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

1. **CR-3356-2025 (O&M)**
Reserved on :- **04.09.2025**
Pronounced on :- 11.09.2025

SSHL Developers LLP and Another

… Petitioners

Versus

RSHL Residency LLP and Others

... Respondents

2. **CR-3712-2025 (O&M)**

Ram Industrial Development LLP

… Petitioner

Versus

RSHL Residency LLP and others

... Respondents

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CORAM: HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Argued by :-

Mr. Akshay Bhan, Senior Advocate, with
Mr. Atul Gupta, Advocate,
Mr. Santosh Sharma, Advocate, and
Mr. Varun Sandhu, Advocate,
for the petitioners in **CR-3356-2025** and
for respondent No.2 in **CR-3712-2025**.

Mr. A.K. Bansal, Advocate,
Ms. Garima Kansal, Advocate, and
Mr. Shadab Ahmad, Advocate,
for the petitioner in **CR-3712-2025** and
for respondent No.2 in **CR-3356-2025**.

Mr. Amit Jhanji, Senior Advocate, with
Mr. Himanshu Malik, Advocate,
Mr. Lokinder Singh, Advocate,
Ms. Priyanka Kansal, Advocate, and

Mr. Rajnish Sharma, Advocate, for
respondent No.1 in **both the cases**.

Mr. Ashutosh Dhankar, Advocate,
for respondents No.3 to 5, in **both the cases**.

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VIRINDER AGGARWAL, J.

1. The present common order shall govern the disposal of the captioned revision petitions, which pertain to the same legal and factual controversy. As the parties are identical in both matters and their respective counsel have expressed agreement, the petitions are being decided together for the sake of judicial economy.

2. At the request of the learned Senior counsel for the petitioners, the factual background, for the purposes of this common order, is being drawn from **CR-3356-2025**, as it comprehensively sets out the relevant facts. The issues involved in the connected matters being similar in nature, the facts in **CR-3356-2025** shall be treated as representative for the adjudication of all the captioned revision petitions.

3. The petitioners/defendants have filed two revision petitions challenging the order dated 15.05.2025 (Annexure P-18) passed by the learned District Judge, Jhajjar, whereby the applications filed by the respondents/plaintiff under Order 39 Rules 1 and 2 of the Code of Civil Procedure were allowed, setting aside the earlier order passed by the learned Civil Judge (Senior Division), Bahadurgarh.

4. The respondents/plaintiffs filed a suit for specific performance of an agreement to sell dated 04.05.2024, pertaining to the suit property, which is fully described in the head-note of the plaint. It was alleged that an earnest amount comprising ₹4,00,000/- in cash and a cheque of ₹6,00,000/-,

bearing No. 732888, issued from the account of one of the partners of the plaintiff-firm, was paid to the defendants. As per the terms of the agreement, a further sum of ₹1 crore was to be paid on or before 03.10.2024, failing which the agreement was to stand terminated. The execution of the sale deed was stipulated to take place on or before 22.11.2024.

4.1 The plaintiffs claimed to have remained ready and willing to perform their part of the contract; however, the defendants failed to appear on the agreed date. Subsequently, the plaintiffs came to know that defendant No.1 had already alienated the suit property in favour of defendant No.2 through three separate sale deeds, bearing Nos. 7063 and 7065 dated 03.01.2025, and No. 7094 dated 07.01.2025.

4.2 Hence, the present suit was filed. Along with the suit, the respondents/plaintiffs also moved an application under Order 39 Rules 1 and 2 CPC, seeking an injunction to restrain defendant No.1 and the subsequent purchaser-defendant No.2, from creating any third-party interest in the suit property and from altering its nature during the pendency of the proceedings.

5. The suit was contested by the petitioner. Petitioner/defendant No.1, along with respondents No.3 to 5, filed a joint written statement, denying the execution of the agreement to sell. It was specifically pleaded that the said agreement is a fabricated document, allegedly created by the plaintiff in collusion with the erstwhile partners of petitioner/defendant No.1's firm, after its takeover by respondents No.3 to 5.

5.1 The receipt of ₹4,00,000/- in cash as earnest money was also denied. As regards the cheque of ₹6,00,000/-, it was submitted that the cheque, dated 26.07.2024, was issued from the account of Mrs. Ved Kaur, who had lent the amount to petitioner/defendant No.1 in the ordinary course of business, as per established practice. The said cheque was alleged to have been wrongly and *mala-fidely* linked to the agreement to sell.

5.2 It was further asserted that petitioner/defendant No.1 had an outstanding liability of ₹7,65,000/- towards Mrs. Ved Kaur, which included the ₹6,00,000/- in question. Regarding the alleged payment of ₹95.50 lakhs by cheque, it was stated that the said amount represents a "unilateral fraudulent deposit." The cheque in question was dated 16.08.2024 but was encashed only on 12.11.2024. Upon discovering the transaction, immediate steps were taken to reverse it.

5.3 Additionally, it was stated that even before the cheque of ₹6,00,000/- was encashed in the account of petitioner/defendant No.1-firm, a sum of ₹9,18,50,000/- had already been credited to the said account by petitioner/defendant No.2-firm towards the purchase of the property. This amount, it was claimed, was utilized entirely by the partners of respondent No.1/plaintiff-firm.

6. A detailed reply was filed by the petitioners, contesting the application for injunction, on merits. Additionally, petitioner/defendant No.2 submitted a separate written statement, specifically raising the plea of being a *bona-fide* purchaser for valuable consideration, without notice of the alleged agreement to sell.

7. In replication, the respondent/plaintiff contended that the cheque for ₹6 lakhs was undated and that the reversal of the ₹95.50 lakhs transaction was not within the plaintiff's knowledge at the time of filing the suit. The learned Civil Judge dismissed the application by a detailed order dated 07.03.2025. However, the learned District Judge, Jhajjar, allowed the appeal by the impugned order dated 15.05.2025.

8. Aggrieved by the order so passed, the present revision petitions have been filed by defendant No.1 as well as defendant No.2 on the grounds that the learned Appellate Court failed to provide any independent reasoning to overturn or set aside the detailed factual and legal analysis rendered by the learned Civil Judge. The learned District Judge disregarded the well-established principle that an Appellate Court should not interfere with discretionary orders unless such orders are shown to be perverse or arbitrary.

8.1 Furthermore, the learned District Judge failed to take note that the plaintiff approached the Court after suppression of material facts and relied upon a fabricated agreement. The learned District Judge also overlooked that the promoters of the plaintiff/firm were the individuals controlling the affairs of defendant No.1 prior to its sale to respondents No.3 to 5, and that the accounts of defendant No.1-firm were operated by Mrs.Shelja Joon and Mrs.Savita Dalal, which came into the possession of the present partners of defendant No.1 only on 22.11.2024.

9. The learned First Appellate Court further failed to take into account that the plaintiff and defendant No.1-LLPs are sister concerns operating under the active control of the Joon family. The Appellate Court overlooked material discrepancies relating to the payment of earnest money and the subsequent amount of ₹95.50 lakhs. It also failed to notice that a substantial sum of ₹9,18,50,000/- was credited to the account of defendant No.1-firm, which was either transferred by the partners of the plaintiff-firm into their own accounts or utilized even before the amount of ₹6 lakhs was credited to the plaintiff-firm's account. Additionally, the learned District Judge ignored the fact that the transfer of ₹9,18,50,000/- to the account of

defendant No.1 was made pursuant to the agreement to sell between defendant No.1 and defendant No.2.

10. Notice of motion was duly issued to the respondents, who appeared before this Court through their respective learned counsel.

11 I have attentively and thoughtfully considered the detailed submissions put forth by the learned counsel representing all parties. Furthermore, I have undertaken an exhaustive and scrupulous examination of the complete record, including all relevant documents, pleadings, and materials placed on file, to ensure a comprehensive understanding of the issues at hand.

12. Learned counsel for the petitioners contended that the learned First Appellate Court failed to properly appreciate the material on record and neglected to assign any cogent reasons for overturning the detailed factual and legal analysis undertaken by the learned Civil Judge. It was argued that the First Appellate Court had no valid grounds to interfere with the discretionary order passed by the Court below, unless such order was found to be manifestly perverse or arbitrary. The learned First Appellate Court also disregarded the well-established legal principle that it should not substitute its own opinion in place of a plausible and reasoned view formed by the Court below.

12.1 Furthermore, the First Appellate Court overlooked the fact that prior to 22.11.2024, the partners of the plaintiff-firm controlled the financial affairs of defendant No.1-firm. It failed to notice that no amount of ₹4 lakhs was transferred to the account of defendant No.1-firm on 04.05.2024, the date of execution of the agreement to sell; that the sum of ₹6 lakhs by cheque was credited only on 26.07.2024; and that ₹95.50 lakhs were transferred into the account of defendant No.1 only on 12.11.2024, all of which was in violation of the condition that ₹1 crore was to be paid on or before 03.10.2024.

12.2 Moreover, the learned First Appellate Court failed to take note that the affairs of the plaintiff-firm and defendant No.1-firm were managed by the same individuals. Upon transfer of the defendant No.1-firm to respondents No.3 to 6, the new partners were never informed of the existence of any agreement to sell the property in favor of the plaintiff-firm. The agreement dated 04.05.2024 was thus contended to be a fabricated document.

13. Learned counsel for the respondents/plaintiffs contended that there is no illegality or infirmity in the findings recorded by the Court below. He submitted that the learned First Appellate Court has rightly and judiciously appreciated the evidence on record. It was further argued that a legal notice (Annexure P-3) was duly served upon the defendants on 20.12.2024, calling upon them to execute the sale deed. The defendants' reply to the notice dated 11.01.2025 did not raise any plea concerning the transfer of ₹95.50 lakhs as a result of a "unilateral fraudulent transaction." Instead, the defendants only denied that any such amount or cheque stood to the credit of the defendant-firm by the plaintiff-firm, and at no point in their reply was it stated that the transaction had been reversed.

13.1 Learned counsel further submitted that, at the stage of deciding an application for temporary injunction, no mini-trial is warranted. He placed reliance on the judgment of the Hon'ble Apex Court in ***Ramakant Ambalal Choksi vs. Harish Ambala Choksi and Others, 2024 INSC 910***, to support this proposition. He also emphasized that it is settled law that injunctions are granted to preserve the status quo of the suit property, ensuring that its nature does not undergo change and that no third-party rights are created during the pendency of the suit. Reliance was placed on the authoritative decision of the Hon'ble Supreme Court in ***Maharwal Khewaji Trust (Regd.), Faridkot vs. Baldev Dass, AIR 2005 SC 104***.

13.2 Finally, it was submitted that the existence of a prima facie case does not require the plaintiff to have conclusively established its version but simply means that the plaintiff has a triable case. Therefore, the learned First Appellate Court was justified in allowing the injunction application by setting aside the order passed by the Court below. Accordingly, the counsel prayed for dismissal of the revision petitions.

14. The learned Civil Judge, while recording its findings, observed that defendant No.1 was initially formed by Mrs.Savita Dalal, the authorized signatory of the plaintiff-firm, and Mrs.Shelja Joon, one of the partners of the plaintiff-firm. The control of defendant No.1 was subsequently handed over to the current partners, namely defendants No.3 to 6, in June 2024. However, the impugned agreement to sell was executed on 04.05.2024, well before the current partners assumed control of defendant No.1.

14.1 As per Section 3 of the Limited Liability Partnership Act, 2008, partners succeeding to an LLP firm are liable for existing rights or liabilities of the firm. This position would be attracted only if they have been informed and made aware of such prior liabilities. The Court of Civil Judge recorded that it is incumbent upon the plaintiff-firm to establish, through evidence on merit, that defendants No.3 to 6 were duly informed about the impugned agreement.

14.2 Further, the Court noted that no amount was transferred from the plaintiff-firm to defendant No.1; instead, an amount of ₹6 lakhs was paid vide cheque bearing No. 732888 on 26.07.2024, drawn from the account of Mrs. Ved Kaur, a partner of the plaintiff-firm. Similarly, an amount of ₹95.50 lakhs was transferred by cheque dated 16.08.2024, but this amount was subsequently reversed back to the plaintiff-firm's account on 11.12.2024. The Court found the version of defendant No.1 to be credible regarding the ₹95.50 lakhs cheque not having been issued as sale consideration, and noted that the plaintiff was required to prove otherwise.

14.3 The Court also observed that no efforts were made by the plaintiff to promptly remit the ₹95.50 lakhs into defendant No.1's account, despite a condition precedent in the impugned agreement dated 04.05.2024 stipulating that at least ₹1 crore was to be paid to the defendants on or before 03.10.2024. Since the amount was transferred well after the stipulated date, the Court held that no *prima facie* case was established in favor of the plaintiff.

14.4 Moreover, the account statement of defendant No.1-firm from 01.04.2024 to 24.07.2024 revealed that Mrs. Savita, the authorized signatory of the plaintiff-firm, and Mrs.Shelja Joon, the current partner of the plaintiff-firm, were authorized signatories for the account of defendant No.1. During this period, defendant No.1 received substantial payments from defendant No.2 ₹1 crore on 10.06.2024, ₹1 crore on 13.06.2024, ₹2.50 crores on 14.06.2024, ₹35 lakhs on 15.06.2024, ₹65 lakhs on 21.06.2024, ₹2 crores on 08.07.2024, and ₹1 crore on 12.07.2024, purportedly as sale consideration for the suit property. The account statement further indicated that Mrs. Savita and Mrs. Shelja disbursed various payments from these amounts to different persons, implying the plaintiff's acquiescence to the alleged sale transaction between defendant No.1 and defendant No.2.

14.5 Accordingly, the Court recorded the following finding in the concluding portion of Paragraph No.15, which reads as under:-

> "However, in the considered opinion of this Court, from the above facts it is clear that before coming into hands of current partners i.e. defendants No. 3 to 6, the defendant no. 1 firm inclusive of the suit property Sonia Sheokand was owned by the plaintiff and their family members as mentioned above at relevant point of time and same was transferred from the one hand to the other hand in the same family and ultimately to defendants no. 3 to 6. But, in view of above facts it is hard to believe that after taking the defendant No. 1 LLP from the plaintiff, the defendant Nos. 3 to 6 would again execute the impugned agreement for selling the same suit property to the same persons/LLP from whom they have purchased the same. It is not a usual market practice and thus, onus lies upon the plaintiff to prove by cogent evidence that the above agreement dated 04.05.2024 was genuinely executed by the defendant No. 1 in favour of the plaintiff firm."

15. The learned District Judge, Jhajjar in the impugned order has recorded its findings as under:-

> "The first and foremost contention of learned counsel for the respondents no. 1, 3 to 6 that no agreement to sell was ever executed between the parties and the alleged agreement to sell is a fabricated document. On perusal of the agreement to sell dated 04.05.2024, it is clear that stamp papers was purchased on 04.05.2024 and the agreement bears the stamp and signature of authorized person of defendant no. 1. Moreover, alleged agreement also bears signatures of attesting witnesses and its scriber. Moreover, as per the terms and conditions of agreement to sell, he appeared before Sub-Registrar, Bahadurgar to perform his part of

contract. At this stage, it cannot be said that the said agreement was a forged document. However, the authenticity of the same is to be judged after evaluating the evidence of both parties.

The another contention of respondents that Rs. 6 lac was a loan amount advanced by Ved Kaur is also not sustainable. Nothing has been mentioned in the written statement that when defendant no. 1 borrowed the loan from Ved Kaur. Moreover, the number of disputed cheque was specifically mentioned in the alleged agreement, which was duly encashed in the account of defendant. Mere mentioning in the written statement that said amount was given as a short term loan is not sufficient.

Further, the act of reversing the amount of Rs. 6 lac and Rs. 95.50 lac also prove the due execution of agreement to sell. The Cheque bearing no. 732888 dated 16.08.2024 amounting to Rs. 95.50 lac was credited in the account of defendant no. 1 on 12.11.2024. When such a huge amount was transferred in the account of any person, then that persons must have received the information about the same through the electronic mode. If the version of defendant no. 1 is taken to be true regarding fraudulent deposit, then why he had not reversed the said amount just after coming into notice of defendant no.1. There is nothing on the file which suggest that they had made any inquiry or complaint against Ved Kaur regarding fraudulent deposit of Rs. 95.50 lac and as such, adverse inference should be drawn against the defendants and it appears that that the amount of Rs. 6 lac and Rs. 95.50 were reversed intentionally by defendant no. 1 to defeat the right of the plaintiff. Further, the above-said amounts were reversed after the targeted date for execution and registration of sale deed. In these circumstance, prima-facie it cannot be said at this stage that transaction of Rs. 95.50 lac was a fraudulent transaction.

It is admitted fact that defendant no. 1 company received the legal notice dated 20.12.2024 regarding execution of alleged agreement to sell and to perform his part of contract on 07.01.2025. But the defendant no. 1 instead of performing his part of contract, executed the sale deeds nos. 7063 and 7065 dated 03.01.2025 and sale deed no. 7094 dated 07.01.2025 in favour of defendant no. 2. As such, it appears that to defeat the right of the plaintiff, defendant no. 1 intentionally got executed and registered the sale in favour of defendant No. 2."

15.1 **And** further held as under:-

"In view of the above discussion, the apprehension of plaintiff appears to be genuine that if the defendants are not restrained from alienation, they can change the nature of the suit property particularly when defendant no. 1 has already sold the suit property in favour of defendant no. 2 after receiving the legal notice. In case of non granting of injunction in favour of the plaintiff, the defendant would change the nature of the suit property and alienate the suit property in favour of any third party, in that circumstances, the plaintiff would suffer irreparable loss. The plaintiff has already paid an amount of Rs. 10 lac at the time of execution of alleged agreement to sell and an amount of Rs. 95.50 lac through cheque. As such, a prima-facie case is made out in favour of the plaintiff. Mere reversing of amount of Rs. 95.50 lac is not at all sufficient to show that no irreparable loss would be caused to the plaintiff, if no injunction was granted in his favour. In these circumstances, balance of convenience also lies in favour of the plaintiff."

16. From the facts and circumstances on record, it is evident that the impugned agreement to sell is alleged to have been executed on 04.05.2024, which is significantly prior to the transfer of control of defendant No.1-LLP to the present partners, namely defendants No.3 to 6, in June 2024. It is also apparent that the individuals responsible for managing

the affairs of the plaintiff-firm were the authorized signatories to the bank account of defendant No.1-LLP.

16.1 The agreement to sell contains an averment regarding the payment of earnest money, stating that ₹4 lakhs were paid in cash and ₹6 lakhs were paid by cheque No. 732888, drawn from the account of the partners of the plaintiff-firm. However, a perusal of the bank statements of defendant No.1-LLP reveals no transfer of ₹4 lakhs on 04.05.2024, the alleged date of execution of the agreement. It is crucial to note that defendant No.1 is not a natural person capable of receiving and pocketing amounts; rather, it is a limited liability partnership firm, and any receipt of funds must necessarily be reflected in its official accounts. Unlike an individual, a firm cannot appropriate funds without recording the transaction in its financial statements.

16.2 The account statements disclose that the account of defendant No.1 LLP was managed by Mrs. Savita Dalal and Mrs. Shelja Joon, both of whom have intimate connections with the plaintiff-firm. Regarding the remaining ₹6 lakhs paid by cheque, it is noted that the cheque referred to in the agreement is dated 26.07.2024, and not 04.05.2024 as purported. This cheque was issued from the account of Mrs. Ved Kaur, a partner of the plaintiff-firm, indicating that the cheque mentioned in the agreement was still in possession of the plaintiff-firm partners and had not been deposited into defendant No.1-LLP's account at the relevant time.

16.3 Furthermore, the plaintiff has contended in replication that the cheque was initially undated at the time of executing the agreement and was subsequently dated and presented for encashment. It is also clear from the record that Mrs. Savita Dalal and Mrs. Shelja Joon remained the authorized signatories of defendant No.1-LLP's bank account until 22.11.2024, the very day following the execution of the sale deed stipulated in the agreement.

16.4 Significantly, the bank statements reveal that a substantial amount totaling ₹9,18,50,000/- was transferred from defendant No.2-LLP's account to defendant No.1-LLP's account by 26.07.2024, predating the alleged ₹6 lakhs payment by the plaintiff-firm's partner. This further supports the contention that the partners of the plaintiff-firm were aware of large amounts for defendant No.2 being transferred to defendant No.1 LLP's account during the relevant period.

16.5 The accounts further indicate that large sums received in defendant No.1-LLP's account were subsequently transferred to various third parties, including individuals associated with the plaintiff-firm, even after the control of defendant No.1 LLP had purportedly passed to defendants No.3 to 6. Notably, on 08.07.2024, ₹2 crores were credited from defendant No.2 LLP to defendant No.1 LLP and were immediately transferred to the account of Amit Joon on 09.07.2024. Similarly, on 12.07.2024, ₹1 crore was credited and ₹99,50,047.20/- was transferred the same day to Amit Joon's account. Such multiple transactions reflect the transfer of funds received from Ram Industrial Development LLP to various other accounts, casting doubt on the genuineness of the alleged sale agreement as first amount allegedly transferred into account on behalf of partners of plaintiff-firm was of ₹6 lacs on 26.07.2024 and by that time partners of plaintiff-firm has transferred amounts of several crores into their accounts as were used by their own purposes.

17. The learned Civil Judge, after carefully considering these facts and circumstances, arrived at a plausible conclusion that the agreement to

sell did not *prima facie* appear to be a genuine transaction. In stark contrast, the learned First Appellate Court, without adequately addressing or discussing the detailed findings of the learned Civil Judge, has substituted its own conclusions, disregarding the plausible inferences drawn below.

17.1 It is a well-established principle of law that an Appellate Court should not supplant its own findings in place of plausible findings recorded by the court below. The findings of the trial Court can only be overturned if they are perverse or founded on a misreading or non-reading of the evidence.

17.2 In light of the material on record, it is evident that the learned District Judge, Jhajjar, has exceeded the limits of judicial propriety in exercising appellate jurisdiction. Consequently, the revision petitions are allowed, the impugned order passed by the learned First Appellate Court is set aside, and the order of the learned Civil Judge is hereby restored.

18. Having adjudicated upon the principal matter in its entirety, this Court hereby disposes of all pending miscellaneous applications, if any, connected with the case. Consequently, no further orders are required in respect of these applications, which stand disposed of as a natural corollary to the main judgment.

19. Let the photocopy of this order be placed on the connected case file for ready reference and necessary compliance.

(VIRINDER AGGARWAL)
JUDGE

Pronounced on:11.09.2025
Gaurav Sorot

Whether reasoned / speaking? Yes / No

Whether reportable? Yes / No