approved the re-mortgaged of the land which was already mortgaged by the accused persons with the bank under previous loan amount were discharged by the CBI. Neither the transferee nor the transferor of the properties in question has raised any grievance or suggested that the petitioner wrongfully gained from the transfer. The petitioner and the accused company submitted al the required deed of conveyance of to the bank to obtain the loan and it was divided into different loan account and the bank officials segregated this loan account by separate mortgages and those bank officials are discharged in the charge sheet by CBI. The petitioner and the accused company submitted all required documents and deeds of conveyance to the Bank to obtain loan which the officials divided in different accounts of various types and segregated the loan accounts by providing separate Mortgages .It is the further contention of Mr. Sekhar Basu the Learned Senior Advocate that there would be no adverse effect on public interest or social impact if the matter is quashed ,as the claims of the parties inter se has been resolved through a full and final settlement. Continuing with the criminal proceedings and conducting a full-fledged criminal trial ,if pursued ,would be an extremely costly endeavour in terms of expenditure. Of precious judicial time and would be an unnecessary burden on the judicial system.

6. The learned Senior Advocate further put reliance on the decisions reported in ***Tarina Sen versus Union of India[1] para 14–17, Gian Singh versus State of Punjab[2] para 61, Shiji vs Radhika[3] para 17, CBI versus***

[1] 2024 SC online SC 2696
[2] (2012) 10 SCC 303
[3] (2011) 10 SCC 705

Duncans Agro Industries Limited[4] and ***K Bharathi Devi versus state of Telangana***[5].

7. Per Contra the learned advocate representing the opposite party no.2 submitted that the Opposite Party no.2 is a financial institution being State Bank of India under supervision of Reserve Bank of India. A complaint was lodged by then Regional Manager dated 7.2.2018 against the petitioner and other Directors of M/S Kali Mata Krishipanya Bipanan PVT Limited along with other unknown bank officials of SBI alleging commission of offences under Prevention of Corruption Act as well as under Section 420/120 B of Indian penal code. On conclusion of investigation, the CBI submitted the charge sheet under section 120B/420/468/471IPC against the petitioner and other accused persons while exonerating the bank officials from all the charges. The learned Magistrate took cognizance against the present petitioner along with other accused persons against whom the charge sheet was submitted. It is further contended that the investigation has established that the petitioner being a Director had submitted the fudged documents and misrepresented to the Bank and obtained loan to the tune of Rs. 300 lacs later enhanced to Rs. 400 lacs on 20.9.2014. , which is a serious and grave economic offences committed by the accused persons. It is argued by the Learned Counsel that one time settlement between the parties cannot absolve the criminal liabilities of the petitioner, specially when the offence has a greater ramification and has societal impact. The economic offence against the bank on account of non-payment of the loan amount and any

[4] (1996) 5 SCC 591
[5] (2024) 10 SS 384

misrepresentation made to obtain loan and subsequent settlement cannot justify quashing of criminal proceedings and in such situation it would encourage the wrongdoers to further commit economic offence and in such eventualities, not only the government revenues, but also the public faith on the financial institution will suffer and impacted the society in the evil way. Put reliance on the decision of ***Central Bureau of investigation versus M/S. Sarvodaya Highways Limited[6], and Gian Singh versus State of Punjab (Supra).***

8. The learned Advocate representing the Central Bureau of Investigation strongly opposes the contention of the petitioner on the ground that the charge sheet has been submitted against the petition and under section 120B read with section 420 of the Indian penal code and since the petitioner was not the public servant, it was transferred to the court of learned Chief Judicial Magistrate and upon submission of charge sheet by CBI allegations of the answering Opposite Party has been further fortified. A mere repayment of the loan /misappropriated amount followed by amicable settlement did not exonerate the accused of the criminal offences alleged to have been committed by him. The repayment and the settlement with the bank by repaying the amount fortified the allegations has been made in the first information report, culminating into a charge sheet and requires a full trial thereof. It is further argued that the Hon'ble Supreme Court clearly stated that mere repayment of the defalcated amount which is taken as loan by the help of fudged document, including deed which was earlier mortgaged

[6] 2025 INSC 1359

and knowing fully well, the bank official of SBI, AD, Kalna Branch as well as SBI, SME, Burdwan Branch deliberately accepted the multiple mortgage of the same property and renewed the account time to time apart from the fresh sanction. That is a wrongful loss of ₹412 lakhs excluding interest on 31.12.2017 by the bank and after the compromise settlement in the loan account, the total amount of loss of the bank is of ₹3.11cr. Therefore, the petitioner must face the trial. The learned advocate relied upon the decisions reported in ***CBI versus Maninder Singh[7] para 16, 17, 18, 20; Rumi Dhar versus The State of West Bengal and Another[8], Gian Singh versus state of West Punjab[9] para 58, 60, 61, State of Maharsahtra through CBI Vikram Anantria Doshi and Others[10], paragraph 9, 14, 16, 26, 27 Sushil Suri versus CBI[11], Satya Narayan Sharmar versus State of Rajasthan[12], CBI versus A. Rabi Chandra Prasad[13], Sri Arup Kumar Bhowmick versus CBI, Anti-Corruption Branch[14].*** Accordingly, prayed for dismissal of this Revisional application.

<u>Analysis</u>

9. Heard the submission of Learned Advocates perused the materials on record. It appears that two proceedings were initiated against the petitioner being Special Case 1 of 2019 and Special case no. 2 of 2019 and two revisional application has been filed for quashing of the said charge sheet

[7] (2016) 1 SCC 389
[8] (2009) 6 SCC 364
[9] (2012) 10 SCC 303
[10] (2014) 15 SCC 29
[11] (2011) 5 SCC 708
[12] (2001) 8 SCC 607
[13] (2009) 6 SCC 351
[14] CRR 918/2020

submitted against the present petitioner along with the entire proceedings. The charge sheet by CBI against the petitioner in Special Case no. 2 of 2019 is under Section 120B read with Section 420 of the Indian Penal Code and exonerated from the charge under Prevention of Corruption Act. In Special Case no. 1 of 2019 which is the subject matter of this present revisional application the charge sheet was submitted under Section 120B read with 420 and 468/471 of the Indian Penal Code. On close scrutiny of the charge sheet submitted by the CBI, submitted against the present petitioner demonstrate that it was found that the petitioner is one of the Director and guarantors of M/s. Umananda Rice Mill Pvt. Ltd. and was also an authorised signatory on the account M/s. Umananda Rice Mill Pvt. Ltd. and he himself signed almost all instruments through which the loan funds of accused company were diverted to the sister companies namely M/s. Umarpur Rice Mill Pvt. Ltd. and M/s. KKMBPL for unrelated purpose without putting actual business. He also did not re-pay the loan and the loan account slipped into NPA. In addition the accused directors submitted false tax invoices falsely showing purchase of machinery actually not purchasing the same but to justify utilisation of term loan fund. The petitioner is common director of these companies and sufficient oral and documentary evidences are available to prove his complicity in this case. Therefore the aforesaid act on his part establishes commission of offences under Section 120B r/w 420/468/471 and substantive offences thereof. It is further transpires that the compromise was effected. It further reveals that a compromise proposal for Rs. 7.5 crores for settlement of loan account number of Umananda Rice Mill Pvt. Ltd. and KKBPL was made to the

Deputy/ Assistant General Manager, State Bank Manager on behalf of Umananda Rice Mill Pvt. Ltd. on 10.10.2017.

10. The SBI also accepted such offer towards full and final settlement of his dues on 24.01.2018 in respect of outstanding dues of Rs.28.35 crores for Umananda Rice Mill Pvt. Ltd. and KKBPL outstanding of Rs. 4.12 crores. It was also intimated by SBI while accepting such further offer for settlement that since an FIR has been lodged by the Regional Manager of RBO-I, Burdwan and a case is pending the OTS/compromise settlement for the civil liability will not have any bearing whatsoever on the criminal cases filed and the proceedings initiated against the Umananda Rice Mill Pvt. Ltd. and KKBPL would not in any way be pre-judicial to the criminal case of any investigating agency. It was also made clear to the mentioned borrower which includes the present petitioner that mere re-payment of the loan under the compromise settlement cannot exempt the borrower/guarantors from the criminal proceeding pending against them in any court of law. In this connection it was clarified that the criminal case will not be withdrawn and will be taken to its logical conclusion despite having compromise settlement. The SBI issued no due certificate on 23.02.2018 to Umarpur Rice Mill Pvt. and on 10th June, 2019 and informed that in case of M/s. KKBPL and Umarpur Rice Mill Pvt. Ltd. the DRT suit had been withdrawn and is under process for Umananda Rice Mill Pvt. Ltd.In the case of O.A/362 of 2015 SBI Vs Umarpur Rice Mill Pvt. Ltd. and Ors. It was submitted on behalf of the bank and the matter has already been settled and filed a withdrawal application along with no due certificate on

31.01.2019. The Presiding Officer of Debt Recovery Tribunal one Kolkata found that the loan amount of Rs. 18,5,46,461.49 was settled through OTS scheme on an amount of Rs. 9, 34, 70,000 and the bank has received full and final payment and there is no due pending against the defendant and accordingly the O.A. 362 of 2015 was disposed of. A withdrawal petition was filed in O.A.352 of 2015 which was between State Bank of India Vs. M/s. KKBPL and the proceeding was and O.A. 352/2015 was disposed of as settled. The settlement amount of 7.5 Crores as found in the letter of compromise dated 10.10.2017 and is not found in the order of disposal of a proceeding which appear to be O.A. 352/3015 between SBI Vs. M/s. KKBPL. The order dated 31.01.2019 was passed in O.A. 362/2015 SBI Vs. Umarpur Rice Mill Pvt. Ltd. This matter was listed for clarification after the argument was over and before this court the Chart furnished by the petitioner disclose that towards the loan amount of Rs 28.35Crores it has been settled at Rs. 6.49 crores and the proceeding being OA 363/2015 pending before the DRT is withdrawn. The No dues Certificate submitted by Bank on 22.2.2019.

11. Therefore, it is not in dispute that the present petitioner being one of the director and guarantor of Umanandan Rice Mill did not pay the entire loan amount. As a result, the account was declared as NPA and the proceeding was initiated before the Debt Recovery Tribunal and during pendency a settlement arrived between the bank and the present petitioner and obtained a “No dues certificate”. The issue now to be decided is after the compromise settlement has been affected in respect of a loan by the bank with the borrower after issuing a “No dues certificate”, whether attracts the criminal proceedings lodged against the bank officials and the borrower alleging commission of offence of fraud and cheating are sustainable.

12. In the decision of ***Central Bureau of Investigation versus Maninder Singh (Supra)*** it was held that "*the allegation against the respondent is "forgery" for the purpose of cheating and use of forged documents as genuine in order to embezzle the public money*". Such economic offences are public wrongs or crimes, committed against society and gravity and magnitude of public at large. It was held that Court must not be swayed by return of money to bank, which has been defrauded, but must also consider society at large. It was further held that instant offence was well-planned, and committed with deliberate design with an intention of personal profit, regardless of consequence to society at large. Cheating of bank exposit fiscal impurity and such financial fraud is an offence against society at large. It was further held that "*to quash the proceeding merely on the ground that the accused has settled the amount with the bank would be a misplaced sympathy".* In the said case that was preferred challenging the order of the High Court of Delhi by which the High Court exercising its inherent power under section 482 Cr.P.C quashed the Criminal Proceedings under Section 420, 467, 468 and 471 IPC read with Section 120B IPC. A complaint was lodged by chief vigilance officer of New Bank of India against the two persons who introduced themselves as proprietor of. M/S fashion India and M/s. Ronnie Export respectively and opened their current accounts with their branch in Ludhiana. One manager allowed advance amount towards ₹5.31 Lakhs to these two firms on production of bill of lading, GR for another bills and those foreign bills purchased by the bank on 27.11.1986 returned unpaid. During enquiry made by the bank, the bill of lading were found forged. The criminal conspiracy hatched with the respondent and other accused during the period of November – December 1986, with the intention to cheat New Bank of India to the tune of Rs. 10.62 Lakh. After four years, the accused was arrested by CBI and charge was framed and then this application under Section 482 Cr.P.C was moved for quashing on the ground that a settlement is arrived between the parties and amounts are repaid to the bank. It was observed by the Hon'ble Supreme Court that "the High Court while exercising its inherent power ignored all the facts viz. the impact of the offence, the use of the State Machinery to keep the matter pending for so many years coupled with the fraudulent conduct of the respondent". The order of the High Court was set aside.

13. In the case of ***Rumi Dhar vs The state of Bengal and another (Supra)*** the applicant and her husband along with various others officers of Oriental Bank of commerce were prosecuted for alleged commission of offences under Section 120B/420/467/468 and 471 of the Indian Penal Code, 1860. The officers of the bank were also prosecuted under various sections of Prevention of Corruption Act. The charge sheet was filed against the appellant and several others and the applicant was charged for taking the benefit of overdraft between the period without furnishing any security. The bank filed an application for recovery thereof before the DRT and later on the appellant and Bank entered into a settlement pursuant whereto or in furtherance a sum of ₹25.51 Lakhs was paid. CBI had returned the title deeds in respect of the property which were kept as security for obtaining the loan from the bank. An application was filed under Section 239 of the code for discharge on the ground of arriving at settlement between her and the bank. The prayer was rejected by the Learned Special Judge, considering that the question whether there was any criminal intention on the part of the lady accused in this crime is a question to be decided in the trial. It was observed that the Appellant is said to have taken part in conspiracy in defrauding the bank and serious charges of falsification of accounts and forgery of records have also been alleged. The well settled principle of the law is that-

> "*14. .....in a given case, a civil proceeding and criminal proceeding can proceed simultaneously. Bank is entitled to recover the amount of loan given to a debtor. If in connection with obtaining the said loan, any criminal offences have been committed by the persons accused thereof including the officers of the bank, criminal proceedings would also indisputably be maintainable.*
>
> *15. When a settlement is arrived at by and between the creditor and debtor, the offence committed as such does not come to an end. The judgement of a tribunal in a civil proceeding and that too when it is rendered on the basis of a settlement entered into by and between the parties, would not be of much relevance in a criminal proceeding, having regard the provisions contained in Section 43 of the Evidence Act, 1872. The judgement in the civil proceedings will be admissible in evidence only for a limited purpose.*"

It was further observed that "*the offence alleged against the accused being an offence against the society and the allegations contained in the first information report having been investigated by the central bureau of investigation, the bank could not have entered into any settlement at all*".

14. In the case of ***Gian Singh versus State of Punjab and Anr. (supra***) as relied upon by both the petitioner as well as the CBI it was held that in respect of serious offences like mental depravity, murder, rape, dacoity etc. or under special statute like prevention of corruption Act or offences committed by public servants, while working in their capacity as public servants, cannot be questioned, even though victim or victims, family and offender have settled the dispute. Such offences are not private in nature and have a serious impact on society.

15. Similarly in the case ***of State of Maharastra through CBI vs Vikram Anantrai Doshi and Ors. (supra***) it was held that while quashing criminal proceeding involving non-compoundable offences the nature and gravity of offence and its societal impact to be considered. It was further held that the obligation mentioned in ***Gian Singh(Supra***) to be applied and payment of money fraudulently obtained from Banks and issue of "No dues Certificate' not enough.

The Hon'ble Supreme Court in the year 2011 in the case of ***Sushil Suri(Supra***) in connection with Bank Scam and conspiracy to fraudulently obtained loan ,approved the order of refusal to quash the proceeding by the High court and did not consider the defence submission that the bank loan has been paid to the Bank, no monetary loss occurred and continuation of criminal proceeding against the Bank and all accused was not proper.

The decision of Hon'ble Supreme Court passed in ***Satya Narayan Sharma (supra***) relates to offences under Prevention of corruption Act and hence is distinguishable with the present case being no charge framed under the said provision.

16. The bone of contention of the of the learned Senior Advocate mostly revolves around the one time settlement effected by and between the petitioner and bank which was fully paid by the petitioner and the intention to cheat from the inception cannot be established, which is the foundation of Section 420 of Indian Penal Code and the role attributed as found from the Charge sheet no ingredients to commit an offence under Section 420 IPC can be found.

The above judgements as relied upon on behalf of CBI do not support the contention of the petitioner that merely one time settlement with the Bank in respect of the loan amount despite specific allegation of fraud against the Accused persons do not per se can be a ground for quashing the criminal charges .

17. On perusal of the decision of ***Tarina Sen versus India of India (Supra***) relied upon by the petitioner, the charges included offences under the Indian Penal Code and Prevention of Corruption Act, and the High Court questioned the criminal proceedings against the appellants /accused on the ground that the settlement reached between the borrower and the bank. It is stated that in commercial, financial or matrimonial disputes where the issue is result privately, the High Court should use its power under Section 482 Cr.P.C to terminate criminal proceedings, especially when the chance of conviction is low, and continuation would be oppressive. In this case, also, a FIR was lodged alleging that a loan application was submitted on behalf of Clarian travels for the purpose of securing funds to purchase new cars. The loan application was signed by the appellants on behalf of said travels and loan was sanctioned by the bank official without keeping any security or post-dated cheques. No repayment was ever made and that bank official did not pursue the same. It was also alleged that previously a similar loan application was submitted on behalf of another company for the same purpose for securing funds to purchase new cars against the same accused who sanctioned the loan which was received by the directors of company IGPL. The accused deposit 36 post-dated cheques, placed for clearing by the successor of said Ajay Kumar Behera the branch manager and bounced. A proceeding was initiated before Debt recovery Tribunal, it was settled between the parties by one time settlement and the loan account was declared as being closed. The proceeding before the DRT was disposed of as a full and final payment towards the dues. After that the application was filed under Section 482 of Cr.P.C before the High Court of Orissa seeking quashing of all proceedings.

18. In the decision ***CBI vs M/S Sarvodya Highways Ltd. (Supra)*** as relied upon on behalf of Bank, one time settlement of cash credit liability was settled with the bank and on the basis of settlement the Directors of

Sarvodaya Highways Ltd. approached the High Court seeking quashing of the FIR and Charge sheet since a complaint was lodged and the quashing was allowed. The matter travelled up to Hon'ble Apex Court where the point was raised by CBI after inquiry found fabricated document used to procure cash credit facility and the One time Settlement was under compulsion since the account of the defaulter Company was declared to be NPA and the proceeding started at DRT, so merely because a settlement was arrived per se cannot be a valid ground for quashing the criminal proceeding .The Hon'ble Supreme court after going through the reason assigned by the High Court observed that the High Court failed to advert to the vital facts which were-

> *"i) That there was a specific finding in the chargesheet that the defaulter company through its directors had submitted fabricated documents and misrepresented to the Bank for the purpose of procuring the cash credit facility.*
>
> *ii)That the appellant-CBI, on the basis of evidence collected during investigation found that the offences of criminal conspiracy, fabrication of documents ,and offences under the PC Act were clearly made out .*
>
> *(iii) That sanction for prosecution had been duly issued against the then Bank Manager, Mr. Nishan Lal.*
>
> *(iv) That the amount of settlement under the one- time settlement did not cover the actual amount due to the Bank and that there was a deficit of more than 5*

crores plus interest which was a direct loss to the public exchequer."

The Hon'ble Court took note of ***Gian Singh (Supra***) which expressly prohibits quashing of proceedings of a criminal case on the strength of a compromise where loss to public exchequer is evident and the offences under the PC Act, 1988 are applied.

In the case in hand the CBI did not find any materials for commission of offence under the P.C Act and further exonerated all the Bank officials from all the charges and submitted the Charge sheet only against the petitioner and other private persons under Section 420/120B IPC.

19. In the case of ***K. Bharthi Devi versus State of Telangana (Supra)*** Credit facilities were favoured in the group loan account by complainant bank and subsequently the Group loan account was declared NPA and complainant Bank approached DRT for recovery of amounts due .It was found in that proceeding that the Title Documents placed before the Bank were fake and forged and fabricated and accordingly charge sheet submitted. After filing the Charge sheet the accused approached the Bank and offered one time settlement which was accepted and the loan account was closed .The prayer for quashing made after such settlement was refused by the High Court and the issue arose whether the continuation of the criminal proceedings against the appellant would be justified or not .

20. The Hon'ble Supreme Court considered the decision of ***CBI VS Duncuns Agro Industries Ltd.[15], Nikhil Merchant vs CBI[16],Gian Singh vs State of Punjab[17], CBI vs Narendra Lal Jain and others (2014) 5 SCC 364, Narinder Singh and others v. State of Punjab and another[18], Gold Quest International Private Limited v. State of Tamil Nadu and others[19], CBI Vs Sadhu Ram Singla[20], Rumi Dhar vs State of West Bengal (Supra)*** and held that the FIR and the Charge sheet are pertaining to the dispute concerning the loan transaction availed by the accused persons one hand and the Bank on the other hand .Admittedly they settled the matter and the borrower have paid under OTS .After receipt of the amount under OTS ,the Bank had also decided to close the loan Account. The dispute involved predominantly had overtures of a civil dispute. Apart from that in view of the settlement between the parties in the proceeding before DRT, the possibility of conviction is remote and bleak .Hence observed that continuation of the criminal proceedings would put the accused to great oppression and prejudice.

21. In the decision of ***Mohammad Ibrahim and Ors. vs State of Bihar and Anr.[21]*** the Hon'ble Apex court discussed about the criteria for section 468 IPC and in paragraph 16 & 17 observed;

> *"16. There is a fundamental difference between a person executing a sale deed claiming that the*

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[15] (1996) 5 SCC 591
[16] (2008) 9 SCC 677
[17] (2012) 10 SCC 303
[18] (2014) 6 SCC 466
[19] (2014) 15 SCC 235
[20] (2017) 5 SCC 350
[21] (2009) 8 SCC 751

property conveyed is his property, and a person executing a sale deed by impersonating the owner or falsely claiming to be authorised or empowered by the owner, to execute the deed on owner's behalf. When a person executes a document conveying a property describing it as his, there are two possibilities. The first is that he bonafide believes that the property actually belongs to him. The second is that he may be dishonestly or fraudulently claiming it to be his even though he knows that it is not his property. But to fall under first category of "false documents", it is not sufficient that a document has been made or executed dishonestly or fraudulently. There is a further requirement that it should have been made with the intention of causing it to be believed that such document was made or executed by, or by the authority of a person, by whom or by whose authority he knows that it was not made or executed.

17. When a document is executed by a person claiming a property which is not his, he is not claiming that he is someone else nor is he claiming that he is authorised by someone else. Therefore, execution of such document (purporting to convey some property of which he is not the owner) is not execution of a false document as defined under section 464 of the Code. If what is executed is not a false document, there is no forgery. If there is no forgery, then neither section 467 nor section 471 of the Code are attracted."

In the instant case no allegation against this petitioner of filing any forged document or execution of any document which is forged. He has not claimed to be authorised by anyone else. The allegation regarding transfer of property was not against the petitioner.

22. In a recent decision the Hon'ble Supreme Court has discussed a similar issue in the case of ***Vijay Kumar Kela and Another versus CBI and Another***[22] where the charges were under Section 420 and 471 of the Indian Penal Code. The question arose that the proceeding if can continue after settlement of the loan account by way an approved compromise. The Hon'ble Supreme Court discussed further judicial pronouncement and the observation of the three Judges Bench where the question was whether the inherent power of the High Court to quash the criminal proceeding against an offender who had settled his dispute with the victim of the crime but the crime is not compoundable under Section 320 IPC should be invoked or not. The Larger Bench held that the power of High Court in exercise of its inherent jurisdiction under Section 482 Cr.P.C is distinct and different from the power given to a criminal Court for compounding the offence under Section 320 Cr.P.C.. Heinous and serious offences of mental depravity or offences like murder, rape, dacoity etc. cannot be fittingly quashed even though the victim or victim's family and the offender have settled the dispute. Similarly, a compromise between the victim and the offender in relation to offences under special statute like Prevention of Corruption Act or offences committed by public servants while working in that capacity cannot provide for any basis for quashing criminal proceeding involving such offences. It was however observed considering the criminal cases having overwhelmingly and pre dominantly civil favour stand on a different

[22] 2026 INSC 588

footing for the purposes of quashing particularly the offences arising from commercial, financial, mercantile, civil, partnership or such like transactions or for that matter matrimonial dispute, where High Court may quash the criminal proceedings if in its view that the possibility of conviction is remote and bleak on account of the compromise arrived at between the parties and the continuation of the criminal case would put to the accused to great operation.

23. The Hon'ble Supreme Court also considered the decision of ***Nikhil Merchant (Supra), Gian Singh (Supra), Narendra Singh (Supra)*** etc. where after the settlement bank had closed the loan account or the settlement between the DRT is noted , the possibility of conviction is remote and bleak the proceeding can be quashed. Applying the said principle the Hon'ble Supreme Court considering that the original application was dismissed as withdrawn by DRT after receiving money towards full and final settlement and it was certified that the compromise amount was in terms of the RBI policy guidelines and the belated criminal proceeding initiated after withdrawing the proceeding from the DRT would not only be oppressive qua the appellant but would also amount to abuse of process of the Court accordingly focussing on the settlement of commercial disputes the appeal was allowed and the order of High Court refusing to quash the charge sheet was set aside.

24. In the instant case the complaint was lodged during pendency of the DRT proceeding and while investigation was going on the settlement was arrived between the parties and the Bank on whose behalf the complaint was lodged accepted the proposal for settlement. By filing affidavit in opposition the CBI however did not deny that there was no settlement or no due certificate was not issued but it is categorically stated that mere re-payment of loan to the bank could not exonerate the accused from the criminal proceeding. In the instant case charges are not only with respect to Section 420, 120B R/W 420 Indian Penal Code but also with regard to 468 and 471 of the Indian Penal Code but no ingredients could be found which can attract Section 468 IPC against the present petitioner. No allegation of forging his signature or submitting any forged document can be found. Admittedly all the deeds were submitted which were due scrutinised by the officials of Bank and after verifying the same by the empanelled Advocates of the Bank and the valuer and then only their proposal for enhance was considered. The Deed which is shown as re-mortgaged is not by the petitioner but by one Prasenjit Halder . The CBI did not find any ingredients top attract any of the allegations made by a bank official against the other bank officials and exonerated them. No materials could be found to establish that any offence under prevention of corruption Act took place.

<u>Conclusion:</u>

25. In the touchstone of the above decision of the Supreme Court and upon considering the facts and circumstances of the case, this court is of the view that to allow to continue with the proceeding against the present petitioner, after the compromise has been affected between the bank and the borrower and the role attributed by the present petitioner in the charge sheet submitted on behalf of CBI, would be an abuse of the process of court.

26. Hence this court is inclined to allow the prayer made by the petitioner. Accordingly, this Revisional application stands allowed.

27. The entire proceeding arising out of FIR no. RCBSK2018E0001 of 2018 dated 06.02.2018 under Section 120B R/W 420 of the Indian Penal Code and Section 13 (2) R/W 13(1) (d) of the Prevention of Corruption Act 1988 registered by CBI BS and FC/Kolkata corresponding to Special Case 01/2019, RC No. 01/2018B and the charge sheet dated 30.11.2018 filed under Section 120B R/W/ 420 and 468/471 of the Indian Penal Code and all other proceeding in connection there with pending before the Learned Magistrate is hereby quashed qua the petitioner .

28. All other connected applications, if any, hereby stand disposed of.

29. Urgent Photostat certified copies of this order, if applied for, be supplied to the parties upon compliance of all necessary formalities.

[CHAITALI CHATTERJEE (DAS), J.]