



**IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA**

**Cr. MMO No. 741 of 2023**

**Reserved on: 26.02.2026**

**Date of Decision: 19.03.2026**

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Vikram Singh

...Petitioner

Versus

Central Bureau of Investigation (CBI)

...Respondent

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*Coram*

*Hon'ble Mr Justice Rakesh Kainthla, Judge.*

*Whether approved for reporting?<sup>1</sup> No.*

For the Petitioner : Mr. Nitin Thakur, Advocate

For the respondent/  
CBI : Mr. Janesh Mahajan, Advocate,  
Special Public Prosecutor.

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***Rakesh Kainthla, Judge***

The petitioner has filed the present petition for t  
quashing of F.I.R. No. RC0962016A0008 dated 14.12.2016  
registered at Police Station CBI Shimla, for the commission of  
offences punishable under Sections 13(2) & 13(1) (d) of  
Prevention of Corruption Act and Sections 420, 467, 468 & 471  
read with Section 120B of Indian Penal Code (IPC) and Challan  
No.1 and 2 dated 30.12.2020 arising out of the FIR pending before  
the learned Special Judge ( CBI Courts), Shimla, District Shimla,

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<sup>1</sup> Whether reporters of Local Papers may be allowed to see the judgment? Yes.



H.P. titled CBI vs. Hillcrest Foods. (*Parties shall hereinafter be referred to in the same manner as they were arrayed before the learned Trial Court for convenience.*)

2. Briefly stated, the facts giving rise to the present petition are that the petitioner was one of the employees of IL&FS Cluster Development Initiative Ltd., which was a project management agency for the scheme of Cold Chain as per the agreement dated 28.10.2020. The petitioner left the company in the year 2014. The respondent-CBI registered an F.I.R. against M/s Resources Foods Private Limited and its Directors and employees. Two challans were filed before the learned Additional Sessions Judge, CBI Court, Shimla, District Shimla, H.P. There is no material in the Challan filed by the CBI against the petitioner. The petitioner had prepared the inspection report, depicting the actual position on the ground level. The report was sent to the superior officers of IL&FS Cluster Development Initiative Ltd. The promoters of the accused-company were to get a grant-in-aid for setting up an integrated Cold chain from the Ministry of Food Processing Industries (MoFPI), Government of India. The promoters in connivance have misutilised the funds. The IL&FS Cluster Development



Initiative Ltd. is not the beneficiary of the grant-in-aid. The petitioner had not even recommended the grant in aid. The petitioner is also not the disbursing authority for the grant-in-aid. The petitioner had inspected Hillcrest and Resources Foods and submitted a spot report. The petitioner is now a partner in a Dubai based Company and has nothing to do with IL& FS. The bare reading of the F.I.R. and Challan does not show the petitioner's involvement, and continuation of the proceedings would amount to abuse of the process of the Court. Hence, the present petition.

3. The petition is opposed by CBI by filing a reply asserting that the F.I.R. was registered against Parveen Diwan, Smt. Pali Diwan and Smt. Kanan Diwan, all partners of M/s Hillcrest Foods, Village Bersan, Tehsil Nalagarh, District Solan, H.P. and Lawrence Peris and Jyot Peris, both Directors of M/s Resource Foods Pvt. Ltd., village Rajgarh, Post Shambu, Tehsil Rajpura, District Patiala (Punjab) and other unknown Government officials and private persons. The promoters of M/s Resource Foods Pvt. Ltd. had availed a grant-in-aid of ₹9 Crores for setting up an integrated Cold Chain Project for the total cost of ₹21 Crores. The promoters, in connivance of M/s



Hillcrest Foods and certain unknown government official misutilised the funds. They assembled and dismantled the plant and machinery of M/s Hillcrest Foods after availing a grant-in-aid of ₹7 Crores. Two separate charge sheets have been filed against the petitioner. The Ministry of Food Processing Industries (MoFPI) had engaged M/s IL& FS Clusters Development Initiative Ltd. as Programme Management Agency (PMA) to assist in the implementation of the scheme for Cold Chain. It was to assist MoFPI in inviting Expression of Interest, and evaluation/appraisal of techno-feasibility reports. The grant-in-aid was released in instalments of 25%, 50% and 25% after ensuring the physical and financial project. The first instalment was to be released after ensuring the 25% of the promoter's contribution and 25% of the term loan were spent on the project. The second instalment of 50% was to be released after ensuring the utilisation certificate of the first installment and 75% of the promoter's contribution, and 75 % of the term loan. The petitioner was posted as Manager of M/s IL&FS Cluster, and he was to monitor the overall implementation of the project. He recommended the release of installment of the grant in aid. The role of the programme management agency



came into existence after the issuance of the approval letters. The first and second instalments of ₹1,96,67,250/- and ₹3,93,34,500/-, respectively, were released by MoFPI on the petitioner's recommendation. Joint physical inspection of the integrated Cold Chain Project was conducted by a team consisting of M/s S.L. Barodia, Under Secretary of MoFPI, A.S.Rawat, GM of APEDA, R.S. Verma, Sr. Manager of Bank of India and the petitioner. The final instalment of ₹1,78,65,375/- was released based on the Committee's recommendation. However, No Farm Cold Store of 300MT capacity was ever constructed/established, and the physical verification reports are incorrect. The petitioner had visited the project site on 11.04.2014 and submitted a report vide letter dated 17.04.2014 recommending the grant of the first instalment. The petitioner again visited the project site and submitted a report vide letter dated 04.10.2014, recommending the release of the second instalment. Subsequently, a complaint was made by one Nirmaljeet Singh regarding the irregularities, and the third instalment was withheld. The earlier instalments were released based on the petitioner's report. The petitioner has filed a false



petition; hence, it was prayed that the present petition be dismissed.

4. A rejoinder denying the contents of the reply and affirming those of the petition was filed. It was submitted that the petitioner had prepared the report based on the documents submitted by the main accused, which was countersigned by the petitioner's superior. The petitioner was part of the agency that was to submit the factual report. The petitioner is neither the beneficiary nor the disbursing agency; therefore, it was prayed that the present petition be allowed.

5. I have heard Mr Nitin Thakur, learned counsel for the petitioner and Mr Janesh Mahajan, learned Special Public Prosecutor for the respondent/CBI.

6. Mr Nitin Thakur, learned counsel for the petitioner, submitted that the petitioner was merely an employee and he had submitted the report based on the documents. The petitioner was not the recommending authority. The other members were not arrayed as accused; therefore, he prayed that the present petition be allowed and F.I.R., as well as



consequential proceedings arising out of the said F.I.R., be quashed.

7. Mr Janesh Mahajan, learned Special Public Prosecutor for the respondent/CBI, submitted that the petitioner had prepared a report narrating an incorrect factual situation. The petitioner was responsible for the release of grant-in-aid. He signed a joint inspection report containing the false averments. *Prima facie*, the petitioner was involved in the conspiracy; therefore, it was prayed that the present petition be dismissed.

8. I have given considerable thought to the submissions made at the bar and have gone through the records carefully.

9. The law relating to quashing of FIR was explained by the Hon'ble Supreme Court in *B.N. John v. State of U.P.*, 2025 SCC

*OnLine SC 7* as under: -

“7. As far as the quashing of criminal cases is concerned, it is now more or less well settled as regards the principles to be applied by the court. In this regard, one may refer to the decision of this Court in *State of Haryana v. Ch. Bhajan Lal*, 1992 Supp (1) SCC 335, wherein this Court has summarised some of the principles under which FIR/complaints/criminal cases could be quashed in the following words:



“102. In the backdrop of the interpretation of the various relevant provisions of the Code under Chapter XIV and of the principles of law enunciated by this Court in a series of decisions relating to the exercise of the extraordinary power under Article 226 or the inherent powers under Section 482 of the Code which we have extracted and reproduced above, we give the following categories of cases by way of illustration wherein such power could be exercised either to prevent abuse of the process of any court or otherwise to secure the ends of justice, though it may not be possible to lay down any precise, clearly defined and sufficiently channelised and inflexible guidelines or rigid formulae and to give an exhaustive list of myriad kinds of cases wherein such power should be exercised.

*(1) Where the allegations made in the first information report or the complaint, even if they are 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.*

(2) Where the allegations in the first information report and other materials, if any, accompanying the FIR do not disclose a cognizable offence, justifying an investigation by police officers under Section 156(1) of the Code except under an order of a Magistrate within the purview of Section 155(2) of the Code.

(3) Where the uncontroverted allegations made in the FIR or complaint and the evidence collected in support of the same do not disclose the commission of any offence and make out a case against the accused.

*(4) Where the allegations in the FIR do not constitute a cognizable offence but constitute only a non-cognizable offence, no investigation is permitted by a police officer without an order of a*



*Magistrate as contemplated under Section 155(2) of the Code.*

(5) Where the allegations made in the FIR or complaint are so absurd and inherently improbable on the basis of which no prudent person can ever reach a just conclusion that there is sufficient ground for proceeding against the accused.

(6) *Where there is an express legal bar engrafted in any of the provisions of the Code or the concerned Act (under which a criminal proceeding is instituted) to the institution and continuance of the proceedings, and/or where there is a specific provision in the Code or the concerned Act, providing efficacious redress for the grievance of the aggrieved party.*

(7) Where a criminal proceeding is manifestly attended with mala fide and/or where the proceeding is maliciously instituted with an ulterior motive for wreaking vengeance on the accused and with a view to spite him due to a private and personal grudge.” *(emphasis added)*

8. Of the aforesaid criteria, clause no. (1), (4) and (6) would be of relevance to us in this case.

In clause (1), it has been mentioned that where the allegations made in the first information report or the complaint, even if they are 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, then the FIR or the complaint can be quashed.

As per clause (4), where the allegations in the FIR do not constitute a cognizable offence but constitute only a non-cognizable offence, no investigation is permitted by a police officer without an order dated by the Magistrate as contemplated under Section 155 (2) of the CrPC, and in such a situation, the FIR can be quashed.



Similarly, as provided under clause (6), if there is an express legal bar engrafted in any of the provisions of the CrPC or the concerned Act under which the criminal proceedings are instituted, such proceedings can be quashed.”

10. This position was reiterated in *Ajay Malik v. State of Uttarakhand*, 2025 SCC OnLine SC 185, wherein it was observed:

“8. It is well established that a High Court, in exercising its extraordinary powers under Section 482 of the CrPC, may issue orders to prevent the abuse of court processes or to secure the ends of justice. These inherent powers are neither controlled nor limited by any other statutory provision. However, given the broad and profound nature of this authority, the High Court must exercise it sparingly. The conditions for invoking such powers are embedded within Section 482 of the CrPC itself, allowing the High Court to act only in cases of clear abuse of process or where intervention is essential to uphold the ends of justice.

9. It is in this backdrop that this Court, over the course of several decades, has laid down the principles and guidelines that High Courts must follow before quashing criminal proceedings at the threshold, thereby pre-empting the Prosecution from building its case before the Trial Court. The grounds for quashing, *inter alia*, contemplate the following situations : (i) the criminal complaint has been filed with *mala fides*; (ii) the FIR represents an abuse of the legal process; (iii) no *prima facie* offence is made out; (iv) the dispute is civil in nature; (v.) the complaint contains vague and omnibus allegations; and (vi) the parties are willing to settle and compound the dispute amicably (*State of Haryana v. Bhajan Lal*, 1992 Supp (1) SCC 335)

11. The present petition is to be decided as per the parameters laid down by the Hon’ble Supreme Court.



12. It is undisputed that the petitioner had prepared the reports, which were submitted to MoFPI. This fact was admitted in the petition as well as the reply. The copy of the Joint Physical Inspection report mentioned that the civil work of all approved facilities had been completed. The dimensions of the facilities were verified. Physical verification of major plant and machinery, including model, supplier, manufacturing date, etc., was done during the site visit and was found to be in line with the CE Mechanical Certificate. The civil work was completed and verified regarding the collection centres. No raw material was stored in cold stores. The petitioner had purchased all the refrigerated trucks, which were present on the site. CBI recorded the statement of Sanjay Gupta, Senior Inspecting Officer, that during a physical inspection the model name of the generator was found to be different from the one mentioned in the invoice. Generators, engine etc., were found to be of Caterpillar, whereas the invoice mentioned Cummins Company. Physical equipment was inadequate. The transformer was of a different make. Nine doors were found missing. The actual model of the refrigerator compressor was different. The ammonia receiver was 6-7 years old. The refrigeration compressor was manufactured on



05.02.2006, whereas the invoice was dated 16.12.2015. Refrigeration trucks were not available on the site. No air curtain was installed. Four pieces of weighing machines were showed but only one was found installed. He also mentioned the details of other discrepancies found on the spot vis-à-vis the invoice submitted by the accused.

13. Prima facie, the statement of Sanjay Gupta, Senior Inspecting Officer, shows that the petitioner had prepared an incorrect report stating that the facilities were installed as per the invoice. The MoFPI recommended a grant-in-aid based on the petitioner's report, and the conclusion of the CBI that he had cheated the MoFPI by submitting a false report is to be *prima facie* accepted as correct.

14. It was submitted that the petitioner is not the sanctioning authority. This will not help the petitioner because he had *prima facie* made a false recommendation, which facilitated the sanction.

15. It was submitted that the person who had recommended the report was not made an accused but was arrayed as a witness. The other signatories were not arrayed as



accused because the government did not grant the prosecution sanction to prosecute them. This submission will not assist the petitioner. The petitioner's liability would not be lessened because other persons were not made the accused. Further, it is not shown that the petitioner's superior had actually visited the spot and verified the status report, and he cannot be held liable simply because he had forwarded the report submitted by the petitioner.

16. Therefore, the allegations in the F.I.R. and the charge-sheets show the *prima facie* involvement of the petitioner in the commission of a cognizable offence, and the F.I.R. cannot be quashed qua the petitioner at this stage.

17. Consequently, the present petition fails, and it is dismissed.

18. The observations made hereinbefore shall remain confined to the disposal of the petition and will have no bearing whatsoever on the merits of the case.

**(Rakesh Kainthla)**  
**Judge**

19<sup>th</sup> March, 2026  
(ravinder)