



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CRM-M No.6810 of 2023 (O&M)

Reserved on: 21.01.2026

Pronounced on: 07.03.2026

Abhishek Singhi and another

.....Petitioners

Versus

State of Punjab and another

..... Respondents

CORAM: HON'BLE MR.JUSTICE SURYA PARTAP SINGH

Present: Mr. Deepinder Singh Virk, Advocate and
Mr. Anish Kansal, Advocate for the petitioners.

Mr. Eklavya Darshi, DAG, Punjab.

None for the respondent No.2.

SURYA PARTAP SINGH, J. (Oral):

The petitioners are aggrieved of slapping of FIR No.64 dated 14.02.2020 for the commission of offence punishable under Section 420 of Indian Penal Code, Police Station City Barnala. The petitioners have been arrayed as an accused in the above mentioned FIR. It shall not be out of place to mention here that pursuant to above mentioned FIR the investigation has been conducted by the police and the police has already filed the final report, under Section 173 Cr.P.C., against the petitioners.

2. It has been contended on behalf of petitioners that the filing of above mentioned FIR, which has led to prosecution of petitioners for the



commission of offence is an abuse of process of law. According to learned counsel for the petitioners a bare perusal of the contents of FIR would go to show that grievance of the complainant is with regard to non-payment of his dues/transport charges for which the only remedy available to the complainant is the suit for recovery or the suit for rendition of account. It has also been contended by learned counsel for the petitioners that very cleverly, and with active connivance of police authorities a dispute of civil nature has been converted into a case of cheating, and that such practice has already been deprecated in repeated judicial pronouncements by this Court as well as Hon'ble Apex Court.

3. In addition to above the learned counsel for the petitioners has also contended that another illegality, being committed in the present case, is that as per claim of complainant he had entered into oral agreement with regard to providing his truck for transportation to 'M/s Singhi Transport Company'. As per learned counsel for the petitioners the sole proprietor of above named transport company was Nipeen Kumar, who is no more. It has been claimed by learned counsel for the petitioners that petitioners herein are neither partners nor proprietors of the above mentioned firm, and therefore, the plea of complainant with regard to cheating by the petitioners cannot sustain. In view of above mentioned argument the learned counsel for the petitioners has contended that instant case is the fit case wherein extraordinary jurisdiction vested in the Court by virtue of Section 482 Cr.P.C. should be exercised, and



the FIR along with all the subsequent proceedings arising out of above mentioned FIR should be quashed.

4. The learned State counsel has controverted the above mentioned arguments. It has been contended by learned State counsel that in the present case there are very specific and categorical allegations against the petitioners qua the fact that they have committed cheating with the complainant, by making false promise of payment of due charges to him but the same have not been paid. While claiming that before slapping of FIR in the present case, an enquiry was conducted by a high ranking police officer, the learned State counsel has contended that no ground for quashing of FIR is made out.

5. The record has been perused carefully.

6. A perusal of record shows that the FIR of this case came into being at the instance of complainant-respondent No.2, hereinafter being referred to as respondent No.2. The pith and substance of the above mentioned FIR is that the respondent No.2 is the owner of truck bearing registration No.PB-19M-2282 and that in the year 2016 the aforesaid truck was attached with the transport company of the petitioners, which was rendering service of loading, unloading and carriage of diesel and patrol for 'M/s Reliance Oil Company'. According to complainant when his truck was attached with the above mentioned company of petitioners a sum of Rs.30,000/- was charged by the company of petitioners and that March 2018 onwards there was irregularity in payment of dues of the complainant. It has also been alleged by the



complainant that he had approached the petitioners several times and asked to settle the account and make the balance payment but the same has not been paid. Thus, he has been cheated.

7. The above mentioned allegations of the complainant have served as foundation for FIR. After investigation the final report under Section 173 Cr.P.C. has been filed, whereby the petitioners have been prosecuted. If the entire contents of the above mentioned FIR are accepted to be true on their face value, the only and only conclusion which can be drawn in the present petition is that there was a business dealing on the basis of oral agreement between the complainant and 'Singhi Transport Company' and as per above mentioned oral agreement the complainant had attached his truck with the above mentioned company for transportation of diesel and patrol. It is the allegation of the complainant that transportation charges as per agreement between the complainant and the 'Singhi Transport Company' have not been paid. According to complainant the petitioners are looking after the affairs of the above mentioned company and, therefore, they are responsible for the above mentioned offence.

8. The aforementioned factual matrix itself shows that the dispute between the petitioners and the complainant is with regard to payment of money pertaining to a business dealing. The second aspect which may arise in the present case is the settlement of account between the complainant and 'Singhi Transport Company'. It is settled principle of law that such a dispute



can be adjudicated upon by a Civil Court only.

9. The another aspect to be taken into consideration in the present case is that the contents of FIR nowhere shows that there is any element of *mens rea*, on the part of petitioners, to defraud the complainant and it is settled principle of law that without *mens rea* the offence under Section 420 IPC can not take place.

10. One more relevant aspect raised by the petitioners in their petition is that 'M/s Singhi Transport Company' was the sole proprietorship firm of 'Mr. Nippen Kumar' the father of petitioner No.1, and that the petitioners were not the owner/proprietor of 'M/s Singhi Transport Company'. To support their claim the GST certificate of the above mentioned firm has been placed on record by the petitioners.

11. The above mentioned certificate show that the firm 'Ms. Singhi Transport Company' is a proprietorship firm, if the above mentioned aspect is taken into consideration, it transpires that the petitioners cannot be prosecuted for any offence committed by 'M/s Singhi Transport Company'. The contents of the FIR vis-a-vis report under Section 173 Cr.P.C. nowhere shows that the petitioners in any way had entered into any deal with the complainant and thereby committed the offence under Section 420 IPC.

12. With regard to situation similar to the present one the Hon'ble supreme Court of India in the case of 'Delhi Race Club (1940) Ltd. & Ors. Vs. State of Uttar Pradesh & Anr.' AIR 2024 (SC) 4531, has observed that



prosecution of cases on charges of criminal breach of trust for failure to pay the consideration amount in case of sale of goods if flawed to the core. As per the Hon'ble Supreme Court of India there can be civil remedy for the non-payment of the consideration but no criminal complaint is maintainable.

13. Similarly, in the case of 'Veer Prakash Sharma Vs. Anil Kumar Agarwal and another', 2007(3)RCR (Criminal) 960, the Hon'ble Supreme Court of India has observed that non-payment or under payment of the price of the goods by itself does not amount to commission of offence of cheating or criminal breach of trust. Similarly in the case of 'Hridaya Ranjan Verma and others Vs. State of Bihar and another', 200(4) SCC 168, it has been observed by the Hon'ble Supreme Court of India that it depends upon the intention of accused at the time to inducement which may be judged by his subsequent conduct but this subsequent conduct is not the sole test. According to the Hon'ble Supreme Court of India mere breach of contract cannot give rise to criminal prosecution for cheating unless fraudulent or dishonest intentions are shown right at the beginning of the transaction. It has been further observed that to hold a person guilty of cheating it is necessary to show that he had fraudulent or dishonest intention at the time of making the promise and that on mere failure to keep the promise subsequently, this inference cannot be drawn that he had culpable intention right at the beginning.

14. Similarly in the case of 'Shailesh Kumar Singh alias Shailesh R. Singh Vs. State of Uttar Pradesh & Ors.' 2025(2) PLR 107, the Hon'ble



Supreme Court of India has observed that mere failure to pay money in a civil dispute does not constitute a criminal offence and that filing of FIR in a civil dispute to recover money amounts to an abuse of process of law. The Hon'ble Supreme Court has further observed that civil dispute should be resolved through appropriate remedy and not through criminal proceedings.

15. Similar issue has been dealt with by the Hon'ble Supreme Court of India in the case of 'M/s Shikhar Chemicals Vs. The State of Uttar Pradesh & anr.' Special Leave to Appeal (Crl.) No.11445 of 2025. In the above mentioned case, the Hon'ble Supreme Court of India has observed that criminal proceedings in a case of pure civil dispute constitute abuse of process of law.

16. In the light of above mentioned settled principles of law when the factual matrix of the present case is analysed, it transpires that in the present case *firstly*, the dispute between the complainant and the 'M/s Singhi Transport Company' is a dispute of civil nature i.e. non-payment of due charges by the above mentioned transport company to the complainant *secondly*, there is no averment either in the complaint or in the report under Section 173 Cr.P.C. that petitioners are responsible for day to day business of above mentioned transport company and *thirdly* there is nothing on record to show that right from the very beginning there was any dealing between the complainant and the petitioners and *fourthly* there is no iota of evidence, that there was any intention not to fulfill promise, made with the complainant, right from the very



beginning.

17. Taking into consideration the cumulative effect of all the above mentioned factors it is hereby observed that the present case is squarely covered by the principles of law propounded by the Hon’ble Supreme Court of India in the cases discussed above, and therefore, it is hereby held that the filing of FIR, and the subsequent report under Section 173 Cr.P.C. by the police, on the basis of above said FIR are nothing but the abuse of process of Court. Hence, it is hereby observed that the present petition has got merit and deserves to be allowed. Hence, the same is hereby **allowed** accordingly and as a consequence thereof the FIR mentioned above and the final report under Section 173 Cr.P.C. and all the subsequent proceedings arising therefrom, are hereby quashed.

(SURYA PARTAP SINGH)
JUDGE

07.03.2026
Manoj Bhutani

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No