



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

CRM-M No.48510 of 2023 (O&M)

Reserved on: 03.02.2026

Pronounced on: 10.03.2026

Priya Kumari

.....Petitioner

Versus

State of Punjab and another

..... Respondents

CORAM: HON'BLE MR.JUSTICE SURYA PARTAP SINGH

Present: Mr. Esh Gupta, Advocate for the petitioner.

Mr. Eklavya Darshi, DAG, Punjab.

Mr. Arnav Sood, Advocate for the respondent No.2.

SURYA PARTAP SINGH, J. (Oral):

By virtue of present petition, the extraordinary jurisdiction vested in this Court by virtue of Section 482 of Criminal Procedure Code 1973, has been invoked for quashing of FIR No.66 dated 24.07.2015, for the commission of offence punishable under Sections 420, 465, 467, 468 [Sections 406, 471 and 120-B IPC added later on] of Indian Penal Code, Police Station Haryana, District Hoshiarpur. The above mentioned FIR has been lodged at the instance of the complainant-respondent No.2 hereinafter being referred to as 'respondent No.2' only, against the petitioner/accused, hereinafter being referred to as 'petitioner', only

2. It has been contended on behalf of the petitioner that petitioner is a handicap lady and the niece of the respondent No.2 who is an NRI.

According to petitioner her father 'Surinder Dass' was the real brother of the



respondent No.2 and that about 30 years ago the respondent No.2 had left the country and settled in England, where he is running a business. According to learned counsel for the petitioner at initial stage the family of the respondent No.2 had helped him in settling abroad and subsequently the respondent No.2, who was having cordial relations, used to visit his brothers 'Surinder Dass' and 'Govind Dass', and their respective families, and that out of love and affection he even financially helped his brothers but subsequently due to some disagreement with regard to partition of ancestral property relation between the respondent No.2 and his brother deteriorated.

3. The learned counsel for the petitioner has further contended that in the year 2015 the respondent No.2 had submitted a complaint against the petitioner, and another complaint against the brother of petitioner namely 'Pardeep Kumar', before the Senior Superintendent of Police, Hoshiarpur and that the inquiries in the above mentioned complaints were initiated. According to learned counsel for the petitioner subsequently by consolidating all the allegations levelled in the above mentioned two complaints, the respondent No.2 filed another complaint on 23.07.2015 before the Senior Superintendent of Police, Hoshiarpur and on account of political interventions the Senior Superintendent of Police, Hoshiarpur issued a direction to the SHO concerned to register the FIR, and the same has been lodged without looking into the fact that there was no merit in the allegations contained in the complaint.

4. It has been further contended by learned counsel for the petitioner that the allegations contained in the FIR are against several persons, and that



the allegations qua petitioner are that she wanted to run a business and for that purpose she demanded money. As per learned counsel for the petitioner the respondent No.2 has claimed that he paid Rs.20,00,000/- through cheques to the petitioner, and that subsequently in the year 2010 the petitioner applied for gas agency and for that purpose he transferred Rs.18,00,000/- in the name of petitioner and also executed the lease deed of his two shops in her favour. According to learned counsel for the petitioner the allegations of the respondent No.2 against the petitioner are that she had assured the respondent No.2 that he would have a share in the gas agency, but neither she introduced the respondent No.2 as a partner in the gas agency nor returned the money, and thus the respondent No.2 claimed that he has cheated by the petitioner.

5. With regard to above mentioned contention, the learned counsel for the petitioner has contended that the bare contents of the FIR, itself, shows that the dispute between the respondent No.2 and the petitioner is with regard to return of money and for that purpose the remedy available to the respondent No.2 is the civil remedy only. As per learned counsel for the petitioner the civil remedy has already been availed by the respondent No.2 by filing a civil suit but the civil suit filed by the respondent No.2 has already failed. It has also been contended by learned counsel for the petitioner that with regard to present case when petitioner had approached the Court for anticipatory bail a pre-condition was imposed upon the petitioner to pay Rs.10,00,000/- to the respondent No.2, which was paid accordingly. Qua above mentioned aspect the learned counsel for the petitioner has contended that the above mentioned



facts finds mention in the statement of the respondent No.2 recorded before the Civil Court.

6. While claiming that dispute between the petitioner and the respondent No.2 is purely a dispute of civil nature, the learned counsel for the petitioner has contended that no criminality can be attributed to the petitioner and that the present petition is nothing but an abuse of process of law.

7. The learned State counsel being assisted by learned counsel for the respondent No.2-the respondent No.2 has controverted the above mentioned arguments. It has been contended by learned counsel for the respondent No.2 that the present case does not pertain to a dispute of civil nature, and that in the case in hand the act and conduct of the petitioner, vis-a-vis her family members, makes it abundantly clear that the petitioner had an intention of cheating right from the very beginning and she has usurped huge amount of money, i.e. more than Rs.38,00,000/- and also two shops of the respondent No.2 on the false pretext of introducing him as partner in the gas agency.

8. According to learned counsel for the respondent No.2 the allegations of the petitioner with regard to return of Rs.10,00,000/- to the respondent No.2, supports the claim of the respondent No.2 that money was received by the petitioner from the respondent No.2. As per learned counsel for the respondent No.2 this issue has to be decided during the course of trial as to whether the petitioner had cheated the respondent No.2 or not, and that at this stage once there is *prima facie* evidence with regard to payment of money



by the respondent No.2 to the petitioner, the FIR cannot be quashed merely on the claim of the petitioner that the disputes between the parties is of civil nature. By alleging that the present petition has got no merit the learned State counsel being assisted by learned counsel for the respondent No.2 has sought for dismissal of present petition.

9. The record has been perused carefully.

10. As far as the present petition is concerned, at the very outset, it is pertinent to mention here that the contents of the FIR qua the allegations against the petitioner makes it abundantly clear that the respondent No.2 initially paid money to the petitioner when she requested for the same for starting a business. There is no allegations that at that point of time, when Rs.20,00,000/- were paid by the respondent No.2, to the petitioner, there was any kind of understanding with regard to creation of a share of the respondent No.2 in the business being run by the petitioner. Thus, at the most with regard to above mentioned transactions the dispute between the parties can be with regard to return of money. However, that dispute, too, is subject to the condition as to whether at the time of payment of money by the respondent No.2 to the petitioner, there was any understanding for return of the same or it was simply a gift by an uncle to his niece. However, whatsoever it may be, the only right which can be claimed by the respondent No.2 is the return of money and such right is essentially a right, which can be adjudicated upon by a Civil Court only. As far as the subsequent allegations with regard to partnership in gas agency are concerned, two aspects are involved therein:-



- i) that with regard to lease of shops by the respondent No.2 to the petitioner there is no allegations of cheating. Otherwise also if there is dispute with regard to payment of rent or return of possession by the petitioner to the respondent No.2, the only course available to the respondent No.2 is to file a civil suit for eviction;
- ii) that with regard to allegation for payment of money to the petitioner and denial of share of the respondent No.2 in the gas agency, it is relevant to note that with regard to above mentioned aspect firstly, there is no written agreement between the parties and secondly, again if there was oral agreement between the petitioner & the respondent No.2, and the petitioner has failed to fulfill that agreement the only course available to the respondent No.2 is to file the civil suit.

11. As a sequel to above mentioned observations it is hereby observed that factual matrix of the present case shows that with regard to allegations against the petitioner the only remedy available to the respondent No.2 is the civil remedy and it is apparent that a dispute of civil nature has been given a colour of criminal case.

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 is flawed to the core. As per 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.

14. 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 intentions of the accused at the time of inducement which may be judged by his subsequent conduct but this subsequent conduct is not the sole test. According to 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 on mere failure to keep the promise subsequently, this inference cannot be drawn that he had culpable intention right at the beginning.

15. 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.

16. 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 amounts to abuse of process of law.

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 subsequent report under Section 173 Cr.P.C. on the basis of above said FIR are nothing but an abuse of process of law. Hence, it is hereby observed that the present petition has got merit and deserves to be allowed. 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

10.03.2026
Manoj Bhutani

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