

CNR No: PHHC010504852022

2026:PHHC:106400



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

131

CRM M-20834 of 2022

Date of Decision: 04.08.2026

Praveen Chanda @ Pravin Chanda

... Petitioner

Versus

State of Haryana and others

... Respondents

**CORAM : HON'BLE MR. JUSTICE N.S.SHEKHAWAT**

Present : Mr. Shiv Kumar, Advocate, for the petitioner.

Mr. Rajinder Kumar Banku, Sr. DAG, Haryana.

Mr. Rahul Bhargava, Advocate with  
Mr. Anuj Bhargava  
for the respondents No.2 and 3.

**N.S.SHEKHAWAT, J. (Oral)**

1. The petitioner has filed the present petition under Section 482 Cr.P.C. with the prayer to quash the FIR No. 0427 dated 13.10.2019 under Sections 406 and 420 of IPC read with Section 120-B IPC registered at Police Station DLF, Phase-I, Gurugram and all consequential proceedings arising therefrom.

2. The FIR in the present case was registered on the basis of the statement made by Radhika, wife of Sandip Tandon, respondent No.2. She got the present FIR registered against Kshama Puri wife of R.B. Puri, R.B. Puri and the present petitioner. She alleged that

Kshama Puri and R.B. Puri, both accused, met the complainant through a property dealer, i.e., the present petitioner, and during meeting, Kshama Puri and R.B. Puri, agreed to sell their house to the complainant for a sale consideration of Rs. 4 crores. Kshama Puri and R.B. Puri told the complainant that there was an outstanding loan of Rs. 69,53,241/- approximately on the said property which need to be cleared before execution of the sale deed in favor of the complainant. The complainant paid Rs. 3.60 lakhs each in favour of Kshama Puri and R.B. Puri, and another sum of Rs. 2 lakhs was paid on 14.02.2019 in cash to Kshama Puri. The respondent No.2/complainant also made payment of Rs. 69,53,241/- in favour of the DHFC Limited by way of demand draft in the loan account of the accused. It was further alleged in the FIR that the sale deed was agreed to be executed by 30<sup>th</sup> April 2019. However, the accused did not turn up to get the sale deed executed in favour of the complainant. Further, the complainant appeared before the Sub-Registrar on the appointed day but the accused had not executed the sale deed in favour of the complainant, and, thus, they had cheated the complainant.

3. Learned counsel for the petitioner has vehemently argued that the petitioner was neither the owner/seller of the house in question, nor he had received the amount of Rs.77,53,241/-. The entire amount was duly received by Kshama Puri and R.B. Puri, and they had also signed the agreement to sell dated 13.02.2019, which

was executed in favour of the complainant/respondent No. 2. The petitioner had only signed the agreement to sell as a witness and was not a beneficiary of the entire transaction. Ultimately, when the sale deed was not executed by the accused, the complainant/respondent No. 2, and Asha Tandon, respondent No.3 filed a civil suit for possession by way of specific performance and permanent injunction against Kshama Puri and R.B. Puri. Learned counsel further submits that ultimately the complainant entered into a compromise dated 16.02.2023 (Annexure P-4) with Kshama Puri and R.B. Puri, main accused. After the execution of the compromise, Varun Puri, legal representative of Kshama Puri and R.B. Puri, had executed a sale deed in favour of the complainant of the present case. Ultimately, Varun Puri filed a petition, i.e., CRM-M-16775 of 2023, before this Court with a prayer to quash the FIR against him on the basis of compromise with the aggrieved person, i.e., present complainant in the present case. The respondents No. 2 and 3/complainants, also appeared in the said case, and the FIR already stands quashed against Varun Puri, who is legal representative of Kshama Puri and R.B. Puri. Thus, the continuation of the proceedings against the present petitioner would be abuse of the process of the Court. Learned counsel for the petitioner submits that in case the present FIR is ordered to be quashed by this Court, the petitioner will not initiate any

civil or criminal proceedings against respondents No.2 and 3 with regard to the subject matter of the present FIR.

4. On the other hand, learned State counsel has vehemently opposed the prayer made by the learned counsel for the petitioner on the ground that there are serious allegations against the petitioner.

5. During the course of arguments, learned counsel appearing on behalf of respondents No. 2 and 3 has opposed the submissions made by counsel for the petitioner. However, he could not dispute the fact that the FIR has already been quashed qua Varun Puri, who is the legal representative of Kshama Puri and R.B. Puri. Even the complainants/respondents No. 2 and 3, have already settled all their disputes with the principal accused in the present case. It is also admitted fact that the petitioner was just a property dealer in the entire deal and had not received any amount from the complainant of the present case, and apart from that, he was a witness to the agreement to sell only. Even learned counsel for the respondents No. 2 and 3 submits that at present no other civil or criminal proceedings relating to the subject matter of the FIR are pending before any Court of law, except the trial arising out of the FIR.

6. I have heard learned counsel for the parties and perused the record carefully.

7. In the various judgments passed by the Hon'ble Supreme Court and this Court, it has been held repeatedly while referring to the provisions of Section 482 Cr.P.C. that nothing under the Code of Criminal Procedure shall deem to limit or affect the inherent powers of the High Court to make such orders as may be necessary to give effect to any order under this Code or to prevent the abuse of the process of any Court or otherwise to secure the ends of justice. The Hon'ble Supreme Court in the matter of Ajay Mitra Vs. State of M.P. & others, 2003(3) SCC 11, has held as follows:-

*“Leave granted.*

*These appeals by special leave are directed against the judgment and order dated January 16, 2002 of High Court of Madhya Pradesh, by which three Petitions filed by the appellants under Section 482 Cr.P.C. were dismissed.*

*xxx xxx xxx xxx xxx xxx*

*Thereafter, the appellants filed three Criminal Miscellaneous Petitions under Section 482 Cr.P.C. before the High Court for quashing of the FIR and the proceedings of the case before the learned Magistrate. After hearing the parties, the High Court held that the investigation had not yet commenced in connection with the FIRs which had been registered at the Police Station and, therefore, the Petitions were pre-mature and accordingly all the three Petitions were rejected.*

*xxx xxx xxx xxx xxx xxx*

*The High Court has held that the Petitions filed by the appellants for quashing the complaint and the FIRs registered against them are pre-mature. The question which arises is that where the complaint or the FIR does not disclose commission of a cognizable offence, whether the same can be quashed at the initial stage? This question was examined by this Court in State of West Bengal & Ors. V. Swapan Kumar Guha & Ors., AIR 1982 Supreme Court 949 and it was held that the First Information Report which does not allege or disclose that the essential requirements of the penal provision are prima facie satisfied, cannot form the foundation or constitute the starting point of a lawful investigation. It is surely not within the province of the police to investigate into a Report (FIR) which does not disclose the commission of a cognizable offence and the code does not impose upon them the duty of inquiry in such cases. It was further held that an investigation can be quashed if no cognizable offence is disclosed by the FIR. The same question has been considered in State of Haryana & Ors. V. Ch. Bhajan Lal & Ors. 1991(3) RCR (Criminal) 383 (SC) and after considering all the earlier decisions, the category of cases, in which the Court can exercise its extra-ordinary power under Article 226 of the Constitution or the inherent power under Section 482 Cr.P.C. either to prevent abuse of the process of any Court or to secure the ends of justice, were summarised in para 108 of the Report and sub- paras 1 to 3 thereof are being reproduced hereinbelow :*

*"1. Where the allegations made in the First Information Report or the complaint, even if they are 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.*

*2. Where the allegations in the First Information Report and other materials, if any, accompanying the F.I.R. do not disclose a cognizable offence, justifying an investigation by police officers under Section 156(1) of the Code except under an order of a Magistrate within the purview of Section 155(2) of the Code.*

*3. Where the uncontroverted allegations made in the FIR or complaint and the evidence collected in support of the same do not disclose the commission of any offence and make out a case against the accused."*

8. The said judgment by the Three Judges Bench of the Hon'ble Supreme Court had affirmatively held that where an FIR does not disclose the essential requirements of the penal provision or does not disclose the commission of a cognizable offence, the same can be quashed at the initial stage. Reference has also been made to the judgment of Hon'ble Supreme Court in case ***"State of Haryana and others Vs. Ch. Bhajan Lal & Ors., 1991(3) RCR (Criminal) 383,*** in which, it was observed that the High Court can exercise its extraordinary power under Article 226 of the Constitution or the inherent power under Section 482 Cr.P.C. 1973 either to prevent abuse of the process of any Court or to secure the ends of justice.

9. The Hon'ble Supreme Court of India in "R Kalyani vs. Janak C. Mehta" reported as 2009 (1) SCC 516 has held as under:

*"Leave granted.*

*2. Appellant lodged a First Information Report (FIR) against the respondents on or about 4.1.2003 under Sections 409, 420 and 468 read with Section 34 of the Indian Penal Code.*

*3. First and second respondent approached the High Court for an order for quashing of the said FIR as also the investigation initiated pursuant thereto or in furtherance thereof. The High Court allowed the said proceedings by reason of the impugned order dated 29.4.2004. Mr. K.K. Mani, learned counsel appearing on behalf of the appellant, would, in support of the appeal, contend :*

*(1) The High Court exercised its inherent jurisdiction under Section 482 of the Code of Criminal Procedure wholly illegally and without jurisdiction insofar as it entered into the disputed questions of fact in regard to the involvement of the respondents as the contents of the first information report disclose an offence of cheating, criminal breach of trust and forgery.*

*(2) While admittedly the investigation was not even complete, the High Court could not have relied upon the documents furnished by the defendants either for the purpose of finding out absence of mens rea on the part of the applicants or their involvement in the case.*

*(3) Respondent Nos.1 and 2 herein being high ranking officers of M/s. Shares and Securities Ltd., a company dealing in shares, were vicariously liable for commission of the offence being in day to day charge of the affairs thereof.*

*(4) An offence of forgery being a serious one and in view of the fact that the respondent No.2 forwarded a letter purporting to authorise the accused No.3 to transfer shares to the National Stock Exchange, he must be held to have the requisite intention to commit the said offence along with the respondent No.3.*

*(5) In any view of the matter, the respondent No. 3 being not an applicant before the High Court, the entire criminal prosecution could not have quashed by the High Court.*

*xxx xxx xxx xxx xxx xxx*

*In Hamid v. Rashid alias Rasheed & Ors. [(2008) 1 SCC 474], this Court opined :*

*"6. We are in agreement with the contention advanced on behalf of the complainant appellant. Section 482 Criminal Procedure Code saves the inherent powers of the High Court and its language is quite explicit when it says that nothing in the Code shall be deemed to limit or affect the inherent powers of the High Court to make such orders as may be necessary to give effect to any order under the Code, or to prevent abuse of the process of any Court or otherwise to secure the ends of justice. A procedural Code, however exhaustive, cannot expressly provide for all time to come against all the cases or*

*points that may possibly arise, and in order that justice may not suffer, it is necessary that every court must in proper cases exercise its inherent power for the ends of justice or for the purpose of carrying out the other provisions of the Code. It is well established principle that every Court has inherent power to act ex debito justitiae to do that real and substantial justice for the administration of which alone it exists or to prevent abuse of the process of the Court."*

xxx xxx xxx xxx xxx xxx

*One of the paramount duties of the Superior Courts is to see that a person who is apparently innocent is not subjected to persecution and humiliation on the basis of a false and wholly untenable complaint.*

xxx xxx xxx xxx xxx xxx

*A vicarious liability can be fastened only by reason of a provision of a statute and not otherwise. For the said purpose, a legal fiction has to be created. Even under a special statute when the vicarious criminal liability is fastened on a person on the premise that he was in-charge of the affairs of the company and responsible to it, all the ingredients laid down under the statute must be fulfilled. A legal fiction must be confined to the object and purport for which it has been created. In *Sham Sunder & Ors. v. State of Haryana* [(1989) 4 SCC 630], this Court held :*

*"9. But we are concerned with a criminal liability under penal provision and not a civil" liability. The penal provision must be strictly construed in the first place.*

*Secondly, there is no vicarious liability in criminal law unless the statute takes that also within its fold. Section 10 does not provide for such liability. It does not make all the partners liable for the offence whether they do business or not."*

xxx xxx xxx xxx xxx xxx

*27. If a person, thus, has to be proceeded with as being vicariously liable for the acts of the company, the company must be made an accused. In any event, it would be a fair thing to do so, as legal fiction is raised both against the Company as well as the person responsible for the acts of the Company.*

xxx xxx xxx xxx xxx xxx

*30. The appeal is dismissed with the aforementioned observations.*

10. From perusal of the above stated judgments, it is apparent that the High Court cannot be a helpless spectator when it is made out that the criminal prosecution was *malafide* and abuse of the process of the court. The High Court has inherent powers and a corresponding duty to prevent the abuse of the process of the Court or otherwise to secure the ends of justice. In the present case, it is apparent that Kshama Puri and R.B. Puri had agreed to sell the property in question to the complainant by way of an agreement dated 13.02.2019, and the petitioner had signed agreement to sell only as a witness. It is also apparent that the petitioner had not received any amount from respondents No. 2 and 3/complainants. Now, Kshama

Puri and R.B. Puri have already expired and their son/co-accused, namely, Varun Puri, had already amicably resolved all their disputes with the respondents No. 2 and 3. Even, the present FIR already stands quashed against Varun Puri vide order dated 15.05.2023, (Annexure P-5), passed by a Coordinate Bench of this Court. Thus, continuation of the proceedings against the present petitioner would be an abuse of the process of the Court. Even otherwise, from the contents of the FIR also, it is apparent that a simple dispute has been converted into a criminal offence, which is otherwise impermissible in law. Complainant cannot legally be permitted to convert a civil dispute between the parties into a criminal prosecution to wreck vengeance against the accused.

11. In view of above discussion, the present petition is allowed and the FIR No. 0427 dated 13.10.2019 under Sections 406 and 420 of IPC read with Section 120-B IPC registered at Police Station DLF, Phase-I, Gurugram and all consequential proceedings arising therefrom are ordered to be quashed qua the petitioner only.

12. All pending applications, if any, are disposed off, accordingly.

04.08.2026  
amit rana

(N.S.SHEKHAWAT)  
JUDGE