THE HIGH COURT OF ORISSA AT CUTTACK

<u>CRLMC No.1816 of 2020</u>

(In the matter of an application under Section 482 of the Criminal Procedure Code, 1973)

Susant Pujari ……. ***Petitioner***

-Versus-

State of Odisha & Anr. ……. ***Opposite Parties***

For the Petitioner : Mr. Subir Palit, Senior Advocate

For the Opposite Parties : Mr. A.K. Apat, AGA

CORAM:

THE HONOURABLE SHRI JUSTICE SIBO SANKAR MISHRA

Date of Hearing: 10.02.2026 Date of Judgment: 26.02.2026

S.S. Mishra, J. The present petition has been filed under Section 482 of the Code of Criminal Procedure seeking quashing of the entire criminal proceeding in G.R. Case No. 2806 of 2009 arising out of Airfield P.S. Case No. 153 of 2009, pending in the Court of learned S.D.J.M., Bhubaneswar (now J.M.F.C.-I, Bhubaneswar), registered for alleged commission of offences punishable under

Sections 467, 468, 471, 420 read with Section 34 of the Indian Penal Code.

2. Heard Mr. Subir Palit, learned senior counsel for the petitioner, and Mr. A.K. Apat, learned Additional Government Advocate for the opposite parties.

3. The facts of this case, in brief, are that on 14.10.2009 one Ashok Kumar Das, resident of Bhimtangi, Bhubaneswar, lodged a written First Information Report before the Inspector-in-Charge, Airfield Police Station, alleging commission of offences relating to cheating, forgery and use of forged documents in respect of a motor vehicle transaction. Based on the said written report, Airfield P.S. Case No.153 of 2009 came to be registered and investigation was taken up by the police.

4. As per the allegations made in the FIR, it is stated that one Debi Prasanna Padhi had sold a red-coloured Toyota Innova vehicle bearing Registration No. OR-02-AT-2200 to Smt. Suchismita Das, who is the wife of the informant, for a consideration amount of Rs.8,20,000/-. It is further alleged that at the time of sale, the said Debi Prasanna Padhi handed over all vehicle documents and facilitated the transfer of ownership and registration in the name of

Smt. Suchismita Das through the Regional Transport Office, Bhubaneswar.

5. The informant subsequently came to know that the said vehicle was under an outstanding loan liability amounting to Rs.8,33,980/- with ICICI Bank, Bhubaneswar Branch and that the No Objection Certificate allegedly submitted before the RTO for removal of hypothecation and transfer of ownership was a forged document. On coming to know about the alleged forgery, the informant is stated to have contacted Debi Prasanna Padhi and on 12.03.2009 handed over all documents relating to the vehicle to him in presence of his father, namely Pitambar Padhi, on assurance that the issue would be resolved.

6. It is further alleged that when no response was received from Debi Prasanna Padhi even after the expiry of ten days, the informant contacted the father of Debi Prasanna Padhi, who expressed ignorance about his whereabouts. Thereafter, the informant approached the RTO, Bhubaneswar, to report the alleged forgery, where he allegedly came to know that the vehicle had already been refinanced through TATA Finance and subsequently purchased by the present Petitioner, namely Susant Pujari, and the registration had already been transferred in his name. It is also

alleged in the FIR that when the informant approached the present Petitioner and informed him about the alleged forgery, the Petitioner refused to entertain the grievance and asked him to take whatever action he deemed fit.

7. It is the case of the present Petitioner that he is in no manner connected with the alleged acts of forgery or cheating and that he has been falsely implicated in the present case without any prima facie material. The Petitioner asserts that he had purchased the vehicle in question from Smt. Suchismita Das, wife of the informant, through a refinance arrangement facilitated by TATA Capital Ltd., Bhubaneswar. It is stated that prior to sanction and disbursement of the refinance facility, the financing institution had conducted due verification of the official records available with the RTO, Bhubaneswar and upon such verification found that the vehicle was free from any subsisting encumbrance at the time of refinance. In support of such contention, the Petitioner relies upon the email communication dated 09.11.2009 issued by TATA Capital Ltd., which, according to the Petitioner, clearly establishes that due diligence was conducted prior to financing of the vehicle.

8. On the basis of the aforesaid allegations, investigation was undertaken and ultimately Final Report (Charge Sheet) U/S 173

Cr.P.C. dated 22.09.2017 was submitted under Sections 467, 468, 471, 420 read with Section 34 of the Indian Penal Code against two accused persons, namely, Debi Prasanna Padhi (A1) and Susant Pujari (A2 - present Petitioner). In the said charge sheet, both accused persons were shown as absconding, pursuant to which Non-Bailable Warrants were issued by the learned SDJM, Bhubaneswar.

9. On the aforesaid factual backdrop, the present petition under Section 482 Cr.P.C. has been filed seeking quashing of the criminal proceeding in G.R. Case No.2806 of 2009 arising out of Airfield P.S. Case No.153 of 2009 insofar as it relates to the present Petitioner.

10. Mr. Palit, learned senior counsel for the Petitioner, submitted that the Petitioner is a bona fide purchaser for valuable consideration and had acquired the vehicle through institutional refinance from TATA Capital Ltd. It is submitted that prior to sanction of finance, TATA Capital Ltd. had conducted necessary due diligence and verification from the RTO records, which reflected that the vehicle was free from prior encumbrance at the time of refinancing. He submitted that all statutory documents including registration certificate, insurance documents and transfer

endorsements were issued by the competent RTO authority in favour of the Petitioner. It is contended that the Petitioner had no role whatsoever in the alleged forgery of NOC and had acted on official records and institutional verification.

11. Mr. Palit further stated that after refinance, the vehicle was duly transferred in his name by the RTO, Bhubaneswar and fresh Registration Certificate was issued in his favour. The Petitioner had also obtained insurance coverage for the vehicle from ICICI Lombard. He stated that the Petitioner has repaid the entire refinance loan amount of Rs.6,55,000/- to TATA Capital Ltd. as per the repayment schedule and the loan account stood closed, thereby establishing his bona fide conduct throughout the transaction. According to Mr. Palit, the petitioner himself is one of the victims.

12. On careful consideration of the FIR, materials collected during the investigation and the documents placed on record, this Court finds that the core allegation of forgery is traceable to the stage of removal of ICICI Bank hypothecation by using the alleged forged NOC. The materials available prima facie indicate that such act, if at all committed, is attributable to the original owner namely Debi Prasanna Padhi. There is no material to indicate that the present Petitioner was privy to such alleged forgery or that he had

participated in any manner in the preparation or use of forged document with criminal intent.

13. The records further reveal that the Petitioner purchased the vehicle through a recognized financial institution and the transaction was preceded by institutional due diligence. The transfer of ownership was made through statutory process before the RTO authority and fresh registration documents were issued in favour of the Petitioner. Such circumstances substantially negate the existence of *mens rea* which is a necessary ingredient for constituting offences under Sections 467, 468 and 471 IPC. Similarly, in the absence of material indicating dishonest intention at the inception of the transaction, the offence of cheating under Section 420 IPC is also not prima facie made out against the Petitioner.

14. A careful reading of the FIR lodged on 14.10.2009 reveals that the gravamen of the allegations is directed primarily against Debi Prasanna Padhi, who is stated to have sold the vehicle and allegedly furnished a forged NOC for removal of hypothecation. Insofar as the present Petitioner is concerned, the FIR merely states that the vehicle was subsequently found to have been refinanced and transferred in his name and that upon being approached by the

informant, he declined to entertain the grievance. There is no specific assertion in the FIR that the Petitioner was involved in the preparation, fabrication, or submission of the alleged forged document, nor is there any allegation that he had knowledge of the subsisting loan at the time of purchase. The FIR thus does not attribute any overt act constituting forgery, cheating, or use of forged document to the present Petitioner, and his implication appears to be consequential to the subsequent transfer of ownership rather than based on any direct allegation of criminal conduct.

15. This Court also takes note of the documentary chain placed on record, including RTO issued registration certificate, the hypothecation endorsement in favour of the refinancing institution and subsequent loan clearance documentation. These documents lend credence to the case of the Petitioner that he is a subsequent bona fide purchaser who relied upon official and institutional verification.

16. At this stage, it is also relevant to take judicial notice of the subsequent development arising out of the same transaction. It is brought to the notice of this Court that in ***CRLMC No.159 of 2025*** filed by Debi Prasanna Padhi, which arose out of the same G.R. Case No.2806 of 2009, this Court had quashed the criminal

proceeding taking note of the mediation settlement arrived at between the parties and upon being satisfied that continuation of criminal proceeding would amount to abuse of process of law. In the said proceeding, the dispute between the parties was amicably resolved before the Mediation Centre and the criminal proceeding was terminated in exercise of the inherent powers of this Court. The relevant portion of the aforesaid judgment is extracted herein below for ready reference:-

> *"4. On perusal of the order-sheet it appears that the matter was referred to mediation by virtue of order dated 12.03.2025 of the learned coordinate Bench. In the meantime the Parties approach the Orissa High Court Mediation Centre where they participated in the mediation proceeding. A copy of the mediation report dated 28.11.2025 was filed before this Court and the same is taken on record. On perusal of the mediation report dated 28.11.2025 it appears that the parties have amicably settled their dispute before the learned mediator on the terms and conditions as has been reflected in the said report.*
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> *5. On perusal of the mediation report it appears that both sides have agreed not to proceed in the criminal proceeding, subject to Petitioner paying a sum of Rs.2,50,000/- (Rupees two lakhs fifty thousand) to the Opposite Party No.2 towards full and final settlement of the claim. It has also been agreed that the Opposite Party No.2 shall not file any such claim or dispute before any other forum and that any dispute with regard to the subject matter pending in any other*

forum shall not be proceeded with at the instance of the Opposite Party No.2.

6. Learned counsel for the Opposite Party No.2 files a memo which indicates that the above noted sum of Rs.2,50,000/- has already been paid to the Opposite Party No.2 vide DD No.984047 dated 28.11.2025. Payment of such amount is not disputed by the learned counsel for appearing for the Opposite Party No.2.

7. In view of the aforesaid development, this Court found that the dispute involved in the present case has already been amicably settled and that the Opposite Party No.2 does not want to proceed further in this case.

8. In view of the aforesaid settlement in the Orissa High Court Mediation Centre and taking into consideration the report of the mediator dated 28.11.2025 as well as the submission made by learned counsels appearing for both sides, this Court is of the view that the dispute has been amicably resolved and that the Opposite Party No.2 does not want to proceed further in the present criminal case. As such, this court is of the considered view that any further continuation of the present proceeding would be an abuse of the process of law and result in the wastage of valuable judicial time. Therefore, this Court, in excise of its inherent powers, is inclined to terminate the entire criminal proceeding in G.R. Case No.2806 of 2009. The said proceeding is hereby quashed."

17. Though the present case has to be independently evaluated on its own factual and legal foundation, the earlier order passed in ***CRLMC No.159 of 2025*** has persuasive value inasmuch as it

indicates that the dispute essentially emanated from the purchase of a commercial vehicle transaction and not from any organized criminal conspiracy. The settlement of the dispute between the principal contesting parties further weakens the substratum of criminal prosecution particularly against a subsequent purchaser whose role is otherwise not supported by independent incriminating material.

18. It is well settled that inherent jurisdiction under Section 482 Cr.P.C. is to be exercised to prevent abuse of process of the Court and to secure the ends of justice. Where the uncontroverted allegations and materials collected during the investigation do not disclose the essential ingredients of the alleged offences, continuation of criminal prosecution would amount to harassment and misuse of criminal law machinery.

19. In the present case, even if the prosecution materials are accepted in their entirety, they do not prima facie establish active participation, conspiracy, or conscious knowledge of alleged forgery on the part of the present Petitioner. The continuation of criminal proceeding against a subsequent bona fide purchaser, who has acted on statutory records and institutional verification, would be unjustified.

20. Therefore, by way of abundant caution, and in order to secure the ends of justice and to prevent abuse of the process of the Court, this Court is inclined to exercise its inherent jurisdiction under Section 482 Cr.P.C. Hence, the entire criminal proceeding in G.R. Case No. 2806 of 2009 arising out of Airfield P.S. Case No. 153 of 2009 pending before the Court of learned J.M.F.C.-I, Bhubaneswar, insofar as it relates to the present Petitioner, is hereby quashed.

21. Accordingly, the CRLMC stands allowed.

(S.S. Mishra)
Judge

The High Court of Orissa, Cuttack.
Dated the 26th day of February, 2026/ Ashok