

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

CNR No: PHHC011301482026

2026:PHHC:118155



CRM-M-44031-2026 (O&M)

Tarun Trikha

...Petitioner

Versus

State of Haryana and another

...Respondents

Sr. No.	Particulars	Details
1	The date when the judgment is reserved	20.08.2026
2	The date when the judgment is pronounced	26.08.2026
3	The date when the judgment is uploaded on the website	26.08.2026
4	Whether only operative part of the judgment is pronounced or full judgment is pronounced	Full
5	The delay, if any, of the pronouncement of full judgment, and reasons thereof	Not applicable

CORAM: HON'BLE MRS. JUSTICE MANISHA BATRA

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

Mr. Ashok Kumar Khubbar, Addl. A.G., Haryana.

Mr. Aditya Sanghi, Advocate,
Mr. Lokesh Sharma, Advocate and
Mr. Karan Duggal, Advocate
for respondent No. 2.

MANISHA BATRA, J.

1. The instant petition has been filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023, seeking quashing of FIR No.331 dated 02.06.2024, registered under Section 32 of the Haryana Protection of Interest of Depositors in Financial Establishments Act, 2013 and Sections 120-

B and 420 of IPC at Police Station Industrial Sector-29, Panipat, along with all consequential proceedings arising therefrom. A further prayer has been made for quashing of communication dated 04.02.2025 issued by the ADGP, Crime, Haryana, directing further investigation, as also for staying the further proceedings arising from the FIR and restraining the respondents from taking any coercive action against the petitioner.

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 a scheme under the name of Upnomix and Oris Coin was being operated as an MLM/crypto-currency scheme. It was alleged that the petitioner, along with Rahul Khurana, Dablu Bahadur Shrestha, Anoop Saini, Vinod Verma and other agents, participated in a meeting at Panipat, where respondent No.2 was introduced to the petitioner, who was represented as the owner/mastermind of Upnomix and Oris Coin. It was further alleged that the petitioner explained the working of his aforesaid MLM company and the newly launched cryptocurrency Oris Coin and also explained the profits available to investors. The petitioner represented that the business was generating profits from fantasy games and online betting and that investors could earn weekly/monthly returns, besides commission for bringing in further clients. On the basis of such assurances, respondent No.2 invested an amount of Rs.10 lakhs in the company. However, the complainant did not receive the promised returns. On contacting the petitioner and the other persons, he was informed that returns would be given in the form of Oris Coin, which could be sold for encashing the profits. The complainant alleged that neither the promised returns nor the invested

amount was received and that thereafter the accused persons stopped responding to him. After registration of the FIR, investigation proceedings were initiated.

3. During investigation, statements of the complainant and other witnesses were recorded and the documents/material produced in support of the allegations were examined. The investigating agency also undertook verification of the alleged transactions and the accounts through which the amounts were stated to have been transferred. It was found during such verification that the account mentioned in the receipt produced by the complainant was not found to be connected with the petitioner or the alleged transactions in the Panipat area. The investigating agency accordingly recorded that no transaction of money by the witnesses with the named accused persons was found to have taken place in the district Panipat area. The investigation, as conducted by the District Police, ultimately culminated in preparation of a cancellation report dated 17.12.2024, wherein it was concluded that no truth was found in the allegations and the said report was submitted before the jurisdictional Magistrate on 20.12.2024.

4. Thereafter, an application was moved by respondent No. 2/complainant seeking transfer of investigation of this case. Then, the ADGP, Crime, Haryana, vide communication dated 04.02.2025, directed further investigation of the case by the State Crime Branch, Jind. Pursuant thereto, the Managing Officer/SHO, Police Station Sector-29, Panipat moved an application dated 11.02.2025 before the learned ACJM, Panipat seeking return of the original case file for carrying out further investigation. The learned ACJM,

Panipat, passed the following order on 20.02.2025, thereby sending the cancellation report file to the police:

“An application for taking original file has been moved SHO, Police Station Sector-29, Panipat. It has been submitted in the application that re-investigation orders has been received and in the present matter cancellation report has been submitted before the Court and for the purposes of further investigation proceedings, final report/cancellation file is required and prayed for return of the same.

Heard. File perused. Alongwith the application the order passed by Deputy Supdt./Crime-I, for Addl. Director General of Police, Crime, Haryana, is also annexed whereby in the present matter further investigation is preferred by the investigating agency. Therefore, the original cancellation file alongwith copy of the order be sent to the concerned quarter. The Judicial papers be tagged with the FIR and be put up as and when the challan/final report is presented before the Court. Application is disposed of accordingly.”

5. Subsequently, the petitioner sought cancellation/revocation of the Look-Out Circular issued against him. In those proceedings, the learned ACJM called for a status report. The status report submitted by the State Crime Branch, Madhuban, records that the further investigation pursuant to the communication dated 04.02.2025 is ongoing. It further records that the petitioner is named as accused in the FIR and that his custodial interrogation is considered necessary for tracing the alleged defrauded money, identifying other co-conspirators and unraveling the complete *modus operandi* of the alleged crime. The State, accordingly, opposed the prayer for cancellation of the LOC on the ground that the investigation is still in progress. The present

petition has been filed by the petitioner seeking quashing of the impugned FIR along with all the subsequent proceedings therefrom including order dated 04.02.2025, whereby the ADGP, Crime, Haryana had directed further investigation in the matter.

6. It is argued by learned senior counsel appearing for the petitioner has argued that the allegations in the FIR, even if taken at their face value, do not disclose the commission of any offence by the petitioner. It is submitted that the petitioner has merely been named in the FIR and that there is no specific allegation that he received any amount from respondent No.2, derived any wrongful gain, made any false representation with dishonest intention or entered into any criminal conspiracy. It is further submitted that the allegations against the petitioner are vague, omnibus and bereft of the particulars necessary to constitute the offences alleged.

7. Learned Senior Counsel further submits that the investigation conducted by the police culminated in preparation of a cancellation report dated 17.12.2024, which was submitted before the learned ACJM, Panipat on 20.12.2024. It is argued that the said report itself demonstrates that no incriminating or legally admissible material was found against the petitioner. It is submitted that after submission of the cancellation report before the learned Magistrate, the ADGP, Crime, Haryana, by communication dated 04.02.2025, directed further investigation without obtaining prior permission of the learned Magistrate. Thereafter, an application dated 11.02.2025 was moved by the police seeking return of the original judicial file and the learned ACJM passed an order dated 20.02.2025 directing return of the file to the concerned quarter.

Learned Senior Counsel places reliance upon the judgment of the Hon'ble Supreme Court in ***Pramod Kumar v. State of Uttar Pradesh, 2026 INSC 120*** to contend that once the final report had been placed before the learned Magistrate, the investigating agency could not have independently proceeded with further investigation without a judicial order permitting the same. It is contended that the executive direction dated 04.02.2025 is, therefore, without jurisdiction and that the subsequent proceedings are liable to be quashed.

8. It is further argued by learned Senior Counsel that no fresh material or newly discovered evidence has been shown to exist which could justify reopening of the investigation and that the entire exercise has been undertaken merely pursuant to an executive direction. Therefore, the continuation of the criminal proceedings against the petitioner would amount to abuse of the process of law and the FIR as well as the subsequent proceedings deserve to be quashed in exercise of the inherent jurisdiction of this Court. Hence, it is urged that the petition deserves to be allowed.

9. *Per contra*, learned State counsel, assisted by learned counsel for respondent No.2/complainant, has opposed the petition by submitting that the FIR contains specific allegations against the petitioner and his role cannot be said to be merely nominal or vague. It is submitted that the complainant has specifically alleged that the petitioner participated in the meeting, explained the Upnomix/Oris Coin scheme, held himself out as the owner/mastermind of the scheme and made representations regarding the returns to be earned by the investors, pursuant to which the complainant invested Rs.10 lakhs. Learned State counsel further submits that the cancellation report relied upon by the

petitioner does not result in an automatic termination of the criminal proceedings, particularly when the jurisdictional Magistrate has not finally accepted the same. It is submitted that the investigation has subsequently been taken up further and the matter is presently under investigation. The subsequent material collected during investigation cannot be examined or appreciated by this Court in exercise of its jurisdiction under Section 528 BNSS.

10. It is further argued by learned State counsel that the communication dated 04.02.2025 issued by the ADGP, Crime, Haryana, has to be viewed in the backdrop of the allegations contained in the FIR and the requirement of a complete investigation. It is further submitted that the police thereafter approached the learned Magistrate and the learned Magistrate passed an order dated 20.02.2025 whereby the original file was returned to the concerned quarter for further proceedings. Thus, the investigation cannot be termed as an entirely unilateral exercise of the police authorities. Hence, it is urged the petition is liable to be dismissed.

11. This Court has heard the rival submissions.

12. At the outset, it would be apposite to examine the course which is required to be followed by the learned Magistrate upon receipt of a cancellation/final report submitted by the investigating agency. The law on the subject is no longer *res integra* as the law in this regard is well settled by a catena of judgments as pronounced by Hon'ble Supreme Court. In ***Hemant Dhasmana v. Central Bureau of Investigation and another reported as 2001(7) Supreme Court Cases 536***, the Hon'ble Supreme Court had listed three options opened to the Magistrate to exercise when a final report is submitted by

the police i.e. (a) to accept the report; (b) to disagree with the report and issue process under Section [190](#)(1)(b) Cr.P.C. or in the alternative, he can take cognizance of the original complaint and examine the complaint and witnesses and, therefore, issue process to the accused if he is of the opinion that the case should be proceeded with; (c) to exercise power under 173(8) Cr.P.C and order further investigation to be made by the police. Reference can also be made to ***Tularam v. Kishore Singh, AIR 1977 Supreme Court 2401***, wherein it was held by Hon'ble Supreme Court that if the police, after making an investigation, sent a report that no case was made out against the accused, the Magistrate could ignore the conclusion drawn by the police and take cognizance of the case under Section 190(1)(b) on the basis of material collected during investigation and issue process or in the alternative he could take cognizance of the original complaint and examine the complainant and his witnesses and thereafter issue process to the accused, if he was of opinion that the case should be proceeded with. Reference can also be made to ***Mukhtar Zaidi v. State of Uttar Pradesh & Anr., 2024 (2024) 3 RCR (Criminal) 318*** and ***Vishnu Kumar Tiwari v. State of Uttar Pradesh, (2019) 8 SCC 27***, wherein the Hon'ble Supreme Court had explained the aforesaid options available to the Magistrate when a police report indicating closure of the case is submitted. Thus, the legal position emerging from the aforesaid judgments is that submission of a cancellation report by the investigating agency does not, by itself, bring the criminal case to an end. The final decision as to whether the report is to be accepted, whether cognizance is to be taken on the basis of the material collected during investigation, or whether the protest petition, if any, is to be treated as a complaint and proceeded with in accordance with law, lies with the

competent Magistrate. The Magistrate is required to exercise such jurisdiction by applying his judicial mind to the report and the material placed before him.

13. Tested on the aforesaid principles, the procedure adopted in the present case cannot be sustained. The investigating agency completed its investigation and submitted a cancellation report dated 17.12.2024 before the learned ACJM, Panipat on 20.12.2024. At that stage, therefore, the matter had ceased to be within the exclusive domain of the investigating agency. The cancellation report had been placed before the competent Court and it was for the learned Magistrate to consider the same in accordance with law. The record, however, does not indicate that the learned Magistrate accepted the cancellation report, rejected it, took cognizance on the basis of the material collected during investigation, or proceeded upon any protest petition in accordance with the procedure prescribed by law. In other words, the cancellation report remained pending consideration before the learned Magistrate. Before the learned Magistrate could exercise the jurisdiction vested in her upon receipt of such report, the investigation was sought to be reopened pursuant to the communication dated 04.02.2025 issued by the ADGP, Crime, Haryana. The subsequent order dated 20.02.2025 passed by the learned ACJM, Panipat, directing return of the original case file to the concerned quarter, cannot be construed as an order judicially directing further investigation. The said order, on the material placed before this Court, merely facilitated the return of the file and does not record any independent judicial satisfaction as to the necessity or desirability of further investigation.

14. The question as to whether the police authorities could, in these circumstances, themselves direct further investigation has been authoritatively answered by the Hon'ble Supreme Court in ***Pramod Kumar & Ors. v. State of Uttar Pradesh & Ors., 2026 INSC 120***. The precise question before the Hon'ble Supreme Court was whether, after submission of a final report under Section 173(2) Cr.P.C., the police/investigating agency could conduct further investigation under Section 173(8) Cr.P.C. without obtaining the leave of the Magistrate/Court concerned. The Hon'ble Supreme Court answered the issue by holding that the power to direct further investigation rests with the Magistrate/Court concerned and not with the investigating agency. While considering the scope of Section 173(8) Cr.P.C., corresponding to Section 193(9) of the BNSS, the Hon'ble Supreme Court in ***Pramod Kumar's case (supra)*** noticed the law laid down in ***Vinay Tyagi v. Irshad Ali, (2013) 5 SCC 762*** and held that it has been the settled practice that the police must seek permission of the Court to conduct further investigation and file a supplementary report. The Hon'ble Court specifically observed that, though Section 173(8) does not in express terms state that prior leave of the Court must be obtained, such requirement has to be read into the provision and is a necessary implication thereof. The Hon'ble Supreme Court further considered ***Peethambaran v. State of Kerala & Anr., (2024) 16 SCC 65***, wherein the District Police Chief had himself ordered further investigation. The order was quashed, with the Hon'ble Supreme Court reiterating that the power to order further investigation rests either with the Magistrate concerned or a higher Court and not with the investigating agency. It was further held that the

requirement of obtaining permission for further investigation is accepted in law and is required to be complied with.

15. The aforementioned position has thereafter been stated in unequivocal terms in paragraph 28 of ***Pramod Kumar's case (supra)***, wherein the Hon'ble Supreme Court held that the power to direct further investigation rests solely with the Magistrate/Court concerned and that, if the police/investigating agency considers further investigation necessary, it is binding upon it to file an appropriate application before the Magistrate/Court, whereupon the Magistrate is required to apply his judicial mind to the reasons furnished by the investigating agency and decide whether further investigation ought to be ordered.

16. The facts of the present case stand on an even stronger footing against the impugned action. Here, the investigating agency had not merely submitted an interim report; it had completed the investigation and submitted a cancellation report before the jurisdictional Magistrate. Yet, without awaiting a judicial determination upon the said cancellation report, the ADGP, Crime, Haryana, by communication dated 04.02.2025, directed further investigation. No application seeking permission for further investigation had been moved before the learned Magistrate prior to issuance of the said direction, nor does the communication dated 04.02.2025 disclose any judicial order authorising such further investigation. The subsequent application dated 11.02.2025 filed by the police before the learned ACJM, Panipat seeking return of the original case file does not cure the aforesaid defect. The requirement, as explained in ***Pramod Kumar's case (supra)***, is not merely of subsequently informing the

Court that further investigation has commenced. The investigating agency is required to approach the competent Court and seek its permission to conduct further investigation, so that the Court may independently apply its judicial mind to the necessity and justification for such further investigation. In the present case, the sequence of events is exactly the reverse i.e. the executive direction for further investigation preceded any such judicial consideration.

17. This Court is conscious of the fact that the submission of a cancellation report does not confer any indefeasible right upon the accused to claim termination of the criminal proceedings. Equally, the mere submission of such report does not bind the Magistrate to accept the conclusions of the investigating agency. However, the statutory scheme requires that the matter must first be considered by the competent Magistrate in accordance with law. The investigating agency cannot, by an executive direction, bypass that stage and revive the investigation without the intervention of the Court. It is, therefore, not necessary for this Court, at this stage, to examine the merits of the allegations contained in the FIR or to express any opinion as to whether the petitioner is ultimately liable to face prosecution. Any such observation may prejudice the consideration which is required to be undertaken by the learned Magistrate. The appropriate course would be to restore the matter to the stage at which the cancellation report dated 17.12.2024 was pending consideration before the learned ACJM, Panipat.

18. In view of the discussion as made above, the communication dated 04.02.2025 issued by the ADGP, Crime, Haryana, directing further investigation in FIR No.331 dated 02.06.2024, and all consequential steps taken

solely pursuant thereto, cannot be sustained and are hereby set aside. The order dated 20.02.2025 passed by the learned ACJM, Panipat shall also stand set aside to the extent it facilitated further investigation pursuant to the aforesaid executive direction and returned the file of cancellation report.

19. The learned ACJM, Panipat is directed to take up and consider the cancellation report dated 17.12.2024 in accordance with law. The respondent-State shall present the cancellation report dated 17.12.2024 before the concerned Court within one month from the date of passing of this order. If the complainant has already filed any protest petition, the same shall also be considered in accordance with law. If no protest petition has been filed and the complainant is otherwise entitled to notice/opportunity in accordance with law, the learned Magistrate shall proceed accordingly.

20. It is clarified that this Court has not expressed any opinion on the merits of the allegations contained in the FIR, the correctness of the cancellation report, or the culpability of the petitioner or any other accused. The learned Magistrate shall independently consider the cancellation report and the material available on record and shall pass an appropriate order strictly in accordance with law, uninfluenced by any observation made herein.

21. It is further clarified that this order shall not preclude the competent Magistrate, after applying judicial mind to the cancellation report and the material on record, from taking any course permissible in law, including acceptance of the cancellation report, taking cognizance on the basis of the material available on the record, or dealing with any protest petition as a complaint in accordance with the procedure prescribed by law. Likewise, if the

investigating agency at any subsequent stage considers further investigation to be necessary, it shall be open to it to approach the competent Magistrate by way of an appropriate application in accordance with Section 193(9) of the BNSS, whereupon the learned Magistrate shall consider the same independently in accordance with law.

22. The petition is, accordingly, *partly* allowed in the aforesaid terms. The prayer for quashing of the FIR itself is left open for consideration, if so advised, after the learned Magistrate has passed an appropriate order upon the cancellation report in accordance with law.

26.08.2026

Waseem R. Ansari

(MANISHA BATRA)
JUDGE

Whether speaking/reasoned

Yes/No

Whether reportable

Yes/No