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HIGH COURT OF CHHATTISGARH AT BILASPUR

CRMP No. 1451 of 2026

Nishant Sahu S/o Ramesh Sahu Aged About 36 Years R/o Chandi Para
Pamgarh P.S. Pamgarh District- Janjgir-Champa (C.G.)

... **Petitioner**

versus

State of Chhattisgarh Through Station House Officer P.S. Civil Line
District- Bilaspur (C.G.)

... **Respondent**

(Cause-title taken from Case Information System)

For Petitioner	:	Mr. Atul Kumar Kesharwani, Advocate
For Respondent/State	:	Mr. Soumya Rai, Deputy Government Advocate

Hon'ble Shri Ramesh Sinha, Chief Justice
Hon'ble Shri Ravindra Kumar Agrawal, Judge

Order on Board

Per Ramesh Sinha, Chief Justice

16.06.2026

1. Heard Mr. Atul Kumar Kesharwani, learned counsel for the petitioner as well as Mr. Soumya Rai, learned Deputy Government Advocate, appearing for the State/respondent.

2. The present petition has been filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for short, 'B.N.S.S.') by the petitioner with the following prayers:-

“1) This Hon'ble Court may kindly be pleased to Quash the impugned FIR No. 361/2014 dated 27.06.2014 registered at Police Station- Civil Lines, District Bilaspur (C.G.) u/s 420 & 467 of I.P.C. lodged against the present petitioner, in the interest of justice.

2) This Hon'ble Court may kindly be pleased to Quash the impugned chargesheet no. 617/2025 dt. 16.07.2025 filed before Learned Chief Judicial Magistrate, District Bilaspur (C.G.) for offences u/s 420, 467 & 34 of I.P.C., against the present petitioner, in the interest of justice.

3) This Hon'ble Court may kindly be pleased to Quash the subsequent criminal proceedings including impugned order of taking cognizance dt. 23.07.2025 by Ld. Chief Judicial Magistrate, District Bilaspur (C.G.) for offences u/s 420, 467 & 34 of I.P.C. in Criminal Case No. 22142/2025, in the interest of justice.

4) This Hon'ble Court may kindly be pleased to Quash the impugned charges framed u/s 420, 467 & 34 of I.P.C., vide impugned order dt. 06.11.2025 against the petitioner and order dt. 06.11.2025 of framing of above charges passed by Ld. Chief Judicial Magistrate, District Bilaspur (C.G.) in Criminal Case No. 22142/2025, in

the interest of justice.

5) This Hon'ble Court may be pleased to give such other relief(s) as this Hon'ble Court deems fit, in the interest of justice."

3. Brief facts of the case, in a nutshell, are that the petitioner has been implicated in connection with Crime No. 361/2014 registered on 27.06.2014 at Police Station Civil Lines, District Bilaspur (C.G.), initially for offences punishable under Sections 420 and 467 of the Indian Penal Code. After completion of investigation, the police submitted Charge-sheet No. 617/2025 dated 16.07.2025 before the Court of the learned Chief Judicial Magistrate, Bilaspur, alleging commission of offences under Sections 420, 467 and 34 of the Indian Penal Code, 1860 (for short, 'IPC').

4. Pursuant thereto, the learned Chief Judicial Magistrate, Bilaspur, by order dated 23.07.2025, took cognizance of the offences and registered Criminal Case No. 22142/2025 against the petitioner. Thereafter, by order dated 06.11.2025, charges under Sections 420, 467 and 34 of the IPC came to be framed against the petitioner, which are under challenge in the present proceedings.

5. As per the prosecution case, the petitioner, being the proprietor of M/s Sai Nath Enterprises, had obtained registration under the provisions of the Chhattisgarh Value Added Tax Act, 2005 on 02.10.2013 for carrying on business relating to purchase and sale of coal and coke. It is alleged that on the basis of data generated from the departmental

software and online returns filed by various registered dealers, it was found that several dealers had claimed input tax credit on purchases allegedly made from the petitioner's firm. According to the prosecution, while the petitioner had disclosed sales of approximately Rs.47.37 lakh in his VAT returns for the relevant assessment year, the departmental records reflected transactions amounting to approximately Rs.356.25 lakh, leading to an allegation that bogus bills had been generated and tax to the tune of Rs.17.81 lakh had been evaded, thereby causing loss to the State revenue.

6. The grievance of the petitioner is that the entire allegation, even if taken at its face value, arises out of alleged violations under the provisions of the Chhattisgarh Value Added Tax Act, 2005, which is a special fiscal enactment providing a complete mechanism for assessment, adjudication and penal action. It is contended that the offences contemplated under the said Act are bailable in nature and, therefore, invocation of offences under Sections 420 and 467 IPC is wholly misconceived and amounts to abuse of the process of law.

7. It is further the case of the petitioner that the foundational allegation regarding issuance of bogus or forged bills, which constitutes the very basis for invoking the offences of cheating and forgery under the IPC, is not borne out from the material collected during investigation. According to the petitioner, the final report submitted by the investigating agency does not contain any material demonstrating preparation, use or recovery of any forged or fabricated document

attributable to the petitioner. In such circumstances, continuation of the criminal proceedings against the petitioner is stated to be unsustainable in law.

8. Learned counsel for the petitioner submits that the impugned FIR, charge-sheet and the consequential criminal proceedings are wholly illegal, arbitrary and constitute a gross abuse of the process of law. It is contended that the allegations contained in the FIR, even if accepted in their entirety, essentially pertain to alleged discrepancies in tax returns and alleged tax evasion under the provisions of the Chhattisgarh Value Added Tax Act, 2005, which is a special fiscal statute providing a complete mechanism for assessment, reassessment, adjudication and imposition of penalties. According to learned counsel, without resorting to the statutory remedies and procedures prescribed under the VAT Act, the respondents have mechanically invoked the provisions of Sections 420 and 467 of the IPC with the sole object of subjecting the petitioner to criminal prosecution and harassment.

9. Learned counsel further submits that the prosecution has completely overlooked the mandatory provisions of the CG VAT Act while initiating the present proceedings. It is argued that no reassessment proceedings, as contemplated under Section 22 of the VAT Act, were ever undertaken to determine the alleged tax liability of the petitioner. In the absence of any adjudication by the competent tax authority regarding the alleged tax evasion, the very foundation of the prosecution case becomes unsustainable. It is also contended that

under the scheme of the VAT Act, prosecution can be initiated only in accordance with the procedure prescribed therein and after obtaining necessary sanction from the competent authority. However, there is nothing on record to demonstrate that any such sanction or approval was obtained prior to registration of the FIR or submission of the charge-sheet. Consequently, the entire prosecution is stated to be without jurisdiction and liable to be quashed.

10. Learned counsel also submits that there has been an inordinate and unexplained delay of nearly eleven years in completion of the investigation. Though the FIR was registered on 27.06.2014, the charge-sheet came to be filed only on 16.07.2025. Such extraordinary delay, according to learned counsel, has seriously prejudiced the petitioner's right to a fair and speedy trial guaranteed under Article 21 of the Constitution of India. It is argued that the prolonged inaction on the part of the investigating agency itself demonstrates lack of diligence and raises serious doubts regarding the bona fides of the prosecution. The petitioner has been compelled to remain under the shadow of criminal proceedings for more than a decade, causing immense hardship, mental agony and prejudice to his defence.

11. It is further submitted that the essential ingredients of the offences alleged against the petitioner are completely absent. Learned counsel argues that there is no material to indicate any dishonest or fraudulent intention on the part of the petitioner from the inception of the transaction, which is a sine qua non for constituting an offence under

Section 420 IPC. Likewise, there is no allegation, recovery or material indicating preparation or use of any forged document so as to attract the offence punishable under Section 467 IPC. Significantly, the prosecution's principal allegation regarding issuance of bogus bills finds no mention in the final report submitted by the investigating agency. In the absence of any forged or fabricated document being attributed to the petitioner, continuation of prosecution for offences of cheating and forgery is wholly unwarranted and amounts to misuse of criminal law in what is essentially a fiscal dispute.

12. Learned counsel lastly submits that the materials collected during investigation themselves exonerate the petitioner and indicate the involvement of other persons. Reference is made to the statements of prosecution witnesses, particularly Pradeep Lanjehwar and Arjun Sahu, which allegedly disclose that one Sonu @ Piyush Singh was engaged in opening firms in the names of different individuals and was the person actually involved in generation of alleged bogus bills. It is further contended that several witnesses have admitted that the tax liability, if any, has already been discharged during the course of investigation and, therefore, no loss to the State revenue survives. Learned counsel submits that the petitioner has been selectively targeted while similarly situated persons have not been proceeded against. According to him, the impugned FIR is actuated by mala fide intentions, is an afterthought, and has been lodged only to exert pressure upon the petitioner. On the basis of these submissions, it is prayed that the impugned FIR, charge-sheet, order taking cognizance and order framing charges be quashed.

13. On the other hand, learned State counsel opposes the petition and submits that the impugned FIR, charge-sheet and consequential proceedings have been initiated strictly in accordance with law after a detailed investigation spanning several years. It is submitted that the prosecution case originates from a written complaint lodged by the Commercial Tax Officer, Bilaspur, wherein it was specifically alleged that the petitioner, being the proprietor of M/s Sai Nath Enterprises, had obtained registration under the provisions of the Chhattisgarh Value Added Tax Act, 2005 for carrying on business relating to coal and coke, but had subsequently generated bogus sales invoices and facilitated wrongful availment of input tax credit by various traders. Upon scrutiny of the returns and departmental records, it was found that while the petitioner had disclosed sales of only Rs.47.37 lakhs in his quarterly returns, the departmental portal reflected sales transactions amounting to approximately Rs.356.25 lakhs, thereby causing loss of revenue to the State exchequer to the tune of Rs.17.81 lakhs.

14. Learned State counsel further submits that during the course of investigation, the investigating agency collected documentary evidence from the Commercial Tax Department, obtained bank account details of the petitioner and co-accused, examined several traders and witnesses, and recorded their statements under law. It is contended that the material collected during investigation prima facie discloses that the petitioner and co-accused Sonu @ Piyush Singh acted in concert and, pursuant to a criminal conspiracy, carried out transactions through the business concern in question for causing wrongful loss to the

Government and corresponding wrongful gain to themselves and others. It is submitted that after completion of investigation, sufficient incriminating material was found against the petitioner and, therefore, charge-sheet has rightly been filed for offences punishable under Sections 420, 467 and 34 of the IPC. The correctness or otherwise of the allegations is a matter to be tested during trial and cannot be adjudicated in proceedings seeking quashment of criminal prosecution.

15. Learned State counsel also submits that the delay in filing of the charge-sheet has been adequately explained in the final report itself. The petitioner had allegedly absconded after registration of the crime and had shifted outside the State of Chhattisgarh. Despite continuous efforts, his whereabouts could not be traced for a considerable period and he was ultimately apprehended from Pune, Maharashtra on 29.05.2025 after tracing his mobile location. It is further submitted that the co-accused Sonu @ Piyush Singh continues to remain absconding despite extensive efforts undertaken by the investigating agency for securing his arrest. In such circumstances, the delay in completion of investigation cannot by itself be a ground for quashing the prosecution, particularly when the charge-sheet discloses commission of cognizable offences and the material collected during investigation prima facie establishes the involvement of the petitioner. Learned State counsel, therefore, submits that disputed questions of fact raised by the petitioner can only be examined during trial and the present petition, being devoid of merit, deserves to be dismissed.

16. We have heard learned counsel for the parties and perused the material available on record with utmost circumspection.

17. The legal position on the issue of quashing of criminal proceedings is well-settled that the jurisdiction to quash a complaint, FIR or a charge-sheet should be exercised sparingly and only in exceptional cases and Courts should not ordinarily interfere with the investigations of cognizable offences. However, where the allegations made in the FIR or the complaint even if taken at their face value and accepted in their entirety do not prima facie constitute any offence or make out a case against the accused, the FIR or the charge-sheet may be quashed in exercise of powers under Article 226 or inherent powers under Section 482 of the Cr.P.C. (now 528 of the B.N.S.S.).

18. The Hon'ble Supreme Court in the matters of ***Rupan Deol Bajaj v. K.P.S. Gill*** reported in ***(1995) SCC (Cri) 1059***, ***Rajesh Bajaj v. State of NCT of Delhi*** reported in ***(1999) 3 SCC 259*** and ***Medchl Chemicals & Pharma (P) Ltd. v. Biological E Ltd. & Ors*** reported in ***2000 SCC (Cri) 615***, the Supreme Court clearly held that if a prima facie case is made out disclosing the ingredients of the offence, Court should not quash the complaint. However, it was held that if the allegations do not constitute any offence as alleged and appear to be patently absurd and improbable, Court should not hesitate to quash the complaint. The note of caution was reiterated that while considering such petitions the Courts should be very circumspect, conscious and careful. Thus, there is no controversy about the legal proposition that in case a prima facie

case is made out, the FIR or the proceedings in consequence thereof cannot be quashed.

19. In *Neharika Infrastructure Pvt. Ltd. Vs. State of Maharashtra and others* reported in **2021 SCC OnLine SC 315**, the Apex Court has observed that the power of quashing should be exercised sparingly with circumspection in the rarest of rare cases. While examining an FIR/complaint, quashing of which is sought, the Court cannot inquire about the reliability, genuineness, or otherwise of the allegations made in the FIR/complaint. The power under Section 482 of the Cr.P.C. (now 528 of the B.N.S.S.) is very wide, but conferment of wide power requires the Court to be cautious. The Apex Court has emphasized that though the Court has the power to quash the FIR in suitable cases, the Court, when it exercises power under Section 482 of the Cr.P.C. (now 528 of B.N.S.S.), only has to consider whether or not the allegations of FIR disclose the commission of a cognizable offence and is not required to consider the case on merit. Further, while dismissing/disposing of/not entertaining/not quashing the criminal proceedings/complaint/FIR in exercise of powers under Section 482 of Cr.P.C. (now 528 of B.N.S.S.) , final conclusions are as under:-

“i) Police has the statutory right and duty under the relevant provisions of the Code of Criminal Procedure contained in Chapter XIV of the Code to investigate into a cognizable offence;

ii) Courts would not thwart any investigation

into the cognizable offences;

iii) It is only in cases where no cognizable offence or offence of any kind is disclosed in the first information report that the Court will not permit an investigation to go on;

iv) The power of quashing should be exercised sparingly with circumspection, as it has been observed, in the 'rarest of rare cases (not to be confused with the formation in the context of death penalty).

v) While examining an FIR/complaint, quashing of which is sought, the court cannot embark upon an enquiry as to the reliability or genuineness or otherwise of the allegations made in the FIR/complaint;

vi) Criminal proceedings ought not to be scuttled at the initial stage;

vii) Quashing of a complaint/FIR should be an exception rather than an ordinary rule;

viii) Ordinarily, the courts are barred from usurping the jurisdiction of the police, since the two organs of the State operate in two specific spheres of activities and one ought not to tread over the other sphere;

ix) The functions of the judiciary and the police are complementary, not overlapping;

x) Save in exceptional cases where non-interference would result in miscarriage of justice, the Court and the judicial process

should not interfere at the stage of investigation of offences;

xi) Extraordinary and inherent powers of the Court do not confer an arbitrary jurisdiction on the Court to act according to its whims or caprice;

xii) The first information report is not an encyclopaedia which must disclose all facts and details relating to the offence reported. Therefore, when the investigation by the police is in progress, the court should not go into the merits of the allegations in the FIR. Police must be permitted to complete the investigation. It would be premature to pronounce the conclusion based on hazy facts that the complaint/FIR does not deserve to be investigated or that it amounts to abuse of process of law. After investigation, if the investigating officer finds that there is no substance in the application made by the complainant, the investigating officer may file an appropriate report/summary before the learned Magistrate which may be considered by the learned Magistrate in accordance with the known procedure;

xiii) The power under Section 482 Cr.P.C. is very wide, but conferment of wide power requires the court to be more cautious. It casts an onerous and more diligent duty on the court;

xiv) However, at the same time, the court, if it thinks fit, regard being had to the parameters of quashing and the self-restraint imposed by law, more particularly the parameters laid down by this Court in the cases of R.P. Kapur (supra) and Bhajan Lal (supra), has the jurisdiction to quash the FIR/complaint;

xv) When a prayer for quashing the FIR is made by the alleged accused and the court when it exercises the power under Section 482 Cr.P.C., only has to consider whether the allegations in the FIR disclose commission of a cognizable offence or not. The court is not required to consider on merits whether or not the merits of the allegations make out a cognizable offence and the court has to permit the investigating agency/police to investigate the allegations in the FIR;

xvi) The aforesaid parameters would be applicable and/or the aforesaid aspects are required to be considered by the High Court while passing an interim order in a quashing petition in exercise of powers under Section 482 Cr.P.C. and/or under Article 226 of the Constitution of India. However, an interim order of stay of investigation during the pendency of the quashing petition can be passed with circumspection. Such an interim order should not require to be passed routinely, casually and/or mechanically. Normally, when the investigation is in progress and the facts are hazy and the

entire evidence/material is not before the High Court, the High Court should restrain itself from passing the interim order of not to arrest or “no coercive steps to be adopted” and the accused should be relegated to apply for anticipatory bail under Section 438 Cr.P.C. before the competent court. The High Court shall not and as such is not justified in passing the order of not to arrest and/or “no coercive steps” either during the investigation or till the investigation is completed and/or till the final report/chargesheet is filed under Section 173 Cr.P.C., while dismissing/ disposing of the quashing petition under Section 482 Cr.P.C. and/or under Article 226 of the Constitution of India.

xvii) Even in a case where the High Court is prima facie of the opinion that an exceptional case is made out for grant of interim stay of further investigation, after considering the broad parameters while exercising the powers under Section 482 Cr.P.C. and/or under Article 226 of the Constitution of India referred to hereinabove, the High Court has to give brief reasons why such an interim order is warranted and/or is required to be passed so that it can demonstrate the application of mind by the Court and the higher forum can consider what was weighed with the High Court while passing such an interim order.

xviii) Whenever an interim order is passed by

the High Court of “no coercive steps to be adopted” within the aforesaid parameters, the High Court must clarify what does it mean by “no coercive steps to be adopted” as the term “no coercive steps to be adopted” can be said to be too vague and/or broad which can be misunderstood and/or misapplied.”

20. Very recently, the Hon'ble Supreme Court in ***Pradeep Kumar Kesharwani v. State of Uttar Pradesh & Another (Criminal Appeal No. 3831 of 2025, decided on 02.09.2025)***, while reiterating the settled principles governing the exercise of inherent jurisdiction for quashing criminal proceedings, has once again emphasized that the jurisdiction vested in the High Court is extraordinary in nature and is required to be exercised with great caution, circumspection and only in exceptional circumstances. The Apex Court has held that while considering a prayer for quashing of an FIR, charge-sheet or criminal proceedings, the Court is not expected to conduct a mini trial or undertake a meticulous examination of the evidence collected during investigation. The scope of judicial scrutiny at such stage is confined to examining whether the allegations made in the FIR, the material collected during investigation and the charge-sheet, if accepted at their face value, disclose the commission of a cognizable offence and make out a prima facie case for proceeding against the accused.

21. The Hon'ble Supreme Court further observed that the High Court, while exercising jurisdiction under Section 482 of the Code of Criminal

Procedure (now Section 528 of the BNSS), cannot enter into disputed questions of fact, evaluate the truthfulness or otherwise of the allegations, assess the evidentiary value of witness statements, or adjudicate upon the probable defence available to the accused. Such an exercise falls squarely within the province of the trial Court, which alone is competent to appreciate evidence after the parties have led their respective cases. The Apex Court cautioned that where the allegations disclose the ingredients of the alleged offences and the investigating agency has collected material in support thereof, criminal proceedings ought not to be scuttled at the threshold merely because the accused has raised a plausible defence or disputes the correctness of the prosecution case. The Hon'ble Supreme Court observed that:

“20. The following steps should ordinarily determine the veracity of a prayer for quashing, raised by an accused by invoking the power vested in the High Court under Section 482 of the Cr.P.C.:-

(i) Step one, whether the material relied upon by the accused is sound, reasonable, and indubitable, i.e., the material is of sterling and impeccable quality?

(ii) Step two, whether the material relied upon by the accused, would rule out the assertions contained in the charges levelled against the accused, i.e., the material is sufficient to reject and overrule the factual assertions contained in the complaint, i.e., the material is such, as would persuade a

reasonable person to dismiss and condemn the factual basis of the accusations as false.

(iii) Step three, whether the material relied upon by the accused, has not been refuted prosecution/complainant; and/or the material that justifiably refuted it cannot be by is by the such, the prosecution/complainant?

(iv) Step four, whether proceeding with the trial would result in an abuse of process of the court, and would not serve the ends of justice?

If the answer to all the steps is in the affirmative, judicial conscience of the High Court should persuade it to quash such criminal proceedings, in exercise of power vested in it under Section 482 of the Cr.P.C. Such exercise of power, besides doing justice to the accused, would save precious court time, which would otherwise be wasted in holding such a trial (as well as, proceedings arising therefrom) specially when, it is clear that the same would not conclude in the conviction of the accused.

[(See: Rajiv Thapar & Ors. v. Madan Lal Kapoor (Criminal Appeal No. 174 of 2013)]”

22. Tested on the touchstone of the aforesaid principles, this Court finds that the allegations made in the FIR and the material collected during investigation cannot be said to be so absurd, inherently improbable or wholly devoid of substance as to warrant exercise of extraordinary jurisdiction under Section 528 of the BNSS. The charge-

sheet indicates that the prosecution has relied upon departmental records, returns filed before the Commercial Tax Department, data generated from the departmental software, bank account details and statements of various witnesses to prima facie establish that the petitioner, in concert with the co-accused, had engaged in transactions resulting in wrongful loss to the State revenue. Whether such material ultimately proves the guilt of the petitioner is a matter to be determined during trial on the basis of evidence adduced by the parties.

23. The principal contention of the petitioner that the dispute is purely governed by the provisions of the Chhattisgarh Value Added Tax Act, 2005 and, therefore, the provisions of the Indian Penal Code could not have been invoked, cannot be accepted at this stage. It is well settled that merely because a transaction has civil, commercial or fiscal ramifications, criminal proceedings do not become untenable if the allegations prima facie disclose the ingredients of a criminal offence. The existence of remedies under a special statute does not, by itself, operate as a bar against prosecution under the penal law where the allegations disclose commission of cognizable offences. Whether the ingredients of Sections 420, 467 and 34 of the IPC are ultimately established is a matter which can only be adjudicated upon after appreciation of evidence during trial.

24. Equally untenable is the submission that the Court should evaluate the statements of witnesses relied upon by the petitioner and record a finding regarding his innocence. The statements referred to by

the petitioner, including those allegedly implicating co-accused Sonu @ Piyush Singh as the mastermind, constitute matters of defence. It is settled law that while exercising jurisdiction for quashing criminal proceedings, the High Court cannot embark upon an enquiry as to the reliability, admissibility or evidentiary value of the material collected during investigation. The defence sought to be projected by the petitioner can be effectively raised before the trial Court at the appropriate stage.

25. So far as the contention regarding delay in submission of the charge-sheet is concerned, the same also does not persuade this Court to exercise its inherent jurisdiction. The charge-sheet itself records that the petitioner had allegedly left the State after registration of the crime and was ultimately apprehended from Pune, Maharashtra in the year 2025. It has also been stated that the co-accused continues to remain absconding. Whether the explanation furnished by the prosecution is satisfactory or not is a matter which can be examined by the trial Court. Mere delay in investigation, by itself, cannot be a ground for quashing criminal proceedings when the materials collected during investigation prima facie disclose commission of cognizable offences.

26. This Court is also unable to accept the contention that the absence of reassessment proceedings under the provisions of the Chhattisgarh Value Added Tax Act, 2005 or the alleged non-compliance with certain procedural requirements of the said enactment would, by itself, render the entire criminal prosecution non est. A perusal of the

FIR and the charge-sheet reveals that the prosecution case is not founded merely upon a claim of tax deficiency or non-payment of tax. Rather, the allegation is that the petitioner, while acting as proprietor of M/s Sai Nath Enterprises, obtained registration under the VAT regime and thereafter utilized the said business entity for generating sales transactions vastly disproportionate to those disclosed in the statutory returns filed before the Commercial Tax Department. According to the prosecution, while the petitioner declared sales of approximately Rs.47.37 lakhs in the quarterly returns submitted to the Department, the data retrieved from the departmental portal and the online purchaser lists reflected sales transactions amounting to approximately Rs.356.25 lakhs. It is alleged that the discrepancy was occasioned by issuance of bogus sales invoices and fictitious transactions enabling various dealers to avail input tax credit to which they were not lawfully entitled, thereby causing wrongful loss to the State revenue to the tune of Rs.17.81 lakhs. Whether the aforesaid allegations are ultimately proved or not is a matter for trial, but at this stage they undoubtedly disclose allegations extending beyond a mere fiscal irregularity and touching upon elements of deception and fraudulent conduct.

27. The charge-sheet further indicates that during investigation the investigating agency collected documentary material from the Commercial Tax Department, examined records generated through the departmental software modules, obtained details of bank accounts allegedly operated by the accused persons and recorded statements of several traders and other witnesses connected with the transactions in

question. The investigation also reveals that the petitioner was not available for a considerable period after registration of the offence and was ultimately apprehended from Pune, Maharashtra, whereas the co-accused Sonu @ Piyush Singh continues to remain absconding. The prosecution case, therefore, cannot be said to be based upon mere conjectures or surmises. At this stage, this Court is only required to ascertain whether the allegations and the material collected during investigation disclose a prima facie case. The sufficiency, admissibility and evidentiary value of such material can only be examined by the trial Court after the parties are afforded an opportunity to lead evidence.

28. Upon a cumulative consideration of the FIR, the charge-sheet and the material collected during investigation, this Court is satisfied that the allegations levelled against the petitioner, if taken at their face value and accepted as correct for the limited purpose of the present proceedings, disclose a prima facie case warranting adjudication by the competent criminal Court. The prosecution case, as reflected from the charge-sheet, is not confined merely to an allegation of non-payment or short payment of tax under the provisions of the Chhattisgarh Value Added Tax Act, 2005. Rather, the allegation is that the petitioner, while operating M/s Sai Nath Enterprises, had disclosed sales transactions of approximately Rs.47.37 lakhs in the returns filed before the Commercial Tax Department, whereas the data available in the departmental software, online purchaser lists and records maintained by the Department reflected transactions amounting to approximately Rs.356.25 lakhs. According to the prosecution, such discrepancy arose

on account of issuance of bogus sales invoices and fictitious transactions which enabled various dealers to avail input tax credit, thereby causing wrongful loss to the State revenue to the tune of approximately Rs.17.81 lakhs. The investigating agency, after collecting documentary material from the Commercial Tax Department, obtaining bank account details of the accused persons and recording statements of several witnesses, has formed an opinion that sufficient material exists to prosecute the petitioner for offences punishable under Sections 420, 467 and 34 of the IPC. Whether the allegations are ultimately established or not is a matter which can only be determined upon appreciation of evidence during trial.

29. The submissions advanced on behalf of the petitioner regarding the exclusive applicability of the Chhattisgarh Value Added Tax Act, the absence of reassessment proceedings under Section 22 thereof, the alleged requirement of prior sanction, the contention that the alleged acts constitute only fiscal violations and not criminal offences, the plea that the co-accused Sonu @ Piyush Singh was the principal offender, the assertion that the tax liability has already been discharged, and the challenge to the correctness of the departmental findings, are all matters which involve disputed questions of fact as well as mixed questions of law and fact. Adjudication of such issues would necessarily require a detailed examination of the statutory framework, departmental records, documentary evidence, witness testimonies and other materials collected during investigation. Such an exercise is beyond the permissible scope of jurisdiction under Section 528 of the BNSS, where

the Court is not expected to weigh the evidence, examine its sufficiency or determine whether the prosecution is likely to culminate in conviction.

30. At this stage, this Court is only required to ascertain whether the allegations contained in the FIR and the material collected during investigation disclose the commission of cognizable offences. The defence sought to be projected by the petitioner, including reliance upon the statements of certain witnesses and the contention that the prosecution case is factually incorrect, cannot be examined in a petition seeking quashment of criminal proceedings. The law is well settled that the High Court, while exercising its inherent jurisdiction, does not function as a trial Court and cannot undertake a roving enquiry into the truthfulness, reliability or admissibility of the material collected during investigation. The veracity of the prosecution case, as also the defence of the accused, must necessarily be tested during the course of trial by leading evidence and subjecting the same to judicial scrutiny.

31. In the considered opinion of this Court, the present case does not fall within any of the well-recognized categories warranting exercise of extraordinary jurisdiction for quashing criminal proceedings at the threshold. The allegations cannot be said to be so absurd, inherently improbable or patently frivolous that no prudent person could ever reach a conclusion that an offence is made out. On the contrary, the charge-sheet discloses a factual foundation which requires examination by the trial Court. Interference at this stage would amount to stifling a legitimate prosecution before the evidence is tested in accordance with

law and would run contrary to the principles repeatedly enunciated by the Hon'ble Supreme Court in *Neeharika Infrastructure Pvt. Ltd.* (supra) and *Pradeep Kumar Kesharwani* (supra). This Court, therefore, finds no justification for invoking its inherent jurisdiction under Section 528 of the BNSS for quashing the impugned FIR, charge-sheet or the consequential proceedings arising therefrom.

32. Accordingly, this Court is of the considered opinion that no ground is made out for quashing the impugned FIR dated 27.06.2014, Charge-sheet No. 617/2025 dated 16.07.2025, the order taking cognizance dated 23.07.2025, the order framing charges dated 06.11.2025, or the consequential criminal proceedings arising therefrom. Consequently, the present petition, being devoid of merit, deserves to be and is hereby **dismissed**.

33. It is, however, clarified that the observations made herein are confined solely to the adjudication of the present petition and shall not be construed as an expression of opinion on the merits of the case pending before the trial Court. The trial Court shall proceed independently and decide the matter strictly in accordance with law and on the basis of evidence that may be adduced before it.

34. There shall be no order as to costs.

Sd/-
(Ravindra Kumar Agrawal)
Judge

Sd/-
(Ramesh Sinha)
Chief Justice

Head-Note

Quashing of FIR/charge-sheet/criminal proceeding is permissible only where defence material is unimpeachable, completely rules out prosecution case, remains unrefuted, and continuation of trial would amount to abuse of process. All conditions must be cumulatively satisfied; otherwise, matter must proceed to trial.