

GAHC040005442026



THE GAUHATI HIGH COURT
(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)
(ITANAGAR BENCH)

Case No. : Crl.Petn./27/2026

Rajiv Agarwal @ Rajiv Garg and Anr

Age: 56

Occupation :

Address: Son of Late S L Garg

resident of Bylane-8

Lachit Nagar

PO Lachit Nagar

PS Paltan Bazar

Kamrup (M) District

Assam 781007

2: Smti Marbi Bam

Age: 43

Occupation :

Address: Wife of Shri Rajiv Agarwal @ Rajiv Garg

resident of Bylane 8

Lachit Nagar

PO Lachit Nagar

PS Paltan Bazar

Kamrup(M) District

Assam 781007

VERSUS

The State of AP and Anr

Age: 0

Occupation :

Address: represented by the PP of AP

2: Limo Ado

Age: 0

Occupation :

Address: Son of Late Moli Ado

resident of Kombo Jirdin

PO and PS Aalo
West Siang District
Arunachal Pradesh.

Advocate for : Ravi Shankar Mishra

Advocate for : P P of AP appearing for The State of AP and Anr: Advocate , appearing
for 2, respectively.

**BEFORE
HONOURABLE MR. JUSTICE KARDAK ETE**

ORDER

Date : 21-04-2026

Heard Mr. R. S. Mishra, learned counsel for the petitioners. Also heard Mr. D. Loyi, learned Public Prosecutor for the State as well as Mr. K. Lollen, learned counsel for the respondent No. 2.

2. This is an application under Section 528 of the Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023, praying for quashment of the criminal proceedings in the G. R. Case No. 160/2018, arising out of Pasighat P. S. Case No. 131/2018, under Sections 406/409/419/420/34 of the Indian Penal Code (IPC), 1860, pending before the learned Chief Judicial Magistrate, Pasighat.

3. The criminal proceedings was set into motion pursuant to the F.I.R. lodged by the respondent No. 2 on 10.07.2018, alleging that the petitioners had cheated the respondent No. 2 to the extent of Rs. 6,00,000/- (Rupees Six Lakhs) on the false promise of arranging a bank loan of Rs. 74,00,000/- (Rupees Seventy Four Lakhs). It is alleged that petitioner No. 1 claimed to be associated with a finance/loan agency and assured the respondent No. 2 that the loan would be sanctioned, while petitioner No. 2 also claimed to be a partner in the said work and extended similar assurances. On the basis of such assurances and

claims, the respondent No. 2 paid the aforesaid amount on 21.12.2017 through cheque in favour of petitioner No. 2, pursuant to a money receipt/undertaking executed between the parties. The petitioners had promised that they would complete the loan process on or before 20.01.2018 for sanctioning of the loan. However, after receipt of the amount of Rs. 6,00,000/- (Rupees Six Lakhs), despite several approaches, the petitioners avoided the respondent No. 2, did not respond to his calls and failed to complete the said work.

4. Pursuant thereto, the case was registered as Pasighat P. S. Case No. 131/2018 under Sections 406/409/419/420/34 IPC. On completion of the investigation, a Charge-sheet was filed on 22.11.2022 under Sections 406/409/419/420/34 IPC. Thereafter, the learned Trial Court framed charges against petitioner No. 1 under Sections 420/419/409 IPC and against petitioner No. 2 under Sections 109/419/420 IPC.

5. Mr. R. S. Mishra, learned counsel for the petitioners submits that the present petition has been filed for quashing of the aforesaid criminal proceedings on the ground that the dispute is purely civil in nature and that no criminal liability is made out against the petitioners. However, during the pendency of this criminal petition, the parties have settled the matter on 08.04.2026, wherein it has been agreed that a sum of Rs. 10,00,000/- (Rupees Ten Lakhs) shall be paid to the respondent No. 2, as the same was purely a civil dispute arising out of business transactions.

6. Mr. D. Loyi, learned Public Prosecutor for the State and Mr. K. Lollen, learned counsel for the respondent No. 2 have fairly submitted that, in view of the settlement arrived at between the parties, the criminal petition may be allowed, as the dispute appears to be purely civil in nature arising out of

business transactions.

7. I have considered the submissions of the learned counsel for the parties and also perused the materials available on record.

8. The criminal proceedings appear to have been initiated on the complaint/First Information Report (FIR) lodged by the respondent No. 2 essentially alleging cheating by the petitioners. After completion of the investigation, the police has filed charge-sheet and accordingly, charges have been framed against the petitioners under Sections 109/409/419/420 IPC.

9. On perusal of the materials brought on record, it appears that the transaction between the parties was in the nature of a business transaction and, at best, the dispute would be of civil nature. Be that as it may, the parties have settled the matter, wherein the petitioners have agreed to pay a sum of Rs. 10,00,000/- (Rupees Ten Lakhs) to the respondent No. 2 on 08.04.2026 and an agreement to that effect has been entered into by way of Mutual Settlement.

10. Having considered that the dispute appears to be purely civil in nature, arising out of a commercial transaction and also considering that the parties have already settled the dispute, I am of the considered view that the present case is one of those cases wherein the inherent power of this Court is required to be invoked as a civil dispute cannot be given a criminal color.

11. Accordingly, the criminal proceedings in the G. R. Case No. 160/2018, arising out of Pasighat P. S. Case No. 131/2018, under Sections 406/409/419/420/34 of the Indian Penal Code (IPC), 1860, pending before the learned Chief Judicial Magistrate, Pasighat, stands quashed.

12. The criminal petition stands allowed and disposed of.

JUDGE

Comparing Assistant