



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

CRM-M No.51768 of 2023 (O&M)

Reserved on: 03.02.2026

Pronounced on: 10.03.2026

Kaushalya alias Kaushalya Rani and another

.....Petitioners

Versus

State of Punjab and another

..... Respondents

CORAM: HON'BLE MR.JUSTICE SURYA PARTAP SINGH

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

Mr. Eklavya Darshi, DAG, Punjab.

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

SURYA PARTAP SINGH, J. (Oral):

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 Hariana, District Hoshiarpur.

2. It has been contended on behalf of the petitioners that the petitioner No.1 is an old aged lady (aged about 81 years) and that she is the wife of real brother of the complainant. According to learned counsel for the petitioners the petitioner No.2 is the wife of 'Pardeep Kumar', who is nephew of complainant. According to petitioners, husband of petitioner No.1, i.e.



Surinder Dass was the real brother of complainant, and that about 30 years ago complainant had left the country and settled in England, where he is running a business. According to learned counsel for the petitioners at initial stage the family of petitioners had helped him in settling abroad and subsequently, the complainant used to visit his brothers, namely 'Surinder Dass' & 'Govind Dass' and their respective families, and out of love and affection helped his brothers financially.

3. The learned counsel for the petitioner has further contended that in the year 2015 the complainant had moved a complaint against the daughter namely 'Priya' and another complaint against the son of petitioner No.1 namely 'Pardeep Kumar' before the Senior Superintendent of Police, Hoshiarpur and the inquiries in the above mentioned complaints were in progress. According to learned counsel for the petitioners subsequently by consolidating all the allegations levelled in the above mentioned two complaints, the complainant moved 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 directions to the SHO concerned to register the FIR in question, without looking into the fact that there was no merit in the allegations of the complainant.

4. With regard to role attributed to the petitioners in the commission of crime it has been contended by learned counsel for the petitioner that petitioners along with co-accused 'Pardeep Kumar' had requested the complainant to hand over the possession of his newly constructed kothi



(house) to them for their living, under an assurance that whenever the complainant would desire the possession of the same would be returned to the complainant. According to learned counsel for the petitioners for the sake of arguments even if the above mentioned allegations of the complainant is accepted to be true at their face value, the remedy qua above mentioned alleged misconduct of the petitioners lies in Civil Court and therefore, the criminal case qua above mentioned allegations is not maintainable.

5. It has been further contended by learned counsel for the petitioners that another allegation against the petitioners is that in the presence of petitioners, 'Pardeep Kumar' had moved a proposal before the complainant that he wanted to start a business of property dealing and for that purpose he wanted money. As per learned counsel for the petitioners the complainant has alleged that he paid money to 'Pardeep Kumar' with an undertaking that the transactions would be in the name of complainant, but 'Pardeep Kumar' failed to fulfill the above mentioned promise. According to learned counsel for the petitioners qua above mentioned aspect the allegations are only against 'Pardeep Kumar' and no criminal act can be attributed to the petitioners simply by saying that the petitioners were present at the time of above mentioned promise by 'Pardeep Kumar' to the complainant.

6. In addition to above, the learned counsel for the petitioners has also contended that third allegation against the petitioners is that the petitioners forcibly entered into the house of complainant and forged his signatures on two cheques worth Rs.7,00,000/- and Rs.9,00,000/- also. With regard to above



mentioned allegations it has been contended by learned counsel for the petitioners that the above mentioned cheques are in the name of 'Pardeep Kumar' and no money has ever been received by the petitioners, and therefore, qua above mentioned allegations also any criminal act can not be attributed to the petitioners.

7. It has been contended on behalf of the petitioners that both the petitioners are household ladies having no concern, whatsoever, with the business dealing and transactions of money, whatsoever, between the complainant and 'Pardeep Kumar', son of petitioner No.1 and husband of petitioner No.2. According to learned counsel for the petitioners simply with an intention to pressurize Pardeep Kumar's the false and fabricated allegations have been levelled against the petitioners, who neither received any money from the complainant nor ever made any kind of assurance. It has also been contended by learned counsel for the petitioners that otherwise also the only allegations against the petitioners are that they had entered into a conspiracy with regard to offence committed by 'Pardeep Kumar', who allegedly duped the complainant. While claiming that they had not played any role in any kind of offence, and also that the dispute between the complainant and 'Pardeep Kumar' is essentially a dispute of civil nature, the learned counsel for the petitioners has sought for the intervention of extraordinary jurisdiction of this Court with regard to prosecution lodged against the petitioners.

8. The learned State counsel being assisted by learned counsel for the respondent No.2-complainant has controverted the above mentioned



arguments. It has been contended by learned counsel for complainant that the present case does not pertain to a dispute of civil nature, but that the acts and conduct of the petitioners, vis-a-vis their family members make it abundantly clear that the petitioners had the intention of cheating right from the very beginning.

9. It has been further contended by learned counsel for the complainant that the alleged illegal possession of the complainant's newly constructed *kothi* (house), too, is also not a simple civil dispute, as the petitioners, acting in connivance with co-accused 'Pardeep Kumar', dishonestly induced the complainant to hand over possession of abovesaid house under a false assurance. According to learned counsel for the complainant the abovesaid acts constitute a clear criminal breach of trust and illegal encroachment, rather than a mere breach of contract triable by a Civil Court.

10. The learned counsel for the complainant has further contended that the petitioners cannot be exonerated simply on the ground that they are household ladies. It has been asserted that they were present at the time of occurrence and actively participated when 'Pardeep Kumar' proposed the property business and induced the complainant to invest his money. As per learned counsel for the complainant the presence of petitioner provided the necessary assurance and legitimacy to the fraudulent transaction of the co-accused 'Pardeep Kumar' and make them active conspirators in the crime. Furthermore, it has been highlighted by learned counsel for the complainant



that serious allegations of house-trespass and forgery have been levelled and that the petitioners were involved in the forgery of two cheques amounting to Rs. 7,00,000/- and Rs. 9,00,000/-. The learned State counsel has argued that even if the cheques were in the name of 'Pardeep Kumar', the petitioners played a pivotal role in the execution of the forgery and the hatching conspiracy to defraud the complainant.

11. The record has been perused carefully.

12. As far as the allegations against the petitioners are concerned at the very outset, it is pertinent to mention here that the contents of the FIR itself makes it abundantly clear that neither any deal was struck with either of the petitioners nor any transaction of money between the complainant and the petitioners had taken place. Once there was no delivery of cash or property by the complainant to the petitioners no offence of cheating can be attributed to the petitioners. Although, in the present case, the complainant has tried to build-up a case against the petitioners by alleging that son of petitioners No.1 and husband of petitioner No.2, namely 'Pardeep' had entered into deal with the complainant in the presence of petitioner only, but *firstly*, the above mentioned claim itself is, too, unnatural to convince a prudent mind and *secondly*, there is no iota of evidence to support the above mentioned complaint. For the sake of arguments even if it is assumed that the deal was struck between complainant and 'Pardeep' in the presence of petitioners even then unless the role played by the petitioners is specified it cannot be observed that they were involved in the offence of cheating.



13. As a sequel to above mentioned observations it is hereby observed that factual matrix of the case shows that with regard to allegations against the petitioner the only remedy available to the complainant is the civil remedy and it is apparent that a dispute of civil nature has been given a colour of criminal case.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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 and 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