
(2025) 10 OHC CK 1383
In the Orissa High Court
Case No : CRLMC No. 348 Of 2023

Satya Priya Jayasingh State of Odisha (EOW) & Anr

Date of Decision : 17-10-2025

Acts Referred:

Indian Penal Code, 1860 — Section 34, 406, 420, 467, 468, 471, 506
Code Of Criminal Procedure, 1973 — Section 482

Citation : (2025) 10 OHC CK 1383

Hon'ble Judges : Chittaranjan Dash, J

Bench : Single Bench

Advocate : L. Mishra, S. Mohanty, D. Panda

Final Decision : Disposed Of

Judgement

Chittaranjan Dash, J

1. Heard learned counsels for both the parties.
2. By means of this application the Petitioner seeks to quash the FIR under Annexure-1 in connection with EOWW P.S. Case No.02 of 2023 pending before the learned S.D.J.M., Bhubaneswar in C.T. Case No.42 of 2023.
3. The background facts of the case are that one Ajay Kumar Agarwal lodged a report alleging that the Petitioner namely Satya Priya Jayasingh, the Managing Partner of M/s. Maa Chandeswari Granites agreed to transfer the lease of a granite stone mine quarry at village Dimeritadi, in Tahasil Dasapalla over the plot bearing No.12 pertaining to Khata No.22 for an area of 13.60 Acres. Although it is stated that the Petitioner executed an irrevocable general power of attorney dated 20.11.2017 in favour of the Opposite Party No.2-Informant for raising, operating and running the mines, it is alleged that he being induced by the promise of the Petitioner by transfer the lease, the Opposite Party No.2-Informant paid consideration of Rs.1,45,00,000/- apart from Rs.20,00,000/- paid subsequently against the residuary amount of Rs.30,00,000/- paid towards procurement of goods. According to the Petitioner, the aforesaid allegations are vexatious, concocted and ex facie false and has been made so with the sole

intention to coerce the Petitioner to transfer the mining lease in his favour pursuant to the Odisha Minor Minerals Amendment Act, 2022 vide Gazette Notification dated 31.03.2022 which allows transfer of leases. According to the Petitioner, the consideration amount alleged to have been paid was received from one M/s. Walter Vanijya (P) Ltd. for sale of stones from the said quarry. The Opposite Party No.2/ Informant by virtue of the irrevocable power of attorney continues to operate the quarry without any hindrance. Thus, on a bare perusal of the allegations made in the report, there appears no prima facie case made out against the Petitioner for commission of the offences under Section 420/406/467/468/471/506/34 of IPC. It is further the case of the Petitioner that the criminal case thus motivated by vengeance to settle his score against the Petitioner, who refuses to transfer and/or initiate the process to transfer the lease in his favour. Furthermore, it is the case of the Petitioner that so far as the monetary aspect is concerned, the nature of dispute is purely contractual and the Opposite Party No.2-Informant has all means to initiate a money claim for recovery, hence, the FIR is liable to be quashed.

4. Perusal of the case record reveals that the EOW, Bhubaneswar registered the FIR No.02 of 2023 for the offences under Section 420/406/467/468/471/506/34 of IPC implicating the Petitioner. The FIR allegations reveal that the Petitioner failed to keep the promisee in taking steps towards transfer the granite stone quarry lease in favour of the Opposite Party-Informant, who claims to have paid a sum of Rs.1.45 Crore as advance in the year 2018. Although such transfer of lease was not permissible under law prior to the amendment in the OMMC Rules in the year 2022.

5. Mr. Mishhra, learned counsel for the Petitioner, submits that the Petitioner runs a partnership firm in the name and style of M/s Maa Chandeswari Granites, which is primarily engaged in mineral development, extraction and operation of granite and decorative stones from quarry sources leased in its favour by the State Government under the provisions of the OMMC Rules, 2016. The firm presently operates two such stone quarries through its authorised representatives and/or raising contractors. The minerals produced are processed and subsequently sold to traders and dealers within and outside the State as per their respective purchase orders and indents. Pursuant to being a successful leaseholder, the Department of Steel and Mines, vide letter dated 20.09.2017, issued a grant order in the Petitioner's favour, setting out the terms and conditions for execution of a mining lease in respect of an area measuring 13.60 acres for decorative stones in village Dimeritadi under Dasapalla Tahasil in the district of Nayagarh. On 20.11.2017, the Petitioner's firm executed an irrevocable General Power of Attorney in favour of the Informant for the purpose of raising and operating the said decorative stone quarry. The said General Power of Attorney was communicated to the Mining Officer, as per procedural requirements, vide letter dated 14.12.2017.

According to the learned counsel for the Petitioner, in the ordinary course of its

business, the firm received purchase orders from M/s Walter Vanijya (P) Ltd. for the sale of decorative stones. The Opposite Party No.2/Informant, acting on behalf of the firm, accepted the said orders, against which an advance amount of Rs. 1,45,00,000/- was received during the relevant year by the firm at the request of the Informant. The irrevocable Power of Attorney was executed in favour of the Opposite Party No.2/Informant not only for the operation of the stone quarry but also for managing the quarry and undertaking sale transactions with vendors, traders, etc. However, the Opposite Party No.2/Informant failed on numerous occasions to perform the contractual obligations, resulting in substantial loss to the Petitioner's firm. The advance received from M/s Walter Vanijya (P) Ltd. was received by the firm and not by the Opposite Party No.2/Informant, and therefore the Informant has no claim whatsoever vis-à-vis the Petitioner's firm nor any liability towards M/s Walter Vanijya (P) Ltd. Consequently, it is submitted that the allegations made in the FIR dated 09.01.2023, implicating the Petitioner in offences under Sections 420/406/467/468/471/506/34 of the IPC, cannot stand the test of law. In the absence of any material to substantiate the allegation that the Petitioner was required to transfer the lease in favour of the Opposite Party No.2/Informant, the accusations lack the prima facie ingredients necessary to implicate the Petitioner in the alleged offences.

6. The Hon'ble Supreme Court in the matter of State of M.P. vs. Awadh Kishore Gupta, reported in (2004) 1 SCC 691, while referring to the decision in the matter of State of Haryana and Ors. vs. Ch. Bhajanlal and Ors. reported in 1992 Supp(1) SCC 335, has held as follows:-

"As noted above, the powers possessed by the High Court under Section 482 of the Code are very wide and the very plenitude of the power requires great caution in its exercise. Court must be careful to see that its decision in exercise of this power is based on sound principles. The inherent power should not be exercised to stifle a legitimate prosecution. High Court being the highest Court of a State should normally refrain from giving a prima facie decision in a case where the entire facts are incomplete and hazy, more so when the evidence has not been collected and produced before the Court and the issues involved, whether factual or legal, are of magnitude and cannot be seen in their true perspective without sufficient material. Of course, no hard and fast rule can be laid down in regard to cases in which the High Court will exercise its extraordinary jurisdiction of quashing the proceeding at any stage. (See: The Janata Dal etc. v. H.S. Chowdhary and others, etc. (AIR 1993 SC 892), Dr. Raghubir Saran v. State of Bihar and another (AIR 1964 SC 1)). It would not be proper for the High Court to analyse the case of the complainant in the light of all probabilities in order to determine whether a conviction would be sustainable and, on such premises, arrive at a conclusion that the proceedings are to be quashed. It would be erroneous to assess the material before it and conclude that the complaint cannot be proceeded with. In proceeding instituted on complaint, exercise of the inherent powers to quash the proceedings is called for

only in a case where the complaint does not disclose any offence or is frivolous, vexatious or oppressive. If the allegations set out in the complaint do not constitute the offence of which cognizance has been taken by the Magistrate, it is open to the High Court to quash the same in exercise of the inherent powers under Section 482 of the Code. It is not, however, necessary that there should be meticulous analysis of the case before the trial to find out whether the case would end in conviction or acquittal. The complaint has to be read as a whole. If it appears that on consideration of the allegations in the light of the statement made on oath of the complainant that the ingredients of the offence or offences are disclosed and there is no material to show that the complaint is mala fide, frivolous or vexatious, in that event there would be no justification for interference by the High Court. When an information is lodged at the police station and an offence is registered, then the mala fides of the informant would be of secondary importance. It is the material collected during the investigation and evidence led in Court which decides the fate of the accused person. The allegations of mala fides against the informant are of no consequence and cannot by itself be the basis for quashing the proceeding. (See : Mrs. Dhanalakshmi v. R. Prasanna Kumar and others (AIR 1990 SC 494), State of Bihar and another v. P. P. Sharma, I.A.S. and another (1992 Suppl (1) SCC 222), Rupan Deol Bajaj (Mrs.) and another v. Kanwar Pal Singh Gill and another (1995 (6) SCC 194), State of Kerala and others v. O.C. Kuttan and others (1999 (2) SCC 651), State of U.P. v. O. P. Sharma (1996 (7) SCC 705), Rasshmi Kumar (Smt.) v. Mahesh Kumarr Bhada (1997 (2) SCC 397), Satvinder Kaur v. State (Govt. of NCT of Delhi) and another (1999 (8) SCC 728), Rajesh Bajaj v. State NCT of Delhi and others AIR 1999 SC 1216).

These aspects were also highlighted in State of Karnataka v. M. Devendrappa and another (2002 (3) SCC 89)."

7. Thus, the ratio in the above-referred decision serves as a binding caution that the process of law cannot be permitted to continue where the allegations, taken at their face value, do not constitute any offence. Coming to the merits of the case, it is evident that the entire prosecution rests on the allegations made by the Opposite Party No.2-Informant. Therefore, these allegations appearing in the report are germane to the case registered by the EOW. From the report, it emerges that the Opposite Party No.2-Informant, being aggrieved by the conduct of the Petitioner, alleges that despite having received a sum of Rs.1,45,000,000/-, the Petitioner did not take steps for transfer of the mining lease in favour of the Opposite Party No.2-Informant.

Such allegations are premised on the assertion that the Petitioner's firm entered into an agreement with the Opposite Party No.2-Informant permitting it to operate the quarry by virtue of an irrevocable power of attorney. Admittedly, however, on the date the alleged payment was made to the Petitioner towards such transfer, transfer of the lease was not permissible in law under the OMMC Rules, 2016. Consequently, any agreement between the parties contrary to

law cannot be enforced. On the contrary,, a power of attorney, whether revocable or irrevocable, granted by the Petitioner in favour of the Opposite Party No.2-Informant is always subject to the will of the executant. Any violation of the terms of the agreement or the general power of attorney, if at all, is a matter of civil dispute, and the parties to such privity may seek redressal before a competent civil court by way of recovery or appropriate directions.

8. In the matter of Tarina Sen vs. Union of India & Anr., 2024 INSC 752, the Hon'ble Supreme Court has held that disputes arising out of contractual or civil arrangements cannot be given the colour of criminal prosecution in the absence of the basic ingredients of the alleged offences; read as follows:

"15. Relying on the earlier judgments of this Court, we have held that in the matters arising out of commercial, financial, mercantile, civil, partnership or such like transactions or the offences arising out of matrimony relating to dowry, etc. or family disputes where the wrong is basically private or personal in nature and the parties have resolved their entire dispute, the High Court should exercise its powers under Section 482 CrPC for giving an end to the criminal proceedings. We have held that the possibility of conviction in such cases is remote and bleak and as such, the continuation of the criminal proceedings would put the accused to great oppression and prejudice."

9. In view of the above, the allegations that prima facie appear in the report pertain to a civil dispute, if any, to be resolved before the appropriate civil forum, and there is no material to justify continuation of the criminal proceeding against the Petitioner.

10. Hence, this Court is of the view that the report lodged by the Opposite Party No.2/Informant basing on which the FIR has been registered, bears no material prima facie to make out the case in the offences alleged and the same cannot proceed in the eye of law and deserves to be quashed. Accordingly, the CRLMC is disposed of.