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HIGH COURT OF CHHATTISGARH AT BILASPUR

CRMP No. 1602 of 2026

Nagesh Naidu S/o Late K. Naidu Aged About 55 Years R/o Quarter No. 102, Block No, Ga, 1st Batallion Caf (Chhattisgarh Armed Forces) Bhilai, District Durg, Chhattisgarh

... Petitioner

versus

- 1 - State of Chhattisgarh Through Station House Officer Police Station- Durg Kotwali, District- Durg, Chhattisgarh
- 2 - Rajendra Giri S/o Late Bhuleshwar Nath Giri Aged About 46 Years New Police Line, Quarter- C/29, Padmanabhpur, Durg (C.G.)

... Respondents

(Cause-title taken from Case Information System)

For Petitioner	: Mr. Mateen Siddiqui, Senior Advocate assisted by Ms. Dyna Bajrang, Advocate
For Respondent No.1/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

01.07.2026

1. Heard Mr. Mateen Siddiqui, learned Senior Counsel assisted by Ms. Dyna Bajrang, learned counsel for the petitioner and Mr. Soumya

Rai, learned Deputy Government Advocate, appearing for the State/respondent No.1.

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

“A. Quash the FIR No. 174/2025 dated 12.02.2025 under sections 420, 406 and 34 of the Indian Penal Code, 1860, registered at Police Station Supela, District Durg, Chhattisgarh i.e. Annexure P-1, further to quash the subsequent charge sheet No. 1132/2025 dated 09.11.2025 i.e. Annexure P-2, and to quash the order taking cognizance vide order dated 10.12.2025 in Criminal Case no. 42365/25 in connection of FIR No. 174/2025, under sections 420, 406 and 34 of the Indian Penal Code, 1860, i.e. part of Annexure P-3 in Crime No. 174/2025 before the Learned Chief Judicial Magistrate, Durg (C.G).;

B. Pass such other and further order(s) as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case;”

3. Briefly stated, the prosecution case is that the complainant, who was serving as a Sub-Inspector in the Office of the Inspector General of Police, Durg, was acquainted with the petitioner, who was also serving in the same office. It is alleged that the petitioner introduced the complainant to his son, Rahul Naidu, who was engaged in poultry trading business. According to the prosecution, at the instance of the

petitioner, the complainant invested substantial amounts in the business of Rahul Naidu on the assurance of earning attractive returns. Initially, certain amounts were allegedly paid towards profit, whereafter further investments were made by the complainant. It is alleged that an aggregate amount of ₹13,41,000/- was invested by the complainant and further amounts were invested by several other persons. Subsequently, neither the principal amount nor the promised returns were paid, resulting in registration of the impugned FIR against the petitioner and his son alleging commission of offences under Sections 420, 406 and 34 of the IPC. Upon completion of investigation, charge-sheet has been filed and cognizance has been taken by the competent criminal Court.

4. Learned Senior Counsel appearing for the petitioner would submit that the entire prosecution, even if accepted at its face value, fails to disclose the essential ingredients constituting the offences punishable under Sections 420, 406 and 34 of the Indian Penal Code against the present petitioner. It is contended that the entire business transaction was admittedly carried out between the complainant and the petitioner's son, Rahul Naidu, who was independently carrying on poultry trading business. The petitioner neither received any part of the alleged investment nor was he associated with the conduct of the said business. Merely because the petitioner happened to be the father of Rahul Naidu and was acquainted with the complainant cannot render him vicariously liable for the alleged acts of his son, particularly when the Indian Penal Code does not recognize any concept of vicarious criminal liability in the absence of a statutory provision.

5. Learned Senior Counsel would further submit that the FIR itself reveals that the complainant voluntarily invested money in the poultry trading business during the period between the years 2018 and 2022 with the sole object of earning high returns and profits. The allegations themselves demonstrate that the transaction was purely commercial in nature involving investment in a business venture carrying inherent financial risks. It is argued that failure of a business venture or non-payment of the expected returns cannot, by itself, constitute the offences of cheating or criminal breach of trust unless fraudulent or dishonest intention existed at the inception of the transaction. The allegations contained in the FIR do not disclose any such initial fraudulent intention attributable to the petitioner. It is further submitted that the complaint has been lodged only in the year 2025, several years after the investments were allegedly made, which itself indicates that the dispute is essentially civil in nature and has been given a criminal colour only after the business failed to yield the expected profits.

6. Learned Senior Counsel would next contend that the petitioner has been falsely implicated solely because of his relationship with the principal accused, namely his son Rahul Naidu. Except for a bald allegation that the petitioner introduced the complainant to his son and occasionally assured repayment, there is absolutely no material collected during investigation demonstrating any active participation of the petitioner in the alleged transactions or any dishonest inducement on his part. The investigation, according to learned Senior Counsel, is wholly perfunctory and does not disclose any material connecting the

petitioner with the alleged offence except his familial relationship. It is submitted that continuation of criminal proceedings in such circumstances would amount to abuse of the process of law. It is further argued that this Court, while granting anticipatory bail to the petitioner in MCRCA No. 417 of 2025 by order dated 26.03.2025, has already taken note of the fact that the complainant himself admitted in the FIR that he had voluntarily invested money in the poultry business of Rahul Naidu in expectation of earning higher profits and that the dispute arose only after the expected returns were not received. It is submitted that the observations recorded while granting anticipatory bail substantially support the petitioner's contention that the dispute is predominantly civil and commercial in nature. Learned Senior Counsel also points out that another FIR based on substantially similar allegations has been registered against the petitioner, which clearly reflects a concerted attempt to unnecessarily implicate the petitioner in criminal litigation.

7. Lastly, learned Senior Counsel submits that the continuation of criminal proceedings against the petitioner would amount to gross abuse of the process of Court. Even if the entire prosecution case is accepted in its entirety, no offence under Sections 420, 406 or 34 IPC is made out against the petitioner. It is therefore submitted that the present case squarely falls within the well-recognized parameters governing exercise of inherent jurisdiction for quashing criminal proceedings and, accordingly, the FIR, charge-sheet, order taking cognizance and all consequential proceedings deserve to be quashed.

8. On the other hand, learned State counsel opposes the submissions advanced on behalf of the petitioner and submits that the present petition deserves to be dismissed in limine, as the allegations contained in the FIR, the material collected during investigation and the charge-sheet filed before the competent Court clearly disclose the commission of cognizable offences punishable under Sections 420, 406 and 34 of the Indian Penal Code. It is submitted that the scope of interference under Section 528 of the B.N.S.S. is extremely limited and this Court, while exercising its inherent jurisdiction, is not required to appreciate the evidentiary value of the material collected during investigation or conduct a mini trial. Once the investigating agency has collected prima facie material disclosing the commission of an offence and a charge-sheet has been filed before the competent Court, the criminal prosecution ought not to be interdicted at its threshold.

9. Learned State counsel would submit that the investigation has revealed that the complainant and several other subordinate employees invested substantial amounts in the poultry trading business only on the inducement and assurances extended by both the accused persons, namely, the petitioner and his son Rahul Naidu. It is contended that the complainant has specifically alleged that the petitioner, taking advantage of his official acquaintance and relationship with the complainant, persuaded him to invest money in the business of his son by assuring him of attractive returns. Thereafter, acting upon such inducement, the complainant invested an amount of ₹13,41,000/- in different instalments between the years 2018 and 2022 in the bank

account of Rahul Naidu. Similar representations were allegedly made to several other persons, namely, Jhamman Lal Verma, Rajendra Chandrakar, Mahendra Thakur, Balkishan Yadav and Purnima Nagvanshi, who also invested substantial amounts. It is submitted that the total amount collected from the complainant and other investors runs into several lakhs of rupees and none of the investors received either the promised profits or refund of their investments.

10. Learned State counsel would further submit that during investigation, statements of the complainant as well as other witnesses have been recorded under the provisions of law. The investigating agency has also seized the cheque issued by Rahul Naidu, the notebook containing details of investments, inspected the place of occurrence and collected the bank account statements of the complainant, his family members, other investors and the accused persons. The investigation further revealed that substantial amounts were credited directly into the bank account of Rahul Naidu from the accounts of the complainant and other investors, thereby corroborating the allegations contained in the FIR. The investigation also established that the cheque issued by Rahul Naidu towards repayment was dishonoured due to insufficiency of funds, lending further credence to the prosecution case.

11. It is further submitted that the petitioner cannot seek exoneration merely on the ground that the amounts were credited to the account of his son. According to the prosecution, the petitioner was not a mere

bystander but an active participant in inducing the complainant and other investors to part with their money by exploiting the trust reposed in him as their colleague. The material collected during investigation prima facie indicates that the petitioner and his son acted in concert with a common intention, thereby attracting the provisions of Section 34 IPC. Whether the petitioner actually participated in the alleged conspiracy or whether he had dishonest intention from the inception are all questions of fact which can only be adjudicated upon after appreciation of evidence during trial and not in proceedings under Section 528 of the BNSS.

12. Learned State counsel also submits that the grant of anticipatory bail to the petitioner does not amount to a declaration of innocence nor does it dilute the material collected during investigation. The observations made while considering an application for anticipatory bail are only prima facie in nature and cannot constitute a ground for quashing the criminal proceedings. It is contended that after completion of a full-fledged investigation, sufficient incriminating material has been found against the petitioner, whereupon a charge-sheet has been filed before the competent Court, which has also taken cognizance of the offences alleged.

13. Lastly, learned State counsel submits that the allegations levelled in the FIR, if taken at their face value and accepted in their entirety, clearly disclose the commission of cognizable offences under Sections 420, 406 and 34 IPC. The defence sought to be raised by the petitioner

involves disputed questions of fact, which cannot be examined in the exercise of inherent jurisdiction. The truthfulness of the allegations, the extent of the petitioner's involvement and the evidentiary value of the material collected during investigation are all matters to be adjudicated during trial after parties are afforded an opportunity to lead evidence. It is, therefore, prayed that the present petition, being devoid of merit, deserves to be dismissed.

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

15. 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.).

16. 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.

17. In *Neeharika Infrastructure Pvt. Ltd. v. State of Maharashtra*, **2021 SCC OnLine SC 315**, the Hon'ble Supreme Court has authoritatively settled the scope of the inherent jurisdiction of the High Court under Section 482 of the Code of Criminal Procedure, 1973 (now Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023). The Apex Court has held that the power to quash criminal proceedings is required to be exercised sparingly, with circumspection and only in the rarest of rare cases. It has been categorically observed that while considering a prayer for quashing an FIR or criminal proceedings, the High Court cannot embark upon an enquiry into the reliability, genuineness or otherwise of the allegations contained in the FIR, nor can it appreciate the evidence or conduct a mini trial. The Court is only required to examine whether the allegations, if taken at their face value, disclose the commission of a cognizable offence. The Supreme Court further emphasized that criminal proceedings ought not to be scuttled at the threshold, that investigation into cognizable offences should

ordinarily be permitted to proceed unhindered, and that the extraordinary jurisdiction under Section 482 Cr.P.C. must be exercised with great caution and self-restraint, save in exceptional cases where non-interference would result in manifest miscarriage of justice.

18. Very recently, in ***Pradeep Kumar Kesharwani v. State of Uttar Pradesh & Another (Criminal Appeal No. 3831 of 2025, decided on 02.09.2025)***, the Hon'ble Supreme Court reiterated the aforesaid principles and further held that while exercising jurisdiction under Section 482 Cr.P.C. (now Section 528 of the BNSS), the High Court cannot adjudicate disputed questions of fact or evaluate the evidentiary worth of the material collected during investigation. The Court reaffirmed the test laid down in *Rajiv Thapar v. Madan Lal Kapoor* and observed that criminal proceedings can be quashed at the threshold only when the material relied upon by the accused is of sterling and impeccable quality, completely demolishes the prosecution case, remains incapable of being refuted by the prosecution, and continuation of the criminal proceedings would amount to an abuse of the process of Court. Unless all these parameters are cumulatively satisfied, the High Court ought not to interfere in exercise of its inherent jurisdiction, leaving the parties to establish their respective cases before the trial Court in accordance with law.

19. Tested on the touchstone of the aforesaid principles, this Court finds that the allegations contained in the First Information Report, the material collected during the course of investigation and the charge-

sheet filed by the investigating agency cannot be said to be so absurd, inherently improbable or wholly devoid of substance so as to warrant exercise of the extraordinary inherent jurisdiction of this Court under Section 528 of the B.N.S.S. The prosecution case is not founded merely upon bald allegations made by the complainant. Rather, the Investigating Agency, after registration of the FIR, has undertaken a detailed investigation by recording the statements of the complainant and other investors, inspecting the place of occurrence, seizing the cheque allegedly issued by the co-accused Rahul Naidu, recovering the notebook containing the details of investments, and obtaining the bank account statements of the complainant, his family members, the other investors and the accused persons. Upon consideration of the aforesaid material, the Investigating Agency has formed an opinion that a prima facie case is made out against both the petitioner and the co-accused Rahul Naidu for the offences punishable under Sections 420, 406 and 34 IPC. Whether the prosecution ultimately succeeds in establishing the guilt of the petitioner beyond reasonable doubt is a matter which necessarily falls within the exclusive domain of the trial Court.

20. The principal contention advanced on behalf of the petitioner is that he has been falsely implicated merely because he happens to be the father of the principal accused Rahul Naidu and that the entire business transaction was carried on exclusively by his son. It has also been contended that the complainant voluntarily invested money in the poultry trading business with an expectation of earning higher returns and, therefore, the dispute is purely civil in nature arising out of a failed

commercial venture. This Court is unable to accept the said submission at this stage. The FIR specifically alleges that the petitioner, by taking advantage of his acquaintance and official relationship with the complainant, persuaded and induced him to invest money in the poultry trading business of his son by assuring him of lucrative returns. The prosecution has further alleged that similar inducements were extended to several other investors. Whether the petitioner had actively participated in inducing the complainant, whether he shared the common intention with the co-accused and whether he possessed the requisite dishonest intention from the inception are all disputed questions of fact which can only be adjudicated after appreciation of oral and documentary evidence during trial.

21. Equally untenable is the submission that the allegations, even if accepted in their entirety, fail to disclose the ingredients of the offences punishable under Sections 420, 406 and 34 IPC. A plain reading of the FIR coupled with the material collected during investigation reveals specific allegations that the complainant was induced to invest substantial amounts in the poultry trading business upon assurances allegedly extended by both the petitioner and his son. The prosecution case further discloses that after collecting investments from the complainant and several other persons, neither the principal amount nor the promised returns were paid and the cheque allegedly issued towards repayment was dishonoured due to insufficiency of funds. Whether these allegations are ultimately proved and whether the ingredients constituting the offences alleged stand established are

matters which can only be adjudicated upon during the course of trial and not in proceedings under Section 528 of the BNSS.

22. The submission that the petitioner never received any money in his personal bank account and that the entire amount was transferred to the account of Rahul Naidu also cannot be accepted as a ground for quashing the criminal proceedings. The prosecution does not rest its case solely upon the transfer of money into the petitioner's account. Rather, it is the specific allegation that the petitioner played an active role in inducing the complainant and other investors to invest their money in the business of his son by extending assurances regarding safety of investment and payment of attractive returns. Whether such allegations are ultimately established and whether the petitioner had any active role in the alleged transaction are matters which require appreciation of evidence and cannot be conclusively determined at this preliminary stage.

23. The grant of anticipatory bail to the petitioner by this Court also does not advance the case of the petitioner. The observations made while granting anticipatory bail are only prima facie in nature and cannot be construed as recording any finding on the merits of the prosecution case. It is well settled that the considerations governing grant of anticipatory bail are entirely different from those applicable while exercising inherent jurisdiction for quashing criminal proceedings. Merely because the petitioner has been granted anticipatory bail would not render the FIR or consequential charge-sheet liable to be quashed.

24. From a perusal of the charge-sheet, it clearly transpires that the Investigating Agency has not mechanically submitted the final report merely on the basis of the allegations contained in the FIR. The charge-sheet reflects that statements of the complainant as well as other investors have been recorded, the documentary material produced by the complainant has been seized, the place of occurrence has been inspected and the relevant bank account statements of the complainant, his family members, other investors and the accused persons have been collected during investigation. The investigation further reveals that substantial amounts were transferred by the complainant and other investors to the bank account of co-accused Rahul Naidu. Upon evaluation of the entire material so collected, the Investigating Agency has arrived at a prima facie satisfaction that both the petitioner and the co-accused acted in furtherance of their common intention and accordingly submitted the charge-sheet before the competent criminal Court. The prosecution case, therefore, cannot be said to be founded upon mere conjectures or surmises.

25. Upon cumulative consideration of the FIR, the statements recorded during investigation, the documentary evidence collected by the Investigating Agency and the charge-sheet filed before the competent Court, 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 requiring adjudication before the competent criminal Court. The allegations are neither vague nor omnibus in nature. The

prosecution has attributed a specific role to the petitioner in inducing the complainant and other investors to part with their money and, therefore, it cannot be said at this stage that continuation of the criminal proceedings would amount to an abuse of the process of law.

26. The defence sought to be projected by the petitioner that he had no concern whatsoever with the poultry trading business, that he has been implicated solely because he is the father of Rahul Naidu, that the dispute is essentially civil in nature, that there was an inordinate delay in lodging the FIR and that no dishonest intention can be attributed to him, are all matters constituting his defence. Such pleas involve disputed questions of fact requiring appreciation of evidence and cannot be adjudicated in proceedings under Section 528 of the BNSS. The High Court, while exercising its inherent jurisdiction, does not sit as a trial Court to evaluate the correctness of rival factual assertions or determine the evidentiary worth of the material collected during investigation.

27. During the course of hearing, a pointed query was put by this Court to the learned Senior Counsel appearing for the petitioner as to whether there exists any contemporaneous material on record demonstrating that the complainant had, in fact, received any amount by way of profit or return on the investments allegedly made in the poultry trading business, particularly in view of the specific stand taken by the petitioner that the complainant had voluntarily invested the amounts after initially receiving profits. Learned Senior Counsel, despite making elaborate submissions, was unable to invite the attention of this

Court to any bank statement, receipt, ledger, account statement, electronic transfer details or any other documentary material evidencing payment of even a single installment towards profit to the complainant. Except placing reliance upon the pleadings contained in the petition and the submissions advanced across the Bar, no material of sterling quality was produced to substantiate the plea that profits were actually paid to the complainant. In the absence of any prima facie documentary foundation supporting the said contention, the submission remains a mere assertion which cannot be accepted for the purpose of exercising inherent jurisdiction to quash the criminal proceedings, particularly when the charge-sheet indicates otherwise and the prosecution has collected material supporting its allegations.

28. In the considered opinion of this Court, the present case does not fall within any of the categories illustratively carved out by the Hon'ble Supreme Court in ***Neeharika Infrastructure Pvt. Ltd.*** (supra) and ***Pradeep Kumar Kesharwani*** (supra) warranting exercise of the extraordinary inherent jurisdiction for quashing the FIR, charge-sheet or the consequential criminal proceedings. The allegations levelled against the petitioner cannot, at this stage, be characterised as inherently improbable, manifestly absurd or so patently frivolous that no prudent person could arrive at a prima facie conclusion regarding the commission of the alleged offences.

29. Consequently, this Court is of the considered opinion that no case is made out for quashing FIR bearing Crime No. 174/2025 dated

12.02.2025, the consequential charge-sheet, the order dated 10.12.2025 taking cognizance and the criminal proceedings arising therefrom. The petition, being devoid of merit, deserves to be and is accordingly **dismissed**.

30. It is, however, made clear that the observations recorded herein are confined solely to the adjudication of the present petition under Section 528 of the BNSS and shall not be construed as an expression of opinion on the merits of the case pending before the trial Court. The learned trial Court shall proceed with the matter uninfluenced by any observation made in this order and shall decide the case independently on the basis of the evidence that may be adduced by the parties in accordance with law.

31. There shall be no order as to costs.

Sd/-
(Ravindra Kumar Agrawal)
Judge

Sd/-
(Ramesh Sinha)
Chief Justice