IN THE HIGH COURT FOR THE STATES OF PUNJAB AND HARYANA AT CHANDIGARH

CNR No: PHHC011319582022
2026:PHHC:108367

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CRM-M-54155-2022 (O&M)
Date of decision : 10.08.2026

Urvinderpal Singh **...Petitioner**

Versus

State of Punjab and others **...Respondents**

CORAM: HON'BLE MRS. JUSTICE MANISHA BATRA

Present:- Mr. R. S. Rai, Senior Advocate with
Mr. Anurag Arora, Advocate and
Mr. Sukhsharan Sra, Advocate
for the petitioner.

Ms. Ruchika Sabherwal, Senior DAG, Punjab.

Mr. Shubham Bhardwaj, Advocate and
Mr. Vibhor Rana, Advocate
for respondents No. 2 to 4.

MANISHA BATRA, J. *(Oral)*

1. The instant one is the second petition that has been filed by the petitioner under Section 482 of the Code of Criminal Procedure, 1973 *(for short 'Cr.P.C.')* for quashing of FIR No. 0008 dated 07.09.2018, registered under Section 406 of IPC at Police Station NRI, District Police Commissionerate, Jalandhar, along with all consequential proceedings arising therefrom, including the report under Section 173 Cr.P.C. dated 24.02.2021. The previous petition was dismissed as withdrawn on 31.08.2022 as the investigation was pending at that time.

2. Brief facts of the case relevant for the purpose of disposal of this petition are that the aforementioned FIR was registered on the basis of a

written complaint submitted by respondent No.2/complainant alleging therein that his daughter respondent No. 3-Manpreet Kaur was married to the petitioner on 30.12.2012. After the marriage, respondent No.3 initially resided with the petitioner and his family in India and thereafter shifted to the United States to reside with him. It was alleged that after the marriage, the attitude of the petitioner and his family members changed and they started expressing dissatisfaction with the marriage. According to the complainant, they represented that they intended to establish a business in the United States and induced the complainant to invest 79,000 US Dollars on the assurance that respondent No.2/complainant would get 50% ownership in the proposed business. Believing the representations made by the petitioner, the complainant transferred the said amount from his bank account in Jalandhar to the joint bank account of the petitioner and respondent No. 3. The complainant further alleged that after respondent No.3 shifted to the United States, she was subjected to physical and mental cruelty at the hands of the petitioner and his family members. It was alleged that during her pregnancy, she was maltreated, resulting in a miscarriage. Despite intervention by relatives and respectable persons, the matrimonial relationship could not be restored. According to the complainant, respondent No.3 was ultimately beaten, turned out of the matrimonial home and was not permitted to take her jewellery, clothes and other belongings lying there.

3. As per the further allegations, the petitioner and his family members neither invested the amount of 79,000 US Dollars in the proposed business by giving respondent No.2 the promised share nor returned the said amount despite repeated demands. According to the complainant, the money entrusted by him had been dishonestly retained and misappropriated by the

petitioner and his family members. On these allegations, the complainant sought registration of a criminal case against them.

4. The complaint was thereafter entrusted for enquiry to the NRI Wing, Jalandhar. During the enquiry, statements of the complainant and respondent No.3 were recorded and the relevant bank documents were examined. The enquiry revealed that US $42,000 had been transferred on 21.04.2016 and US $37,000 on 22.04.2016 by respondent Nos.2 and 4 into the joint account of the petitioner and respondent No.3 towards investment in a Gas Station in the United States. It was further found that the petitioner had withdrawn the entire amount but had neither inducted respondent No.3 as a partner in the proposed business nor returned the money. Instead, his father, Balkar Singh, was allegedly made a partner in the business. On the basis of the enquiry report and the legal opinion obtained thereon, the impugned FIR was registered.

5. During the course of investigation, since the petitioner and his father were residing in the United States, notices under Section 105-B Cr.P.C. were issued at their U.S. address. As they did not join the investigation, a Look Out Circular (LOC) was issued against the petitioner. Statements of witnesses under Section 161 Cr.P.C. were recorded. The petitioner also approached the Court of the learned Additional Sessions Judge, Jalandhar by filing an application for anticipatory bail, which came to be dismissed on 12.12.2019. On 15.02.2021, information was received from Indira Gandhi International Airport, New Delhi that the petitioner had been detained pursuant to the LOC. He was formally arrested on 16.02.2021. During interrogation, the petitioner disclosed that his marriage with respondent No.3 had already been dissolved by a decree of divorce passed

by the Superior Court of Washington and that respondent No.3 had received US $60,000 towards full and final settlement. However, according to the investigating agency, the petitioner failed to explain the separate transfers of US $42,000 and US $37,000 made by respondent Nos.2 and 4, which formed the subject matter of the present FIR. After completion of investigation, the police presented the final report under Section 173 Cr.P.C. before the competent Court against the petitioner for the offence punishable under Section 406 IPC.

6. It is argued by learned senior counsel for the petitioner that the impugned FIR is nothing but a misuse of the criminal process to continue a matrimonial dispute which had already attained finality before the competent Court in the United States of America. It is argued that the marriage between the petitioner and respondent No.3 stood dissolved by a consent decree of divorce dated 14.02.2018 passed by the Superior Court of Washington for Snohomish County, U.S.A. As part of the mediated settlement, respondent No.3 voluntarily accepted 60,000 US Dollars towards full and final settlement of all claims arising out of the matrimonial relationship. It is further submitted that after having accepted the settlement amount and obtaining a decree of divorce by consent, respondent Nos.2 to 4 could not be permitted to revive the very same dispute by setting the criminal law in motion. It is further argued that a conjoint reading of the divorce decree and the allegations contained in the FIR would demonstrate that the dispute between the parties essentially related to financial transactions between the spouses and their family members, which already stood amicably resolved before the American Court. Therefore, continuation of the criminal proceedings would amount to permitting parallel litigation over an issue

which had already been settled.

7. It is further argued by learned counsel for the petitioner that respondent No.2 himself intended to make investments in the United States and had approached the petitioner for assistance. Pursuant thereto, respondent Nos.2 and 4 voluntarily invested US $42,000 and US $37,000 in the proposed Gas Station venture. The amount was, thus, invested voluntarily and was not entrusted in the legal sense so as to constitute criminal breach of trust. At best, the allegations disclosed a civil dispute arising out of an investment transaction and not the commission of any criminal offence. The FIR was founded upon false and exaggerated allegations. The child of the parties was in fact still-born and not a case of miscarriage as alleged in the complaint. Many allegations incorporated in the FIR were motivated and had been levelled only with a view to exert pressure upon him after matrimonial relations had broken down. The impugned FIR itself is based on a complaint dated 15.11.2017, whereas the parties had entered into mediation during the pendency of the divorce proceedings and ultimately resolved all disputes before the Superior Court of Washington. Despite such settlement, respondent Nos.2 to 4 concealed the true facts from the investigating agency and succeeded in getting the FIR registered on 07.09.2018, only to harass the petitioner and his family members. The petitioner had honoured the settlement by paying 60,000 US Dollars, whereafter respondent No.3 gave her consent for dissolution of marriage. In view of such settlement, the continuance of criminal proceedings would be wholly oppressive and would amount to abuse of the process of Court. With these broad submissions, it is urged that the petition deserves to be allowed and the FIR including all the subsequent proceedings are liable to be

quashed.

8. Status report has been filed by the respondent-State. It is argued by learned State counsel, assisted by learned counsel for respondents No. 2 to 4, that the investigation has revealed the commission of a cognizable offence under Section 406 IPC and that no case for interference under Section 482 Cr.P.C. is made out. The complaint lodged by respondent No.2 was subjected to a detailed enquiry by the NRI Wing. During the enquiry, statements of the complainant and respondent No.3 were recorded. Notices were repeatedly issued to the petitioner and his family members to participate in the enquiry and furnish their version. However, despite service of notices and repeated communications through e-mail, the petitioner did not join the enquiry or submit any explanation regarding the allegations levelled against him. During investigation, it was found that respondent Nos.2 and 4 had transferred US $42,000 and US $37,000 into the joint account of the petitioner and respondent No.3 upon the petitioner's assurance that respondent No.3 would be given a 50% share in the Gas Station proposed to be purchased in the United States. However, the petitioner withdrew the entire amount through different cheques but neither inducted respondent No.3 or respondent No. 2 as partner nor returned the money. Instead, his own father, Balkar Singh, was made a partner in the business. These allegations prima facie constitute criminal breach of trust. The petitioner had failed to explain the separate transfers of US $42,000 and US $37,000 made by respondent Nos.2 and 4 towards the proposed business venture. The amount paid by the petitioner under the divorce settlement represented an independent settlement between the husband and wife arising out of matrimonial proceedings, whereas the money transferred by

respondent Nos.2 and 4 for investment in the proposed Gas Station constituted an altogether distinct transaction. Therefore, payment of 60,000 US Dollars under the divorce settlement could not absolve the petitioner of criminal liability arising from the alleged misappropriation of the amount entrusted by respondent Nos.2 and 4. Investigation had culminated in presentation of the final report under Section 173 Cr.P.C. after collection of sufficient material establishing a prima facie case under Section 406 IPC. The disputed questions sought to be raised by the petitioner could only be adjudicated during trial and not in proceedings under Section 482 Cr.P.C. Hence, it is urged that the petition is liable to be dismissed.

9. This Court has heard the rival submissions.

10. At the outset, it will be profitable to look into the scope and ambit of the Court's power under Section 482 Cr.P.C. *(which is pari materia with Section 528 of Bharatiya Nagarik Suraksha Sanhita, 2023)* as spelt out in several judicial pronouncements of Hon'ble Supreme Court as well as different High Courts. The well settled proposition of law is that in exercise of inherent powers under Section 482 Cr.P.C., the High Court is not expected to analyze all the facts, which are to be placed before the High Court. The power conferred under this section is very specific. To secure the ends of justice, to prevent the abuse of process of Court or to make any such orders as may be necessary to give effect to any order under the Code, such power can be exercised to prevent abuse of process of Court. The Hon'ble Supreme Court has drawn up some guidelines in some categories of cases by way of illustration to circumscribe the exercise of inherent power under Section 482 of Cr.P.C. to prevent abuse of process of any Court or to secure the ends of the justice or to give effect to an order of the Court. A celebrated

pronouncement on this point is the case cited as ***State of Haryana Vs. Bhajan Lal : 1992 SUPP (1) SCC 335***, wherein Hon'ble Supreme Court had discussed different categories of cases wherein the power under Section 482 Cr.P.C. could be exercised either to prevent abuse of process of law or otherwise to secure the ends of justice, while observing that it might not be possible to lay down any precise, clearly defined, sufficiently channelized, inflexible guidelines or rigid formulae and to give an exhaustive list or myriad kind of cases where such powers should be exercised. The following principles have been culled out:-

> "102 (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;
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> (2) Where the allegations in the First Information Report and other materials, if any, accompanying the FIR 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;
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> (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;
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> (4) Where the allegations in the FIR do not constitute a cognizable offence but constitute only a non-cognizable offence, no investigation is permitted by a police officer without an order of a Magistrate as contemplated under Section 155 (2) of the Code;
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> (5) Where the allegations made in the FIR or complaint are so absurd and inherently improbable on the basis of which no prudent person can ever reach a just conclusion that there

> is sufficient ground for proceeding against the accused;
> (6) Where there is an express legal bar engrafted in any of the provisions of the Code or the concerned Act (under which a criminal proceeding is instituted) to the institution and continuance of the proceedings and/or where there is a specific provision in the Code or the concerned Act, providing efficacious redress for the grievance of the aggrieved party;
> (7) Where a criminal proceeding is manifestly attended with mala fide and/or where the proceeding is maliciously instituted with an ulterior motive for wreaking vengeance on the accused and with a view to spite him due to private and personal grudge."

11. The principles of law as laid down by Hon'ble Supreme Court in ***Bhajan Lal'***s case (supra) have been followed in a catena of judgments. In ***Paramjeet Batra vs. State of Uttarakhand, (2013) 11 SCC 673***, it was observed by Hon'ble Supreme Court that although the inherent powers of a High Court under Section 482 of the Code should be exercised sparingly and only for the purpose of preventing abuse of process of any Court or otherwise to secure ends of justice, yet, the High Court must not hesitate in quashing such criminal proceedings, where essential ingredients of the offence are not made out. In ***Mahendra K.C. vs. State of Karnataka, (2022) 2 SCC 129: (2022) 1 SCC (Cri) 401***, Hon'ble Supreme Court observed that the test to be applied is whether the allegations in the complaint, as they stand, without adding or detracting from the complaint, prima facie establish the ingredients of the offence alleged. At this stage, the High Court cannot test the veracity of the allegations, nor, for that matter, can it proceed in the manner that a judge conducting a trial would, based on the evidence collected during the course of the trial. In ***Priyanka Jaiswal vs. State of***

Jharkhand, 2024 SCC Online SC 685, Hon’ble Supreme Court observed that the Court exercising extraordinary jurisdiction under Section 482 of Cr.P.C. cannot conduct a mini trial or enter into appreciation of evidence of a particular case. The following observations were made:

> “13. We say so for reasons more than one. This Court in catena of Judgments has consistently held that at the time of examining the prayer for quashing of the criminal proceedings, the court exercising extra-ordinary jurisdiction can neither undertake to conduct a mini trial nor enter into appreciation of evidence of a particular case. The correctness or otherwise of the allegations made in the complaint cannot be examined on the touchstone of the probable defence that the accused may raise to stave off the prosecution and any such misadventure by the Courts resulting in proceedings being quashed would be set aside. This Court in the case of Akhil Sharda1 held to the following effect:
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>> “28. Having gone through the impugned judgment and order passed by the High Court by which the High Court has set aside the criminal proceedings in exercise of powers under Section 482 Cr.P.C., it appears that the High Court has virtually conducted a mini trial, which as such is not permissible at this stage and while deciding the application under Section 482 Cr.P.C. As observed and held by this Court in a catena of decisions no mini trial can be conducted by the High Court in exercise of powers under Section 482 Cr.P.C. jurisdiction and at the stage of deciding the application under Section 482 Cr.P.C., the High Court cannot get into

appreciation of evidence of the particular case being considered."

12. Similar view was taken in ***Minakshi Yadav vs. State of Uttar Pradesh, 2024 SCC Online 643***, wherein Hon'ble Supreme Court observed that the Court would not be justified in embarking upon an inquiry as to the reliability and genuineness or otherwise of the allegations made in the FIR or the complaint at the stage of quashing of the proceedings under Section 482 of Cr.P.C.

13. Reference can further be made to ***Gian Singh vs. State of Punjab, (2012) 10 SCC 303***, wherein Hon'ble Supreme Court observed that the power of the High Court in quashing a criminal complaint or an FIR, in exercise of its inherent jurisdiction, is distinct and different from the power given to a criminal court for compounding the offences under Section 320 of the Code. Inherent power is of wide plenitude with no statutory limitation but it has to be exercised in accordance with the guidelines engrafted in such power viz; (i) to secure the ends of justice or (ii) to prevent abuse of the process of any Court.

14. In ***Neeharika Infrastructure vs. State of Maharashtra : 2021 SCC OnLine SC 315***, the Apex Court observed that the Courts ought to be cautious in exercising powers under Section 482 of Cr.P.C. They do have power to quash. The test is whether or not the allegations in the FIR disclose the commission of a cognizable offence? The merits of the allegations are not to be entered into nor the power of the investigating agency to investigate into allegations involving the commission of a cognizable offence is to be trenched upon.

15. Similar position of law was reiterated by Hon'ble Supreme Court in ***Ajay Malik vs. State of Uttarakhand, 2025 SCC OnLine SC 185,*** wherein it was observed as follows:

> "8. It is well established that a High Court, in exercising its extraordinary powers under Section 482 of the CrPC, may issue orders to prevent the abuse of court processes or to secure the ends of justice. These inherent powers are neither controlled nor limited by any other statutory provision. However, given the broad and profound nature of this authority, the High Court must exercise it sparingly. The conditions for invoking such powers are embedded within Section 482 of the CrPC itself, allowing the High Court to act only in cases of clear abuse of process or where intervention is essential to uphold the ends of justice.
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> 9. It is in this backdrop that this Court, over the course of several decades, has laid down the principles and guidelines that High Courts must follow before quashing criminal proceedings at the threshold, thereby pre-empting the Prosecution from building its case before the Trial Court. The grounds for quashing, inter alia, contemplate the following situations : (i) the criminal complaint has been filed with mala fides; (ii) the FIR represents an abuse of the legal process; (iii) no prima facie offence is made out; (iv) the dispute is civil in nature; (v.) the complaint contains vague and omnibus allegations; and (vi) the parties are willing to settle and compound the dispute amicably (***State of Haryana v. Bhajan Lal, 1992 Supp (1) SCC 335***)."

16. The offence of criminal breach of trust is defined under Section 405 of IPC, which provides that where a person, having been entrusted with property or having dominion over it, dishonestly misappropriates or converts the same to his own use, or dishonestly uses or disposes of that property in

violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied, which he has made touching the discharge of such trust, he commits the offence of criminal breach of trust. The punishment for the said offence is prescribed under Section 406 IPC. The essential ingredients of the offence are:

> (i) The accused must have been entrusted with property or with dominion over property.
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> (ii) (a)The accused must have misappropriated or converted to his own use, that property;
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> or
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> (b) used or disposed of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged;
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> or
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> (c) used or disposed of the property in violation of any legal contract (express or implied) which he has made touching the discharge of such trust;
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> or
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> (d) wilfully suffered any other person so to do.
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> (iii) such misappropriation or user or disposal must be dishonest or such sufferance must be wilful.

17. On applying the parameters laid down by the Hon'ble Supreme Court in the aforecited judgments to the peculiar facts of the present case, this Court is of the considered view that the petitioner has failed to make out a case warranting exercise of the inherent jurisdiction of this Court under Section 482 Cr.P.C. The allegations contained in the FIR, the material collected during investigation and the final report presented under Section 173 Cr.P.C., if taken at their face value, disclose the commission of a cognizable offence under Section 406 IPC. At this stage, this Court is not

required to examine whether the prosecution will ultimately succeed or whether the allegations would culminate in conviction. The only question is whether the material on record discloses a prima facie case. In the considered opinion of this Court, the answer has to be in the affirmative.

18. The settled position of law is that while exercising jurisdiction under Section 482 Cr.P.C., the High Court is not expected to undertake a meticulous appreciation of evidence or adjudicate disputed questions of fact. The inherent power is to be exercised sparingly and only in cases where the allegations, even if accepted in their entirety, fail to disclose the commission of any offence or where continuation of criminal proceedings would amount to abuse of the process of law. The principal contention raised by the petitioner is that the matrimonial dispute between him and respondent No.3 already stood settled before the Superior Court of Washington, U.S.A., pursuant thereto, respondent No.3 accepted 60,000 US Dollars towards full and final settlement, and therefore, continuation of the present criminal proceedings would amount to abuse of the process of law. Prima facie, this submission does not merit acceptance. A careful reading of the FIR, the status report and the material collected during investigation reveals that the subject matter of the present prosecution is not the matrimonial settlement between the spouses but the alleged entrustment of 79,000 US Dollars, comprising 42,000 US Dollars and 37,000 US Dollars, transferred by respondent Nos.2 and 4 for the specific purpose of investment in a business venture in the United States. The investigating agency has specifically found that the said amount was transferred into the joint account of the petitioner and respondent No.3; that the petitioner withdrew the entire amount; that the promised partnership was never created; that the amount was not returned

despite repeated demands; and that the petitioner's own father was inducted into the business. Whether these allegations are ultimately proved is a matter for trial. However, at this stage, they certainly disclose a prima facie case requiring adjudication before the trial Court.

19. The argument that the dispute is purely civil in nature also does not persuade this Court. Merely because a transaction has civil consequences does not necessarily exclude criminal liability if the factual allegations satisfy the ingredients of a penal offence. It is now well settled that civil and criminal remedies may coexist if the allegations disclose the commission of a cognizable offence. The existence of a civil remedy or a matrimonial settlement cannot by itself be a ground to quash criminal proceedings where the ingredients of the alleged offence are prima facie disclosed.

20. Examining the allegations in the present case on the touchstone of the aforesaid principles, this Court finds that all the foundational ingredients of Section 406 of IPC are prima facie disclosed. Firstly, according to the complainant, respondent Nos.2 and 4 transferred 79,000 US Dollars to the petitioner for a specific purpose, namely investment in the proposed business venture. Secondly, the investigation has revealed that the petitioner withdrew the said amount after it had been credited into the joint account. Thirdly, instead of utilizing the amount in the manner represented to the complainant or returning the same, the petitioner is alleged to have excluded the complainant/respondent No.3 from the proposed venture and inducted his own father into the business. Lastly, despite repeated demands, the amount was allegedly not returned. If these allegations are ultimately established during trial, they would clearly satisfy the essential ingredients of entrustment followed by dishonest misappropriation or conversion. At

this stage, therefore, it cannot be said that no offence under Section 406 IPC is made out.

21. The plea that respondent No.3 had accepted 60,000 US Dollars under the decree of divorce also raises a disputed question of fact. According to the State and respondent Nos.2 to 4, the amount paid under the consent decree represented settlement of matrimonial claims between the spouses, whereas the amount forming the subject matter of the present FIR belonged to respondent Nos.2 and 4 and was allegedly entrusted separately for investment in the proposed business. Whether both transactions relate to the same amount or constitute two distinct transactions is itself a matter requiring evidence, especially in view of the fact that the stand of the petitioner in anticipatory bail petition was different as the petitioner had submitted therein that after adjusting an amount of 9,000 US Dollars, he had transferred the amount of 70,000 US Dollars to the account of brother of respondent No.3 Manpreet Kaur as per instructions of respondent No.2/complainant. Obviously, by saying so, the petitioner meant that the amount of 79,000 US Dollars was adjusted in the above stated manner. However, it has come on record that the amount of 70,000 US Dollars was transferred in the bank account of son of the complainant on account of a totally different transaction. Moreso, this is not the plea taken by the petitioner in this petition. Rather, the same is to the contrary. Such disputed questions cannot be adjudicated in proceedings under Section 482 Cr.P.C. This Court also finds substance in the submission advanced on behalf of the State that the investigation has already been completed and the report under Section 173 Cr.P.C. has been presented before the competent Court after collection of documentary evidence as well as statements of witnesses. Once

the investigating agency has collected material which prima facie discloses the commission of an offence, this Court would be slow in stifling the prosecution at its threshold, particularly when the defence sought to be projected by the petitioner can very well be examined during the course of trial.

22. The pleas raised by the petitioner regarding voluntary investment, settlement before the American Court, absence of dishonest intention, or the nature of the transaction, are all matters of defence which require appreciation of evidence. Acceptance of such pleas at this stage would necessarily require this Court to weigh the probative value of the prosecution material and record findings on disputed questions of fact, which is wholly impermissible while exercising jurisdiction under Section 482 Cr.P.C. Accordingly, this Court is satisfied that the allegations contained in the FIR, read along with the material collected during investigation, disclose a prima facie commission of the offence punishable under Section 406 IPC. None of the categories enumerated in ***Bhajan Lal's case (supra)*** are attracted to the facts of the present case. The continuation of criminal proceedings cannot, therefore, be termed either an abuse of the process of Court or one requiring interference to secure the ends of justice.

23. Consequently, finding no merit in the present petition, the same is dismissed, leaving it open to the petitioner to raise all permissible pleas before the learned trial Court during the course of trial, which shall consider the same on their own merits without being influenced by any observation made herein.

10.08.2026 **(MANISHA BATRA)**

Waseem Ansari **JUDGE**

Whether speaking/reasoned *Yes/No*

Whether reportable *Yes/No*