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HIGH COURT OF CHHATTISGARH AT BILASPUR

CRMP No. 2173 of 2026

- 1 - Smt. Rita Singh W/o Ramesh Chand Singh Rajput Aged About 50 Years R/o House No. L I G-7 Vaishali Nagar, Supela, Bhilai, Tehsil And District- Durg, Chhattisgarh,
- 2 - Ramesh Chand Singh Rajput S/o Anand Prasad Singh Aged About 54 Years R/o House No. L I G-7 Vaishali Nagar, Supela, Bhilai, Tehsil And District- Durg, Chhattisgarh,
- 3 - Manav Chand Singh S/o Ramesh Chand Singh Rajput Aged About 31 Years R/o House No. L I G-7 Vaishali Nagar, Supela, Bhilai, Tehsil And District- Durg, Chhattisgarh,

... Petitioners

versus

- 1 - State of Chhattisgarh Through- S H O. Police Station Utai, District- Durg, Chhattisgarh,
- 2 - B.B. Singh S/o Late S.B. Singh Aged About 58 Years Partner A B B S Stone Crasher, R/o Beside Maharana Pratap Homeopathy Medical College, New Rajendar, Nagar, Raipur, Tehsil And District- Raipur, Chhattisgarh,

... Respondents

(Cause-title taken from Case Information System)

For Petitioners	:	Mr. Prafull N. Bharat, Senior Advocate assisted by Mr. Shikhar Bakhtiyar, Advocate
For Respondent No.1/State	:	Mr. Sangharsh Pandey, Government Advocate
For Respondent No.2	:	Mr. Pravin Kumar Tulsyan, Advocate

Hon'ble Shri Ramesh Sinha, Chief Justice
Hon'ble Shri Ravindra Kumar Agrawal, Judge

Order on Board

Per Ramesh Sinha, Chief Justice

19.08.2026

1. Heard Mr. Prafull N. Bharat, learned Senior Counsel assisted by Mr. Shikhar Bakhtiyar, learned counsel for the petitioners. Also heard Mr. Sangharsah Pandey, learned Government Advocate, appearing for the State/respondent No.1 as well as Mr. Pravin Kumar Tulsyan, learned counsel appearing for respondent No.2.
2. The present petition has been filed by the petitioners under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (for short, 'B.N.S.S.') with the following relief:-

“A) That this Hon'ble Court may kindly quash and set-a-side the FIR No.411/2026, Dated:02/08/2026, registered with P.S. Utai, District Durg for the offence punishable under section 318(2), 318(3), 318(4), 336(3), 338, and 340 of the Bharatiya Nyaya Sanhita, 2023 (BNS) registered with P.S. Utai, District Durg, Chhattisgarh, in the interest of Justice.

B) That the Hon'ble Court may kindly be pleased to quash the order dated 31.07.2026 passed by the Ld. Judicial Magistrate First Class (JMFC), Patan, District Durg (C.G.) in unregistered Criminal Case under Section 175(3) of the BNSS, 2023 directing the registration of an FIR against the Petitioners for offenses punishable

under Sections 318(2), 318(3), 318(4), 336(3), 338, and 340 of the Bharatiya Nyaya Sanhita, 2023 (BNS)., in the interest of justice.

C) That the Hon'ble Court may kindly be pleased to quash the complaint dated 24/06/2026 pending before the Judicial Magistrate First Class, Patan, District Durg, Chhattisgarh, filed by the respondent no. 2 (ANNEXURE P/15) against the petitioners and also the further proceedings be quashed in unregistered criminal case pending before the Ld. Judicial Magistrate First Class, Patan, District Durg, Chhattisgarh.

D) That any other relief Hon'ble Court deems fit may also be granted.”

3. The facts of the case, in nutshell, are that Petitioner No.1 acquired 15 parcels of land from the original owner on 11.03.2008, out of which 9 parcels were transferred through registered sale deeds, while possession of the remaining 6 parcels was obtained under an Agreement to Sell. The petitioners remained in peaceful and uninterrupted possession of the entire land from 2008. Subsequently, owing to financial necessity, the petitioners entered into an Agreement to Sell dated 29.02.2024 with Respondent No.2 in respect of the land, machinery and crusher plant, and handed over possession thereof to him. Respondent No.2 thereafter commenced and continued mining operations and also independently entered into agreements with the original titleholders in respect of certain parcels of land.

4. During the course of the transaction, Respondent No.2 allegedly failed to discharge electricity dues and statutory mining liabilities, which were being demanded from the petitioners as the relevant permissions continued to stand in their names. The petitioners accordingly lodged complaints before the concerned authorities. Thereafter, Respondent No.2 lodged a complaint dated 05.02.2026 before the police alleging cheating, whereupon notices were issued to the petitioners and their statements were recorded. During the police inquiry, the parties entered into a Settlement Deed dated 03.05.2026, under which Respondent No.2 was required to pay certain outstanding amounts to the petitioners. According to the petitioners, however, due to an inadvertent typographical error in the settlement deed, the financial liability of Rs.20,00,000/- was incorrectly shown as payable by Petitioner No.1 to Respondent No.2, which the latter subsequently sought to take advantage of.

5. As Respondent No.2 allegedly failed to honour his contractual obligations, the petitioners issued legal notices dated 16.05.2026 and 23.05.2026. Thereafter, Petitioner No.1 instituted a civil suit before the Civil Judge Class-I, Patan, seeking declaration regarding the Agreement to Sell dated 29.02.2024 and also sought temporary injunction under Order XXXIX Rules 1 and 2 of the CPC. The application for temporary injunction was entertained by the Civil Court vide order dated 03.06.2026. Aggrieved by the institution of the civil suit, Respondent No.2 thereafter approached the Judicial Magistrate First Class under Section 175(4) of the BNSS, 2023, seeking registration of an FIR

against the petitioners. Pursuant thereto, the police conducted an inquiry and submitted its report dated 21.07.2026 before the learned JMFC, specifically recording that the dispute essentially related to the registration of the land at Village Chanta and non-payment of the complete consideration under the agreement and that the dispute between the parties was civil in nature. Despite the aforesaid report, the criminal proceedings have been initiated/continued against the petitioners, which they contend to be an abuse of the process of law, arising out of a purely civil and contractual dispute. The petitioners have, therefore, approached this Court seeking appropriate relief against the impugned criminal proceedings.

6. Mr. Prafull N. Bharat, learned Senior Counsel, assisted by Mr. Shikhar Bakhtiyar, learned counsel for the petitioners, submits that the entire criminal proceeding initiated against the petitioners is nothing but an abuse of the process of law, arising out of a purely civil and commercial dispute between the parties. It is submitted that the principal Agreement to Sell dated 29.02.2024 was executed exclusively by Petitioner No.1, whereas there is no privity of contract whatsoever between Respondent No.2 and Petitioners No.2 and 3. Petitioner No.3 had only executed a Power of Attorney in favour of his father in respect of one parcel of land. Therefore, merely because Petitioners No.2 and 3 are the husband and son of Petitioner No.1, they cannot be implicated in a criminal case in the absence of any specific overt act or allegation constituting the ingredients of the alleged offence.

7. Learned Senior Counsel further submits that the very subject matter of the alleged criminal dispute is already pending consideration before the competent Civil Court in Civil Suit No.49-A/2026, wherein the Civil Judge Class-I, Patan, vide order dated 03.06.2026, has entertained the dispute and granted interim protection under Order XXXIX Rules 1 and 2 of the CPC. It is contended that the subsequent initiation of criminal proceedings in respect of the same transaction, during the subsistence of the civil court's order, amounts to an impermissible interference with the civil proceedings and constitutes a clear abuse of the criminal process. It is further submitted that the police, after examining the relevant transaction records, statements and accounting material, submitted its report dated 21.07.2026 categorically recording that the dispute essentially concerns non-payment of consideration and registration of land and is civil in nature.

8. It is next submitted that the learned JMFC committed a serious error in directing registration of the FIR without properly considering the aforesaid police inquiry report and without examining compliance with the mandatory safeguards governing applications seeking registration of an FIR. Learned Senior Counsel submits that the order directing registration was passed in a routine and mechanical manner, without due consideration of the principles laid down by the Hon'ble Supreme Court in ***Priyanka Srivastava v. State of U.P., (2015) 6 SCC 287*** and ***Lalita Kumari v. Government of U.P., (2014) 2 SCC 1*** regarding the necessity of adherence to the prescribed procedural safeguards and preliminary scrutiny. Thus, the criminal machinery has been set in

motion without satisfying the requisite legal parameters.

9. Learned Senior Counsel also submits that there was no dishonest or fraudulent intention on the part of the petitioners at the inception of the transaction, which is an essential ingredient of the offence of cheating. The petitioners had remained in settled possession of the land since 2008 and had fully disclosed the nature of their title and possession to Respondent No.2. Respondent No.2 was himself aware of the status of the concerned parcels and, in fact, independently entered into transactions with the original recorded owners. It is therefore argued that the subsequent dispute regarding consideration, registration and performance of contractual obligations cannot, in the absence of fraudulent intention at the inception, be converted into an allegation of cheating under Section 318 of the BNS.

10. It is further contended that Respondent No.2 had himself initially invoked the civil remedies by issuing a notice seeking specific performance of the commercial agreement and thereafter resorted to criminal proceedings only when the petitioners demanded payment of the outstanding consideration and clearance of electricity dues and mining liabilities. The subsequent criminal complaint is therefore an afterthought and has been instituted with the ulterior object of exerting pressure upon the petitioners. Learned Senior Counsel submits that the unexplained delay in raising allegations concerning transactions which were within the knowledge of Respondent No.2 for nearly two years, coupled with his own independent transactions concerning the subject

land, further demonstrates the mala fide nature of the prosecution. Placing reliance upon the judgments of the Hon'ble Supreme Court in ***State of Haryana & Ors. v. Bhajan Lal & Ors.*, 1992 Supp. (1) SCC 335; *Ramesh Chandra Gupta & Ors. v. State of U.P. & Ors.*, 2022 INSC 1233; *Rajiv Thapar & Ors. v. Madan Lal Kapoor*, (2013) 3 SCC 330; *Pradeep Kumar Kesarwani v. State of Uttar Pradesh & Anr.*, 2025 SCC OnLine SC 1947; *Paramjeet Batra v. State of Uttarakhand & Ors.*, (2013) 11 SCC 673; and *Parbatbhai Aahir @ Parbatbhai Bhimsinhbhai Karmur & Ors. v. State of Gujarat & Anr.*, (2017) 9 SCC 641**, learned Senior Counsel submits that the present case squarely falls within the recognised categories warranting exercise of the extraordinary/inherent jurisdiction of this Court to prevent abuse of the process of law. It is argued that the uncontroverted police inquiry report, the order of the Civil Court and the registered documentary material constitute unimpeachable material demonstrating the civil nature of the dispute and absence of the requisite mens rea. Accordingly, continuation of the criminal proceedings would serve no legitimate purpose and would amount to permitting the criminal process to be used as a mechanism for recovery of disputed contractual dues. The learned Senior Counsel, therefore, prays that the impugned FIR and all consequential criminal proceedings be quashed in the interest of justice.

11. Per contra, Mr. Sangharsh Pandey, learned Government Advocate, opposing the submissions advanced by learned Senior Counsel appearing for the petitioners, submits that the present petition

is devoid of merit, inasmuch as the impugned FIR has been registered pursuant to a specific order passed by the learned Judicial Magistrate First Class, Patan, District Durg, upon consideration of the complaint preferred by respondent No.2 under Section 175(4) of the BNSS. It is submitted that the learned Magistrate, after examining the allegations contained in the complaint, the documents placed on record and the investigation report submitted by Police Station Utai, found sufficient material warranting registration of a criminal case against the petitioners for the offences punishable under Sections 318(2), 318(3), 318(4), 338, 336(3) and 340 of the BNS. Pursuant thereto, the FIR has been registered and the matter is presently under investigation.

12. It is further submitted that the allegations made by respondent No.2 are not merely in the nature of a simple civil or contractual dispute. The complaint specifically alleges that the petitioners represented themselves as having authority and title over several parcels of land and movable properties and, on the basis of such representations, entered into an agreement dated 29.01.2024 and received a substantial amount of approximately ₹4,39,50,000/- out of the agreed consideration of ₹4,50,00,000/-. It is alleged that several properties mentioned in the agreement were either owned by third parties, were government leasehold properties, or were lands over which the petitioners had no transferable title. The complainant has also alleged that certain agreements were subsequently prepared or executed without his consent and that false signatures were used. Thus, the allegations, taken at their face value, disclose elements of deception, dishonest

inducement, fraudulent execution and use of documents, which require proper investigation.

13. Learned State counsel further submits that the question as to whether the allegations ultimately stand proved, whether the petitioners possessed any lawful authority to deal with the properties, whether the documents relied upon by the complainant are genuine, and whether the amount received by the petitioners was pursuant to a lawful transaction or by way of fraudulent inducement are all matters which can be determined only after investigation and examination of the relevant revenue records, agreements, bank transactions, registration records and statements of the persons concerned. At the stage of considering a challenge to the FIR, the Court is not required to conduct a meticulous examination of the defence of the accused or undertake an appreciation of disputed questions of fact. Since the FIR has been registered pursuant to the order of the competent Magistrate and the allegations prima facie disclose cognizable offences, no interference at the threshold is warranted.

14. It is lastly submitted that the investigation is at its nascent stage and the petitioners cannot seek quashing of the FIR merely by projecting the dispute as a civil transaction. The existence of a civil remedy or a contractual element does not, by itself, obliterate criminality where the allegations disclose dishonest or fraudulent conduct. The investigating agency must be permitted to collect the relevant evidence and ascertain the true nature of the transaction. Consequently, learned

State counsel prays for dismissal of the petition and submits that no exceptional circumstance has been made out for exercise of the extraordinary jurisdiction of this Court for quashing the FIR at this stage.

15. Mr. Pravin Kumar Tulsyan, learned counsel appearing for respondent No.2, adopts the submissions advanced by learned Government Advocate and submits that the complaint preferred by respondent No.2 contains specific and detailed allegations against the petitioners regarding the manner in which they represented themselves to be competent to sell and transfer various properties and movable assets despite the alleged absence of lawful title or authority in respect thereof. It is submitted that pursuant to the agreement executed between the parties, respondent No.2 paid an amount of approximately ₹4,39,50,000/- towards the agreed consideration, but subsequently discovered that several properties forming part of the transaction were not legally transferable by the petitioners and that certain properties belonged to third parties or were government leasehold lands. The complainant has further alleged that despite repeated demands, the petitioners neither completed the transaction nor returned the amount received by them.

16. Learned counsel further submits that the allegations relating to preparation and execution of documents, use of signatures allegedly without the consent of respondent No.2, and the representation of the petitioners regarding their authority over the concerned lands constitute serious allegations requiring investigation. The FIR has not been

registered mechanically; rather, it has been registered pursuant to the reasoned order passed by the learned Magistrate under Section 175(4) of the BNSS after considering the complaint, documents and the material collected by the police. Therefore, the petitioners cannot seek an adjudication of disputed questions of title, possession, validity of agreements and genuineness of documents in proceedings for quashing of the FIR. The petition, being devoid of merit, deserves to be dismissed and the investigating agency ought to be permitted to complete the investigation in accordance with law.

17. We have carefully considered the rival submissions advanced by learned counsel for the parties and have perused the impugned FIR, the complaint, the order dated 31.07.2026 passed by the learned Judicial Magistrate First Class, Patan, the police inquiry report dated 21.07.2026, the documents placed on record and the other material forming part of the case.

18. The principal question which arises for consideration is as to whether, in the facts and circumstances of the present case, the petitioners have made out such an exceptional case as would warrant exercise of the inherent jurisdiction of this Court under Section 528 of the BNSS for quashing the FIR and the consequential criminal proceedings at the threshold.

19. Before advertng to the factual aspects of the matter, it would be apposite to notice the settled legal position governing exercise of inherent jurisdiction for quashing of an FIR or criminal proceedings. The

power under Section 528 of the BNSS, which corresponds to Section 482 of the Code of Criminal Procedure, is undoubtedly wide in amplitude, but the width of the power does not mean that the same can be exercised in a routine or mechanical manner. The jurisdiction is essentially intended to prevent abuse of the process of any Court or otherwise to secure the ends of justice. At the same time, where an FIR discloses commission of cognizable offences and the allegations require investigation, the High Court ordinarily ought not to interdict the investigation at its inception. The Court is required to maintain a clear distinction between a case where the allegations, even if accepted in their entirety, do not constitute an offence and a case where the allegations prima facie disclose the ingredients of an offence but the accused seek to explain or controvert the same by relying upon their own version of facts or documents.

20. The principles governing such exercise of jurisdiction were authoritatively laid down by the Hon'ble Supreme Court in ***Bhajan Lal*** (supra), wherein the Supreme Court illustrated the categories of cases in which the extraordinary jurisdiction may be exercised for quashing criminal proceedings.

21. At the same time, the said judgment also makes it clear that the power has to be exercised sparingly and with circumspection and that the Court should not embark upon an enquiry into the reliability or genuineness of the allegations at the stage of considering a prayer for quashing. The principles enunciated in ***Bhajan Lal*** (supra) continue to

constitute the foundational parameters for determining whether interference with criminal proceedings at the threshold is justified.

22. Likewise, in ***Ramesh Chandra Gupta*** (supra), ***Rajiv Thapar*** (supra), ***Paramjeet Batra*** (supra), and ***Parbatbhai Aahir @ Parbatbhai Bhimsinhbhai Karmur*** (supra), the Hon'ble Supreme Court has reiterated the circumstances and limitations governing exercise of the inherent jurisdiction of the High Court. The consistent thread running through these decisions is that the Court must examine the allegations in their entirety and determine whether they disclose the commission of an offence; however, it cannot ordinarily undertake an appreciation of disputed facts, test the defence of the accused, or conduct an enquiry into the evidentiary value of the material which is yet to be tested in accordance with law.

23. In this context, the distinction between a mere breach of contract and an offence of cheating is also required to be borne in mind. It is undoubtedly correct that every breach of contractual obligation does not constitute the offence of cheating and that dishonest or fraudulent intention at the inception of the transaction is an essential element for constituting the offence of cheating. However, merely because a transaction has a contractual or commercial complexion, the criminality arising from the same cannot be ruled out if the allegations disclose that the accused, from the very inception, made false representations or concealed material facts with the dishonest intention of inducing the complainant to part with his property or money. Whether the requisite

dishonest intention existed at the inception of the transaction is ordinarily a matter to be determined on the basis of the evidence collected during investigation and, where necessary, at trial. Such disputed questions cannot ordinarily be conclusively determined in proceedings under Section 528 of the BNSS.

24. The decision in ***Paramjeet Batra*** (supra), relied upon by learned Senior Counsel, no doubt recognizes that a purely civil dispute, particularly one relating to enforcement of contractual obligations, should not ordinarily be given a criminal colour. However, the principle cannot be applied in isolation from the allegations contained in the FIR. The mere presence of a civil remedy or pendency of civil proceedings does not constitute an absolute bar against criminal prosecution. The decisive consideration is whether the factual allegations, taken at their face value, disclose the ingredients of a cognizable offence. If they do, the mere fact that the complainant may simultaneously pursue a civil remedy would not, by itself, justify quashing of the criminal proceedings.

25. 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.).

26. 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.

27. 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.

28. 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. Unless all these parameters are cumulatively satisfied, High Court ought not to interfere in exercise of its inherent jurisdiction, leaving the parties to establish their respective cases before trial Court in accordance with law.

29. Applying the principles laid down by the Hon'ble Supreme Court in ***Neeharika Infrastructure Pvt. Ltd.*** (supra) and ***Pradeep Kumar***

Kesharwani (supra), we find that the allegations contained in the complaint and the FIR cannot, at this stage, be characterized as allegations relating to a mere non-performance of a contractual obligation. The complaint contains specific allegations regarding the manner in which the petitioners allegedly dealt with various parcels of land and movable properties and represented their authority to transfer the same. It is specifically alleged that an agreement was executed in respect of several parcels of land, machinery and other assets and that a substantial amount of approximately ₹4,39,50,000/- was paid by respondent No.2 against the agreed consideration of ₹4,50,00,000/-. It has further been alleged that some of the properties forming part of the transaction were recorded in the names of third persons, certain properties were government leasehold properties and certain other properties were allegedly not legally transferable by the petitioners. There are also allegations regarding preparation and execution of documents and use of signatures which are disputed by the complainant. These allegations, taken at their face value, cannot be said to be so absurd, inherently improbable or devoid of substance that the criminal proceedings can be terminated at the threshold.

30. Significantly, the allegations are not confined to a simple assertion that the petitioners failed to execute a sale deed after receiving consideration. The complainant has alleged that representations were made regarding ownership, authority and transferability of several properties and that, acting upon such representations, he parted with a very substantial amount. He has also alleged that after payment of the

consideration, he came to know about the alleged absence of title or authority in respect of various properties and that certain documents were prepared or executed without his consent. Whether these allegations are true or false, whether the petitioners had actual authority over the properties, whether respondent No.2 was aware of the true status of the land at the time of entering into the transaction, and whether there was dishonest intention at the inception are all matters requiring factual determination.

31. We are conscious of the submission of learned Senior Counsel that the petitioners had been in possession of the land since 2008 and that substantial documentary material exists in their favour. We are also conscious of the fact that a civil suit concerning the agreement is pending before the competent Civil Court and that interim relief has been granted therein. However, these circumstances, by themselves, cannot lead to the conclusion that the criminal case is necessarily an abuse of process. The existence of civil proceedings and criminal proceedings arising out of the same transaction is not, in itself, sufficient to quash the criminal proceedings. The Court is required to examine whether the allegations in the criminal case independently disclose the ingredients of a criminal offence. In the present case, they cannot, at this preliminary stage, be held to be incapable of constituting such offences.

32. The submission that the dispute is essentially civil in nature also cannot be accepted in absolute terms at this stage. A transaction may

simultaneously give rise to civil consequences and criminal liability. The availability of a civil remedy for specific performance, declaration, injunction or recovery of money does not confer immunity from criminal law where the allegations disclose the commission of a cognizable offence. The nature of the remedy depends upon the facts established during investigation and trial. Therefore, the pendency of Civil Suit No.49-A/2026 cannot operate as an automatic bar to the investigation pursuant to the impugned FIR.

33. Equally, the existence of the police inquiry report dated 21.07.2026 does not justify quashing of the subsequent FIR. The said report, at the highest, records the opinion of the police on the basis of the material available to it at that particular stage. Such an opinion cannot foreclose the power of the competent Magistrate to consider the complaint and the material placed before him in accordance with Section 175 of the BNSS. More importantly, the petitioners seek to rely upon the said report as an unimpeachable piece of material conclusively establishing the civil nature of the dispute. Such an approach would necessarily require this Court to assess the correctness and evidentiary value of the police report vis-à-vis the allegations made by respondent No.2, which would amount to entering into disputed questions of fact and undertaking an enquiry impermissible in exercise of jurisdiction under Section 528 of the BNSS.

34. The contention regarding the alleged absence of dishonest intention at the inception of the transaction also cannot be conclusively

accepted in these proceedings. The petitioners have placed their own version regarding the transaction, their possession since 2008, the alleged disclosure made to respondent No.2, the subsequent settlement and the conduct of respondent No.2. On the other hand, respondent No.2 has alleged that material facts relating to ownership and transferability of the properties were concealed and that he was induced to part with a substantial amount on the basis of false representations. These competing versions cannot be adjudicated merely on the basis of the pleadings and documents produced by the accused. The question whether the ingredients of cheating are ultimately established is a matter for investigation and, if the material so warrants, trial.

35. The argument founded upon the alleged absence of privity of contract between respondent No.2 and petitioners No.2 and 3 also does not, at this stage, furnish sufficient ground for quashing the FIR qua those petitioners. The FIR and the complaint contain allegations concerning the participation and role attributed to the respective accused persons. Whether such allegations are supported by independent material, whether the petitioners acted in furtherance of a common design, whether any document was executed by or through them, and what was the precise nature of their involvement are questions which require investigation. The mere assertion by the petitioners that they had no role in the transaction cannot be accepted as conclusive at the stage of quashing. We also find no merit in the submission that the initiation of criminal proceedings after institution of the civil suit necessarily establishes mala fide intention. The chronology

relied upon by the petitioners is itself a matter requiring examination. Respondent No.2 claims to have discovered subsequent facts concerning the properties and documents and thereafter approached the Magistrate when, according to him, the police did not take effective action on his complaint. Whether the criminal complaint was a bona fide attempt to seek investigation or was motivated by an ulterior purpose cannot be determined merely from the sequence of dates. The allegation of mala fide, particularly when disputed by the complainant, cannot be accepted merely on the basis of the defence version.

36. As regards the reliance placed upon **Priyanka Srivastava** (supra) and **Lalita Kumari** (supra), the said decisions undoubtedly lay down important safeguards concerning the manner in which applications seeking directions for registration/investigation are to be dealt with. However, in the present case, the learned Magistrate has considered the complaint and the material available before passing the order dated 31.07.2026. The petitioners essentially seek a reappraisal of the material considered by the learned Magistrate and invite this Court to substitute its own assessment of the factual dispute for that of the Magistrate and investigating agency. Such an exercise is not warranted in the present proceedings, particularly when the allegations in the FIR themselves disclose cognizable offences requiring investigation.

37. It is also relevant to note that the petitioners have sought quashing not only of the FIR but also of the complaint, the order of the learned JMFC and all consequential proceedings. Granting such a relief at this

stage would effectively bring the investigation to an end before the investigating agency has had an opportunity to collect and verify the relevant documentary and oral evidence. The allegations concern numerous parcels of land, ownership and revenue records, agreements, alleged powers of attorney, bank transactions, mining permissions, government leasehold rights, machinery and other movable assets. The truth or otherwise of these allegations can be ascertained only after examination of the relevant records and persons connected with the transactions.

38. The present case, therefore, is not one where the allegations, even if accepted in their entirety, fail to disclose any cognizable offence. Nor is it a case where the allegations are so patently absurd, inherently improbable or legally impossible that no prudent person could ever reach a conclusion that an offence had been committed. On the contrary, the allegations disclose a factual foundation which, if established by investigation, may constitute the offences for which the FIR has been registered. Whether the prosecution will ultimately be able to establish the allegations beyond the applicable standard is a matter which cannot be determined at this stage.

39. It is equally important to emphasize that this Court, while exercising jurisdiction under Section 528 of the BNSS, is not required to determine the ultimate truthfulness of the allegations. The Court is also not required to decide which of the competing versions is correct. The petitioners' case rests substantially upon their defence that they were in

possession of the land, that the transaction was entered into bona fide, that respondent No.2 was aware of the nature of the title, that a civil dispute is pending and that the police had earlier described the dispute as civil. These are matters which may constitute a defence before the investigating agency or the competent Court, but they do not, in the facts of the present case, furnish a legally sustainable basis for terminating the criminal investigation at its inception.

40. The principle that criminal law cannot be permitted to be used as a substitute for recovery of money or enforcement of contractual obligations is undoubtedly well settled. Equally settled, however, is the principle that a dispute does not cease to be criminal merely because it also involves a contractual or commercial transaction. The Court must therefore look to the substance of the allegations rather than merely to the form of the underlying transaction. In the present case, the allegations regarding alleged misrepresentation of title and authority, receipt of substantial consideration, dealing with properties allegedly belonging to third parties or subject to restrictions, and the alleged manipulation or use of documents, cannot at this stage be reduced to a mere claim for recovery of contractual dues.

41. Upon a cumulative consideration of the complaint, the FIR, the order passed by the learned Magistrate, the material placed on record and the rival submissions, we are of the considered opinion that the petitioners have failed to demonstrate that continuation of the investigation would amount to an abuse of the process of law or that

interference by this Court is necessary to secure the ends of justice. The case does not fall within any of the exceptional categories warranting exercise of inherent jurisdiction as contemplated in *Bhajan Lal* (supra). The judgments relied upon by learned Senior Counsel lay down the settled parameters for exercise of such jurisdiction, but those parameters, when applied to the facts of the present case, do not support quashing of the impugned FIR.

42. We may clarify that nothing contained in this order shall be construed as an expression of opinion on the merits of the allegations or the defence of the petitioners. We have deliberately refrained from recording any final finding regarding the ownership of the properties, validity or enforceability of the agreements, entitlement of the parties to consideration, genuineness of the disputed documents, existence or otherwise of fraudulent intention, or the ultimate culpability of any of the accused persons. All such questions are expressly left open to be considered by the investigating agency and, if the investigation results in filing of a charge-sheet, by the competent Court in accordance with law.

43. The investigating agency shall, therefore, be at liberty to conduct a fair, impartial and comprehensive investigation in accordance with law and shall examine all relevant materials, including the agreements relied upon by both sides, revenue and registration records relating to the concerned khasra numbers, records concerning government leasehold land, documents relating to mining permissions, powers of

attorney, bank/payment transactions, disputed signatures and all other material relevant for determining the actual role of the respective accused persons. The investigation shall not be influenced by any observation contained in this order except to the extent expressly decided herein.

44. In view of the aforesaid discussion, we are of the considered opinion that no ground for interference under Section 528 of the BNSS, 2023 is made out. The allegations contained in the impugned FIR, if taken at their face value, prima facie disclose the commission of cognizable offences and warrant investigation. The existence of a civil suit, the alleged contractual nature of the transaction, the police inquiry report dated 21.07.2026, and the defence raised by the petitioners do not, either individually or cumulatively, constitute sufficient grounds for quashing the criminal proceedings at this stage.

45. Consequently, the present petition is **dismissed**. The prayer for quashing of FIR No.411/2026 dated 02.08.2026 registered at Police Station Utai, District Durg, for offences punishable under Sections 318(2), 318(3), 318(4), 336(3), 338 and 340 of the Bharatiya Nyaya Sanhita, 2023, the order dated 31.07.2026 passed by the learned Judicial Magistrate First Class, Patan, and the consequential criminal proceedings is hereby declined.

46. Needless to observe, the dismissal of the present petition shall not preclude the petitioners from availing any remedy available to them under law at an appropriate stage of the proceedings. The investigating

agency shall complete the investigation expeditiously and strictly in accordance with law, uninfluenced by the observations made herein, which are confined solely to the question of whether the criminal proceedings warrant quashing at the present stage.

47. The petition, accordingly, stands **dismissed**. All pending interlocutory applications, if any, also stand disposed of.

Sd/-
(Ravindra Kumar Agrawal)
Judge

Sd/-
(Ramesh Sinha)
Chief Justice

Anu