Reserved on : 28.08.2026
Pronounced on : 04.11.2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 04TH DAY OF NOVEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.NAGAPRASANNA

WRIT PETITION NO. 11826 OF 2025 (GM-RES)

BETWEEN:

R.KRISHNA
S/O LATE RANGAPPA
AGED ABOUT 55 YEARS
RESIDING AT NO. 584
NEAR POWERHOUSE,
H.M.T LAYOUT
NAGASANDRA MAIN ROAD
BENGALURU – 560 072.

...PETITIONER

(BY SRI SANDESH J.COUTA, SR.ADVOCATE A/W
SRI MONICA PATIL, ADVOCATE)

AND:

1. THE STATE OF KARNATAKA
BY BANSHANKARI POLICE
EOD/CID
BENGALURU – 560 070.

Digitally signed by PADMAVATHI B K
Location: High Court of Karnataka

2. SRI P.R.BALAJI,
S/O LATE RADHAKRISHNA GUPTA
AGED ABOUT 51 YEARS,
RESIDING AT NO. 88/77
SHIVARAMKARANTH ROAD,
CHIKKAKALASANDRA,
BENGALURU – 560 061.

…RESPONDENTS

(BY SRI B.N.JAGADEESHA, SPP-I FOR R-1;
SRI B.C.AVINASH, ADVOCATE FOR R-2)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA READ WITH SECTION 528 OF THE BNSS, PRAYING TO QUASH THE ENTIRE PROCEEDINGS INITIATED AGAINST THE PETITIONER IN SPL.C. NO. 769/2024 PENDING ON THE FILES OF THE PRINCIPAL CITY CIVIL AND SESSIONS JUDGE, AT BANGALORE AND SPL. COURT FOR KPIDFE ACT, AT BENGALURU (CCH-1) (ANNEXURE-A) AND CONSEQUENTLY QUASH THE CHARGE SHEET DATED 03.04.2024 REGISTERED AGAINST THE PETITIONER FOR THE OFFENCES PUNISHABLE UNDER SECTIONS 403, 406, 409, 120(B) READ WITH SECTION 34 OF THE INDIAN PENAL CODE, 1860 AND SECTION 9 OF THE KARNATAKA PROTECTION OF INTEREST OF DEPOSITORS IN FINANCIAL ESTABLISHMENT ACT, 2004.

THIS WRIT PETITION HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 28.08.2026, COMING ON FOR PRONOUNCEMENT THIS DAY, THE COURT MADE THE FOLLOWING:-

CORAM: **HON'BLE MR. JUSTICE M.NAGAPRASANNA**

CAV ORDER

The petitioner/accused No.8 stands at the doors of this Court calling in question proceedings in Special Case No.769 of 2024 registered for offences punishable under Sections 403, 406, 409, 120B r/w Section 34 of the IPC and Section 9 of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004.

2. Heard Sri **Sandesh J. Chouta**, learned senior counsel appearing for the petitioner, Sri **B. N. Jagadeesha**, learned State Public Prosecutor-I appearing for respondent No.1 and Sri **B. C. Avinash**, learned counsel appearing for respondent No.2.

3. Facts, in brief, germane are as follows: -

One Vikram Investments/accused No.1, an entity established by one Raghavendra Srinath and his wife Sunita Acharya as founders, with the objective of collecting funds and investing in the commodities future market began its operation. Accused No.4 is

said to have approached the petitioner and sought investments from the petitioner ensuring timely credit of returns. Between 2010 and 2016 the petitioner is said to have invested at different intervals Rs.21,00,00,000/- based on the assured returns of 4 to 5 per cent every month. The petitioner also received an interest of Rs.13,72,97,990/- during the said period. A crime comes to be registered on 03-03-2018 in Crime No.73 of 2018 against accused Nos. 1 to 7 and investigation ensued, at which point in time, the petitioner was not named in the FIR. The Police conduct investigation and file a charge sheet on 03-04-2024, at which point in time, the petitioner is drawn into the dragnet of proceedings on several scores. It is this that has driven the petitioner to this Court in the subject petition.

3.1. A coordinate Bench of this Court had granted an interim order of stay of all further proceedings against the petitioner by the following order on 24-04-2025:

> "ORAL ORDER
>
> Sri Prabhulinga Navadgi, learned senior counsel representing the petitioner's counsel submits that the only allegation against the petitioner-accused No.8 is that he had

> invested a sum of Rs.20,18,00,000/-, and has received returns of a sum of INR 55,69,56,225/-, which is far greater than the returns received by other depositors.
>
> The learned High Court Government Pleader accepts notice for the respondent No.1-State. Issue emergent notice to respondent No.2.
>
> Interim order as prayed for, insofar it relates to the petitioner-accused No.8, till the next date of hearing.
>
> A week's time is granted for compliance of office objection."

The said interim order is in subsistence even today. The matter is thus heard.

4. The learned senior counsel Sri **Sandesh J. Chouta** appearing for the petitioner would vehemently contend that the petitioner is only an investor. He has invested amounts; was in the verge of losing the amounts but has received certain amounts which according to the prosecution is in huge profit. An investor cannot be dragged into the dragnet of proceedings is the settled principle of law. Therefore, the learned senior counsel submits that the petitioner must not be permitted to be tried as he is only an investor.

5. Per contra, the learned State Public Prosecutor-I Sri **B.N. Jagadeesha** would vehemently refute the submissions in contending that the petitioner/accused No.8 projects himself to be an investor. But, all the investors' money to the tune of Rs.45/- crores is given to the petitioner by the Company. Scores and scores of people have invested in Vikram Investments and all the investments have gone wrong. Therefore, analyzing the role of the petitioner he has been drawn into the web of proceedings. He would take this Court through the charge sheet material, to demonstrate what is the role of this petitioner in the entire episode of crime. He would submit that the chart appended to the petition itself would pin the petitioner down. The learned State Public Prosecutor-I would further contend *qua* the other co-accused who had preferred Criminal Petition No.602 of 2024 and connected cases arising out of the same crime have withdrawn those cases reserving liberty to urge all the contentions in an application seeking their discharge. He would submit that the petitioner/accused No.8 cannot be shown a different treatment while his role being the same. He would seek dismissal of the petition.

6. Learned counsel appearing for the 2nd respondent/complainant **Sri B. C. Avinash**, would toe the lines of the learned State Public Prosecutor-I and seek dismissal of the petition.

7. I have given my anxious consideration to the submissions made by the respective learned counsel and have perused the material on record.

8. The establishment of Vikram Investments and the purpose for which it is established are not in dispute. After about several years, alleging that the Company/Vikram Investments has hoodwinked scores and scores of people, crime in Crime No.73 of 2018 comes to be registered. Some of the accused have approached this Court in four Criminal Petitions viz., Criminal Petitions No.602 of 2024 c/w 863 of 2022, 2410 of 2022 and 12566 of 2022, all of which were withdrawn or they were disposed of as withdrawn reserving liberty to urge all contentions before the concerned Court in an application seeking their discharge. The order reads as follows:

"ORAL ORDER

Heard Sri.Kiran S. Javali, learned Senior Counsel appearing for the petitioners in Cri.P.Nos.602/2024, 863/2022, 2410/2022 and Sri.B.V.Shankaranarayana Rao, learned Senior Counsel appearing for the petitioner in Crl.P.No.12566/2022.

2. After arguing the matter at length, the learned Senior Counsels seek leave of this Court to withdraw the petitions with liberty to file applications seeking discharge before the concerned Court.

3. In the light of the aforesaid submissions, the Criminal Petitions are **disposed** with liberty to urge all the contentions that are now projected before the Concerned Court.

4. In the event, they want to file applications seeking discharge, it is needless to observe that the concerned Court shall consider all aspects and pass necessary orders, in accordance with law.

Pending applications, if any, stand **disposed**."

The learned senior counsel however would try to distinguish the role of those petitioners with the present petitioner/accused No.8.

9. It is admitted fact that the name of the petitioner did not figure while registering the crime. However, it does figure now at the time when the charge sheet is filed. Therefore, what is the role of accused No.8 is necessary to be noticed. It reads as follows:

"…. …. ….

8) ಈ ಪ್ರಕರಣದ ಎ-8 ಆರೋಪಿಯಾದ ಆರ್. ಕೃಷ್ಣ ರವರು ಒಬ್ಬ ರಿಯಲ್ ಎಸ್ಟೇಟ್ ಉದ್ಯಮಿಯಾಗಿದ್ದು ಆರೋಪಿ-2 ಮತ್ತು ಆರೋಪಿ-7 ರವರ ಪಾಲುದಾರಿಕೆಯ, ಆರೋಪಿ-1 "ವಿಕ್ರಂ ಇನ್ವೆಸ್ಟ್ಮೆಂಟ್ಸ್" ನಲ್ಲಿ ಆರೋಪಿ-4 ಸೂತ್ರಂ ಸುರೇಶ್ ರವರ ಮುಖಾಂತರ 2012ನೇ ಸಾಲಿನಿಂದ 2016ನೇ ಸಾಲಿನವರೆಗೆ ಒಟ್ಟು ರೂ.20,80,00,000/- ಗಳನ್ನು ಹೂಡಿಕೆ ಮಾಡಿ ಬೇರೆ ಎಲ್ಲಾ ಹೂಡಿಕೆದಾರರಿಗಿಂತ ಅತಿ ಹೆಚ್ಚು ಅಂದರೆ ರೂ.55,69,56,225/- (ಐವತ್ತೈದು ಕೋಟಿ ಅರವತ್ತೊಂಬತ್ತು ಲಕ್ಷದ ಐವತ್ತಾರು ಸಾವಿರದ ಇನ್ನೂರ ಇಪ್ಪತ್ತೈದು ರೂಪಾಯಿ) ಗಳನ್ನು ಆರೋಪಿ-1 "ವಿಕ್ರಂ ಇನ್ವೆಸ್ಟ್ಮೆಂಟ್ಸ್" ಸಂಸ್ಥೆಯ ವತಿಯಿಂದ ಸ್ವೀಕರಿಸಿರುತ್ತಾರೆ. ಅಂದರೆ ಹೆಚ್ಚುವರಿಯಾಗಿ ರೂ.34,89,56,225/- (ಮುವತ್ತನಾಲ್ಕು ಕೋಟಿ ಎಂಬತ್ತೊಂಬತ್ತು ಲಕ್ಷದ ಐವತ್ತಾರು ಸಾವಿರದ ಇನ್ನೂರ ಇಪ್ಪತ್ತೈದು ರೂಪಾಯಿ) ಗಳನ್ನು ಆರೋಪಿ-2 ಮತ್ತು ಆರೋಪಿ-7 ರವರ ಪಾಲುದಾರಿಕೆಯ, ಆರೋಪಿ-1 "ವಿಕ್ರಂ ಇನ್ವೆಸ್ಟ್ಮೆಂಟ್ಸ್" ವತಿಯಿಂದ ಲಾಭಾಂಶದ ರೂಪದಲ್ಲಿ ಹೆಚ್ಚುವರಿಯಾಗಿ ಫೆಬ್ರವರಿ 2018 ರವರೆಗೆ ಲಾಭಾಂಶದ ಹಣ ಸತತವಾಗಿ ಆರೋಪಿ-1 "ವಿಕ್ರಂ ಇನ್ವೆಸ್ಟ್ಮೆಂಟ್ಸ್" ವತಿಯಿಂದ ಪಡೆದುಕೊಂಡಿರುತ್ತಾರೆ. ಆದರೆ ನೂರಾರು ಹೂಡಿಕೆದಾರರಿಗೆ ನವೆಂಬರ್ 2017 ರಿಂದಲೇ ಲಾಭಾಂಶದ ಹಣ ಹಿಂದಿರುಗಿಸುವುದು ನಿಲ್ಲಿಸಿರುತ್ತಾರೆ. ಆರೋಪಿ-1 "ವಿಕ್ರಂ ಇನ್ವೆಸ್ಟ್ಮೆಂಟ್ಸ್" ನಲ್ಲಿ ಒಟ್ಟು 14.19 ಕೋಟಿ ರೂಪಾಯಿಗಳನ್ನು ಹೂಡಿಕೆ ಮಾಡಿದ್ದ 63 ಜನ ಹೂಡಿಕೆದಾರರಿಗೆ ಒಂದು ರೂಪಾಯಿಯನ್ನೂ ಸಹ ಲಾಭಾಂಶದ ರೂಪದಲ್ಲಾಗಲೀ ಅಥವಾ ಮೂಲ ಹೂಡಿಕೆ ಹಣವನ್ನಾಗಲೀ ನೀಡದೇ ಇದ್ದರೂ ಸಹ ಆರೋಪಿ-8 ಆರ್. ಕೃಷ್ಣರವರು ಫೆಬ್ರವರಿ 2018 ರವರೆಗೂ ನಿರಂತರವಾಗಿ ಅತ್ಯಧಿಕ ಲಾಭಾಂಶ ಹಾಗೂ ಅಸಹಜ ಲಾಭಾಂಶವನ್ನು ಆರೋಪಿ-1 "ವಿಕ್ರಂ ಇನ್ವೆಸ್ಟ್ಮೆಂಟ್ಸ್" ವತಿಯಿಂದ ಹಣ ಪಡೆದುಕೊಂಡು, ಬೇರೆ ಹೂಡಿಕೆದಾರರಿಗೆ ನಂಬಿಕೆ ದ್ರೋಹ, ಮೋಸ, ವಂಚನೆ ಮಾಡಿದ್ದು ಕಲಂ 420, 120(ಬಿ) ಸಹಿತ 34 ಐಪಿಸಿ ಮತ್ತು ಕಲಂ 9 ಕರ್ನಾಟಕ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಠೇವಣಿದಾರರ ಹಿತ ಸಂರಕ್ಷಣಾ ಕಾಯ್ದೆ 2004 ಅಡಿಯಲ್ಲಿ ಶಿಕ್ಷಾರ್ಹ ಅಪರಾಧ ಎಸಗಿರುವುದಾಗಿ ದೋಷಾರೋಪಣೆಯನ್ನು ಹೊರಿಸಲಾಗಿದೆ."

A table is appended to the charge sheet, which would demonstrate the manner in which the amounts are generated to the account of the petitioner. It reads as follows:

"PART-III

Evaluation of R. Krishna and CE analysis and fund flow transactions period wise as per CE bank statement: - (Annex - 79)

(Amount in Crores)

Period	Paid to R Krishna	Received from R Krishna	Cumulative Bal
2011-12	0.05	0.50	-0.45
2012-13	0.40	0.90	-0.96
2013-14	1.16	1.37	-1.16
2014-15	7.42	9.53	-3.27
2015-16	14.59	8.50	2.82
2016-17	22.31	-	25.13
2017-18	9.77	-	34.90
Total	**55.70**	**20.80**	**34.90**

The table below explains the total amount shown as income by R. Krishna and calculation of percentage of such income based on Weighted Average Investment Balance. While calculating such percentage, payment made to R. Krishna not considered, only receipts are considered. As none of the payments were subjected to TDS, we surmise that may not be in the nature of revenue.

(Amount in Crores)

FY	WAVG Investment	Treated as income	% of income on WAVG	TDS found in 26AS
2011-12	0.28	0.08	27.61	-
2012-13	1.45	0.40	27.45	-
2013-14	2.96	1.16	39.30	-
2014-15	7.76	3.27	42.14	-
2015-16	11.23	14.59	129.93	-
2016-17	16.85	11.78	69.92	-
2017-18	-5.46	-	-	-

PART - IV

- Details of Total investors as per Investors List compared with Bank Statement.

Sl. No	Particulars	Data As Per	Numbers
1	Total No of Investors Account	Investors Data	2638
2	After Removing Duplicate Account Numbers in Sl. No 1		2133
3	Total Account Numbers available/found	Bank Statement	2737
4	Matched Account Number - Compared Sl. No. 2 with Sl No. 3		2133

Notes:

The Investors List details, which consist of account number of Investors provided to us by CID (Refer Annex 80). The total number of Investors is 2638 and after removal of the duplicate account number the exclusive account numbers is 2133. And as per bank statement the total account number is 2737. When these account numbers are compared with Investors list, then all the account number are matched with the Investors List.

- Details of Total investors as per Master Data compared with Bank Statement.

Sl. No	Particulars	Data As Per	Numbers
1	Total No of Investors Account	Master Data	1966
2	After Removing Duplicate Account Numbers in Sl. No 1		1966
3	Matched account numbers with Investors Data and Master Data		1248
4	Unmatched account numbers with Investors Data and Master Data		718
5	Total Account Numbers available/found	Bank Statement	2737
6	Matched Account Number - Compared Sl. No. 4 with Sl No. 5	Bank Statement	209

Notes:

The master data details, which consist of account number from Exit and Existing List provided to us by CID (Refer Annex - 81). After removal of the duplicate account number the exclusive account numbers is 1966. Out of these account numbers matched with Investors list is 1248. And unmatched account numbers are 718.

Then these unmatched account numbers compared with bank statement account numbers of 2737 and found 209 account numbers are matched with bank statement."

The aforesaid chart is drawn from the audit report. The investment of the petitioner up to 2014-15 was Rs.9.53 crores and in the year 2015-16 it was Rs. 8.50 crores. But, what is paid to him for a total investment finally in the year 2018 was Rs. 55.70 crores as against the investment of 20.80 crores. On what basis is not indicated. It is not the petitioner who is the only investor. There are scores and scores of people who have invested in this Company, to whom no money is returned. But, to the petitioner for an investment of 40%, 140% is returned, as the chart shows total investment up to 2017-18 is Rs.20.80 crores. Particularly for 2016-17 and 2017-18 there is zero investment. But, the returns are Rs. 22.31 crores and Rs. 9.77 crores respectively. If this should not be tried, in the considered view of this Court, what else should be tried.

10. These are in the realm of seriously disputed questions of fact, as investors money to the tune of several crores is allegedly swindled by the accused. Where the amount was parked, according to the prosecution, is in the account of such persons i.e., accused No.8 who had invested Rs. 20.80 crores, but gets back Rs. 55.70 crores. By no stretch of calculation of interest in any market 140 times return is heard. This is where the needle of suspicion arises. In that light, this is a matter to be tried, as the issue revolves round seriously disputed questions of fact.

11. It is by now too well-settled that this Court while exercising its jurisdiction under Section 482 of the Cr.P.C./528 of the BNSS cannot embark upon a mini-trial by entering into the merits of the allegations. In this regard, it is apposite to refer to the judgments of the Apex Court.

11.1. The Apex Court in **KAPTAN SINGH v. STATE OF UTTAR PRADESH**[1], has held as follows:

"…. …. ….

[1] **(2021) 9 SCC 35**

9.1. At the outset, it is required to be noted that in the present case the High Court in exercise of powers under Section 482 CrPC has quashed the criminal proceedings for the offences under Sections 147, 148, 149, 406, 329 and 386 IPC. It is required to be noted that when the High Court in exercise of powers under Section 482 CrPC quashed the criminal proceedings, by the time the investigating officer after recording the statement of the witnesses, statement of the complainant and collecting the evidence from the incident place and after taking statement of the independent witnesses and even statement of the accused persons, has filed the charge-sheet before the learned Magistrate for the offences under Sections 147, 148, 149, 406, 329 and 386 IPC and even the learned Magistrate also took the cognizance. From the impugned judgment and order [Radhey Shyam Gupta v. State of U.P., 2020 SCC OnLine All 914] passed by the High Court, it does not appear that the High Court took into consideration the material collected during the investigation/inquiry and even the statements recorded. **If the petition under Section 482 CrPC was at the stage of FIR in that case the allegations in the FIR/complaint only are required to be considered and whether a cognizable offence is disclosed or not is required to be considered. However, thereafter when the statements are recorded, evidence is collected and the charge-sheet is filed after conclusion of the investigation/inquiry the matter stands on different footing and the Court is required to consider the material/evidence collected during the investigation.** Even at this stage also, as observed and held by this Court in a catena of decisions, the High Court is not required to go into the merits of the allegations and/or enter into the merits of the case as if the High Court is exercising the appellate jurisdiction and/or conducting the trial. As held by this Court in Dineshbhai Chandubhai Patel [Dineshbhai Chandubhai Patel v. State of Gujarat, (2018) 3 SCC 104 : (2018) 1 SCC

(Cri) 683] in order to examine as to whether factual contents of FIR disclose any cognizable offence or not, the High Court cannot act like the investigating agency nor can exercise the powers like an appellate court. It is further observed and held that that question is required to be examined keeping in view, the contents of FIR and prima facie material, if any, requiring no proof. **At such stage, the High Court cannot appreciate evidence nor can it draw its own inferences from contents of FIR and material relied on. It is further observed it is more so, when the material relied on is disputed. It is further observed that in such a situation, it becomes the job of the investigating authority at such stage to probe and then of the court to examine questions once the charge-sheet is filed along with such material as to how far and to what extent reliance can be placed on such material.**

9.2. In Dhruvaram Murlidhar Sonar [Dhruvaram Murlidhar Sonar v. State of Maharashtra, (2019) 18 SCC 191 : (2020) 3 SCC (Cri) 672] after considering the decisions of this Court in Bhajan Lal [State of Haryana v. Bhajan Lal, 1992 Supp (1) SCC 335 : 1992 SCC (Cri) 426] , it is held by this Court that exercise of powers under Section 482 CrPC to quash the proceedings is an exception and not a rule. **It is further observed that inherent jurisdiction under Section 482 CrPC though wide is to be exercised sparingly, carefully and with caution, only when such exercise is justified by tests specifically laid down in the section itself. It is further observed that appreciation of evidence is not permissible at the stage of quashing of proceedings in exercise of powers under Section 482 CrPC.** Similar view has been expressed by this Court in Arvind Khanna [CBI v. Arvind Khanna, (2019) 10 SCC 686 : (2020) 1 SCC (Cri) 94] , Managipet [State of Telangana v. Managipet, (2019) 19 SCC 87 : (2020) 3 SCC (Cri) 702] and

in XYZ [XYZ v. State of Gujarat, (2019) 10 SCC 337 : (2020) 1 SCC (Cri) 173] , referred to hereinabove.

9.3. Applying the law laid down by this Court in the aforesaid decisions to the facts of the case on hand, we are of the opinion that the High Court has exceeded its jurisdiction in quashing the criminal proceedings in exercise of powers under Section 482 CrPC.

10. The High Court has failed to appreciate and consider the fact that there are very serious triable issues/allegations which are required to be gone into and considered at the time of trial. The High Court has lost sight of crucial aspects which have emerged during the course of the investigation. The High Court has failed to appreciate and consider the fact that the document i.e. a joint notarised affidavit of Mamta Gupta Accused 2 and Munni Devi under which according to Accused 2 Ms Mamta Gupta, Rs 25 lakhs was paid and the possession was transferred to her itself is seriously disputed. It is required to be noted that in the registered agreement to sell dated 27-10-2010, the sale consideration is stated to be Rs 25 lakhs and with no reference to payment of Rs 25 lakhs to Ms Munni Devi and no reference to handing over the possession. However, in the joint notarised affidavit of the same date i.e. 27-10-2010 sale consideration is stated to be Rs 35 lakhs out of which Rs 25 lakhs is alleged to have been paid and there is a reference to transfer of possession to Accused 2. Whether Rs 25 lakhs has been paid or not the accused have to establish during the trial, because the accused are relying upon the said document and payment of Rs 25 lakhs as mentioned in the joint notarised affidavit dated 27-10-2010. It is also required to be considered that the first agreement to sell in which Rs 25 lakhs is stated to be sale consideration and there is reference to the payment of Rs 10 lakhs by cheques. It is a registered document. The aforesaid are all triable issues/allegations which are required to be considered at the time of trial. The High Court has failed to notice and/or consider the material collected during the investigation.

11. Now so far as the finding recorded by the High Court that no case is made out for the offence under Section 406 IPC is concerned, it is to be noted that the High Court itself has noted that the joint notarised affidavit dated 27-10-2010 is seriously disputed, however as per the High Court the same is required to be considered in the civil proceedings. There the High Court has committed an error. Even the High Court has failed to notice that another FIR has been lodged against the accused for the offences under Sections 467, 468, 471 IPC with respect to the said alleged joint notarised affidavit. Even according to the accused the possession was handed over to them. However, when the payment of Rs 25 lakhs as mentioned in the joint notarised affidavit is seriously disputed and even one of the cheques out of 5 cheques each of Rs 2 lakhs was dishonoured and according to the accused they were handed over the possession (which is seriously disputed) it can be said to be entrustment of property. Therefore, at this stage to opine that no case is made out for the offence under Section 406 IPC is premature and the aforesaid aspect is to be considered during trial. It is also required to be noted that the first suit was filed by Munni Devi and thereafter subsequent suit came to be filed by the accused and that too for permanent injunction only. Nothing is on record that any suit for specific performance has been filed. Be that as it may, all the aforesaid aspects are required to be considered at the time of trial only.

12. Therefore, the High Court has grossly erred in quashing the criminal proceedings by entering into the merits of the allegations as if the High Court was exercising the appellate jurisdiction and/or conducting the trial. The High Court has exceeded its jurisdiction in quashing the criminal proceedings in exercise of powers under Section 482 CrPC.

13. Even the High Court has erred in observing that original complaint has no locus. The aforesaid observation is made on the premise that the complainant has not placed on

record the power of attorney along with the counter filed before the High Court. However, when it is specifically stated in the FIR that Munni Devi has executed the power of attorney and thereafter the investigating officer has conducted the investigation and has recorded the statement of the complainant, accused and the independent witnesses, thereafter whether the complainant is having the power of attorney or not is to be considered during trial.

14. In view of the above and for the reasons stated above, the impugned judgment and order [Radhey Shyam Gupta v. State of U.P., 2020 SCC OnLine All 914] passed by the High Court quashing the criminal proceedings in exercise of powers under Section 482 CrPC is unsustainable and the same deserves to be quashed and set aside and is accordingly quashed and set aside. Now, the trial is to be conducted and proceeded further in accordance with law and on its own merits. It is made clear that the observations made by this Court in the present proceedings are to be treated to be confined to the proceedings under Section 482 CrPC only and the trial court to decide the case in accordance with law and on its own merits and on the basis of the evidence to be laid and without being influenced by any of the observations made by us hereinabove. The present appeal is accordingly allowed."

11.2. In the case of **MUSKAN v. ISHAAN KHAN (SATANIYA)**[2], the Apex Court has held as follows:

"…. …. ….

C. ANALYSIS

[2] **2025 SCC Online SC 2355**

17. The main issue that arises for our analysis is whether the High Court was right in quashing the criminal proceedings against the private respondents primarily on the ground that the earlier complaints did not mention the two specific incidents dated 22.07.2021 and 27.11.2022, which were later on added in the FIR and whether the same would not amount to conducting a '*mini trial*' which is clearly prohibited under the scheme of Section 482 of the Cr. P.C.

... ...

22. On the aspect of the powers of the Courts under Section 482 of the Cr. P.C., it is settled that at the stage of quashing, the Court is not required to conduct a *mini trial.* Thus, the jurisdiction under Section 482 of the Cr. P.C. with respect to quashing is somewhat limited as the Court has to only consider whether any sufficient material is available to proceed against the accused or not. If sufficient material is available, the power under Section 482 should not be exercised.

23. This Court in the case of *State of Odisha* v. *Pratima Mohanty*[10] held that:

> "**8.2.** It is trite that the power of quashing should be exercised sparingly and with circumspection and in rare cases. As per the settled proposition of law while examining an FIR/complaint quashing of which is sought, the court cannot embark upon any enquiry as to the reliability or genuineness of allegations made in the FIR/complaint. Quashing of a complaint/FIR should be an exception rather than any ordinary rule. Normally the criminal proceedings should not be quashed in exercise of powers under Section 482 CrPC when after a thorough investigation the charge-sheet has been filed. **At the stage of discharge and/or considering the application under Section 482 CrPC the courts are not required to go into the merits of the allegations and/or evidence in detail as if conducting the mini-trial. As held by this Court the powers under Section 482 CrPC are 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."**

24. Further in the case of *Central Bureau of Investigation* v. *Aryan Singh*[11], this Court held that at the stage of Section 482 of the Cr. P.C., the High Court is not required to conduct a mini trial.

> **"6. From the impugned common judgment and order [*Aryan Singh* v. *CBI*, 2022 SCC OnLine P&H 4158] passed by the High Court, it appears that the High Court has dealt with the proceedings before it, as if, the High Court was conducting a mini trial and/or the High Court was considering the applications against the judgment and order passed by the learned trial court on conclusion of trial. As per the cardinal principle of law, at the stage of discharge and/or quashing of the criminal proceedings, while exercising the powers under Section 482 CrPC, the Court is not required to conduct the mini trial. The High Court in the common impugned judgment and order has observed that the charges against the accused are not proved. This is not the stage where the prosecution/investigating agency is/are required to prove the charges. The charges are required to be proved during the trial on the basis of the evidence led by the prosecution/investigating agency."**
>
> (emphasis supplied)

25. This Court in *Neeharika Infrastructure Private Limited* (supra) gave following directions to the Courts exercising the power under Section 482 of the Cr. P.C.:

> "***Conclusions***
>
> 33. In view of the above and for the reasons stated above, our final conclusions on the principal/core issue, whether the High Court would be justified in passing an interim order of stay of investigation and/or "no coercive steps to be adopted", during the pendency of the quashing petition under Section 482 CrPC and/or under Article 226 of the Constitution of India and in what circumstances and whether the High Court would be justified in passing the order of not to arrest the accused or "no coercive steps to be adopted" during the

investigation or till the final report/charge-sheet is filed under Section 173 CrPC, while dismissing/disposing of/not entertaining/not quashing the criminal proceedings/complaint/FIR in exercise of powers under Section 482 CrPC and/or under Article 226 of the Constitution of India, our final conclusions are as under:

33.1 ….

33.2. Courts would not thwart any investigation into the cognizable offences.

33.3. 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.

33.4. 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).

33.5. <u>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.</u>

33.6 ….

33.7. <u>Quashing of a complaint/FIR should be an exception rather than an ordinary rule.</u>

33.8 to 33.11 ….

33.12. The first information report is not an encyclopedia 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.

33.13 and **33.14** …..

33.15. When a prayer for quashing the FIR is made by the alleged accused and the court when it exercises the power under Section 482 CrPC, 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."

(emphasis supplied)

26. Further, this Court in the case of *State of Telangana* v. *Habib Abdullah Jeelani*[12] held that:

"13. There can be no dispute over the proposition that inherent power in a matter of quashment of FIR has to be exercised sparingly and with caution and when and only when such exercise is justified by the test specifically laid down in the provision itself. There is no denial of the fact that the power under Section 482 CrPC is very wide but it needs no special emphasis to state that conferment of wide power requires the Court to be more cautious. It casts an onerous and more diligent duty on the Court.

14. In this regard, it would be seemly to reproduce a passage from *Kurukshetra University* [*Kurukshetra University* v. *State of Haryana*, (1977) 4 SCC 451 : 1977 SCC (Cri) 613] wherein Chandrachud, J. (as his Lordship then was) opined thus : (SCC p. 451, para 2)

"2. It surprises us in the extreme that the High Court thought that in the exercise of its inherent powers under Section 482 of the Code of Criminal Procedure, it could quash a first information report. The police had not even commenced investigation into the complaint filed

> by the Warden of the University and no proceeding at all was pending in any court in pursuance of the FIR. It ought to be realised that inherent powers do not confer an arbitrary jurisdiction on the High Court to act according to whim or caprice. That statutory power has to be exercised sparingly, with circumspection and in the rarest of rare cases.""

(emphasis supplied)

> **27. We are of the view that the High Court has erred in law by embarking upon an enquiry with regard to credibility or otherwise of the allegations in the complaints and the FIR. Normally, for quashing an FIR, it must be shown that there exists no *prime facie* case against the accused persons. In the present case, from the conjoint reading of the complaints and the FIR, it can be seen that *prime facie* allegations of harassment and demand of dowry are made out, despite that the High Court quashed the FIR against the private respondents primarily on the ground that the earlier two complaints that were filed by the appellant did not mention the specific instances that happened on 22.07.2021 and 27.11.2022 and the same were later on mentioned in the FIR only as an afterthought and was a counterblast to the legal notice sent by respondent no. 1/husband to the appellant as she was not coming back to her matrimonial home. This approach adopted by the High Court, in our considered opinion, amounts to conducting a *mini trial*."**

(Emphasis supplied at each instance)

In the light of the afore-quoted judgments of the Apex Court and the facts obtaining in the case at hand, this Court in exercise of its jurisdiction, cannot interfere at this stage of proceedings to obliterate the proceedings against the petitioner and it is for the petitioner to come out clean in a full blown trial.

12. For the aforesaid reasons, finding no merit in the petition, the petition stands **dismissed.**

Interim order operating if any, shall stand dissolved.

Sd/-
(M.NAGAPRASANNA)
JUDGE

BKP