



2026:UHC:3430

SL. No.	Date	Office Notes, reports, orders or proceedings or directions and Registrar's order with Signatures	COURT'S OR JUDGE'S ORDERS
			<p><u>C528/909/2026</u></p> <p>Mr. Ravi Joshi, learned counsel for the applicants.</p> <p>2. Mr. S.C. Dumka and Mr. Rakesh Joshi, learned A.G.A. for the State.</p> <p>3. Mr. Gaurav Kandpal, learned counsel for respondent no.2.</p> <p>4. Present C-528 application has been filed seeking quashing of the charge-sheet as well as the summoning/cognizance order dated 12.03.2020 passed in Criminal Case No. 413 of 2020, arising out of offences under Sections 406, 420, 467, 468 and 120-B I.P.C., pending in the Court of learned Additional Chief Judicial Magistrate, Kotdwara, along with the entire proceedings of the aforesaid case.</p> <p>5. Learned counsel for the applicants submits that respondent no. 2/complainant lodged an F.I.R. alleging that the applicants were employees of Muthoot Finance Company. It is stated that applicant no. 1 was posted as Branch In-charge, while applicant nos. 2 and 3 were working as Relationship Managers. The allegations pertain to certain financial irregularities detected during an audit. It is alleged that the strong room, wherein gold jewellery pledged as security against loans was kept, was operated by applicant nos. 1 and 2, and in their absence by applicant no. 3. It is further alleged that the applicants, in collusion with each other, prepared forged and fabricated documents and</p>



misappropriated substantial amounts by sanctioning loans on the basis of such documents. Upon investigation, a charge-sheet was submitted and cognizance was taken by the learned trial court. It is also submitted that the complainant-company had instituted Original Suit No. 2 of 2020 before the Civil Judge, Kotdwara for recovery of the alleged embezzled amount.

6. Learned counsel for the applicants would further submit that the parties have now amicably resolved their dispute. The applicants and the complainant-company have entered into a full and final settlement in the aforesaid civil suit, and the entire disputed amount has been paid. Consequently, the civil proceedings have been disposed of in terms of the compromise. In support thereof, reliance has been placed upon the compromise deed as well as the order dated 08.03.2025 passed by the Lok Adalat, which have been brought on record as Annexure No. 6 to the present application.

7. It is further submitted that in view of the aforesaid settlement, nothing survives between the parties. The complainant/respondent no. 2 has decided not to pursue the criminal proceedings and has consented to the compounding of the offences.

8. A joint compounding application (I.A. No. 2 of 2026), supported by affidavits of both the applicants and respondent no. 2, has been filed stating that the compromise has been entered into voluntarily, without any coercion, undue influence, or pressure, and that the complainant does not wish to pursue the criminal proceedings any



further

9. The applicants as well as respondent no. 2 are present before the Court in person and have been duly identified by their respective counsel. Upon interaction, respondent no. 2 has affirmed the factum of compromise and has reiterated his unwillingness to proceed with the case.

10. Learned State Counsel has opposed the application on the ground that the offences under Sections 467, 468 and 120-B I.P.C. are non-compoundable in nature. However, he does not dispute the factum of compromise between the parties.

11. Heard learned counsel for the parties and perused the material on record.

12. From the record as well as the statements made before this Court, it is evident that the dispute between the parties has been amicably settled and the entire agreed consideration has been paid by the applicants. The complainant has voluntarily entered into the compromise and has expressed his unwillingness to pursue the criminal proceedings.

13. It is well settled that the High Court, in exercise of its inherent powers under Section 482 Cr.P.C., can quash criminal proceedings even in respect of non-compoundable offences, where the dispute is essentially private in nature and the continuation of proceedings would amount to abuse of the process of the Court.

14. In *Gian Singh v. State of Punjab*, the Hon'ble Supreme Court held that criminal proceedings involving non-compoundable offences may be quashed if the dispute is predominantly civil in character and the



parties have settled the matter. In *Narinder Singh v. State of Punjab*, guidelines were laid down emphasizing that the Court must assess whether continuation of proceedings would be futile and whether quashing would serve the ends of justice. Similarly, in *Parbatbhai Aahir v. State of Gujarat*, it was reiterated that inherent powers are to be exercised to prevent abuse of the process of law and to secure the ends of justice.

15. Considering the nature of allegations, which arise out of a financial transaction between the parties, the fact that the dispute has been amicably settled, and the complainant has received the entire settled amount, this Court is of the opinion that continuation of the criminal proceedings would serve no useful purpose and would amount to abuse of the process of the Court.

16. 15. Accordingly, the compounding application (I.A. No. 2 of 2026) is allowed.

17. Consequently, the charge-sheet as well as the summoning/cognizance order dated 12.03.2020 passed in Criminal Case No. 413 of 2020, arising out of offences under Sections 406, 420, 467, 468 and 120-B I.P.C., pending in the Court of learned Additional Chief Judicial Magistrate, Kotdwara, along with the entire proceedings of the aforesaid case, are hereby quashed.

18. The application under Section 482 Cr.P.C. is accordingly allowed.

19. All pending applications, if any, stand disposed of.

(Alok Mahra, J.)

06.05.2026



2026:UHC:3430

--	--	--	--