2026:PHHC:078278

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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CRM-M-18248-2026
Date of decision: 18.05.2026

JAIVEER ......Petitioner

VERSUS

STATE OF HARYANA AND ANOTHER ....Respondents

CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

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Present: - Mr. Ranjeet, Advocate for
Ms. Dilpreet Kaur, Advocate
for the petitioner.

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VINOD S. BHARDWAJ, J. (Oral)

The present petition has been filed for seeking quashing of FIR No. 131 dated 23.07.2025 registered under Sections 406 and 420 IPC at Police Station City Safidon, District Jind alongwith Challan/Final Report dated 29.11.2025 and all other consequential proceedings arising therefrom.

2. Learned Counsel appearing on behalf of the petitioner contends that the present FIR has been registered against the petitioner at the instance of respondent No.2-Complainant Ajmer Singh on the allegations pertaining to Agreement to Sell for an immovable property. He contends that the dispute thus is borne out of civil proceedings qua the petitioner for not having the sale deed executed. The complainant thereafter instituted a Civil

Suit before the Civil Court Safidon bearing CS/126/2022 and the said matter was subsequently withdrawn. The petitioner handed over a cheque amounting to Rs. 36,50,000/- but the same was dishonoured on presentation qua which a complaint under Section 138 of the Negotiable Instruments Act, 1881 was instituted and that having chosen to initiate proceedings under Section 138 of the Negotiable Instruments Act, 1881, the present FIR could not have been got registered by the complainant against the petitioner.

3. From a perusal of the FIR it remains undisputed that the petitioner herein entered into an agreement to Sell dated 12.02.2021 regarding land measuring 25 kanal 05 marlas situated at Village Bhambheva, Sub Tehsil Pillukhera, District Jind and earnest amount of Rs. 29,70,000/- had been received by the petitioner. The target date for registration of the sale deed was 15.03.2021. As the petitioner did not get the sale deed executed, hence, a Civil Suit bearing CS/126/2022 was instituted wherein the petitioner entered into a compromise and agreed to pay a sum of Rs. 36,50,000/- towards full and final settlement. He got his statement recorded to the said effect before the competent Court on 13.02.2025. The petitioner herein handed over a cheque bearing No. 450928 dated 25.02.2025 for the aforesaid amount with an assurance that the same shall be cleared. Relying upon the said assurance, the suit was withdrawn by the respondent-complainant on 20.02.2025 from the Civil Court. However, when the cheque was presented, the same was dishonored on account of payment having been stopped by the petitioner herein. The same was returned by the Bank vide memos dated 28.02.2025, 31.03.2025 and 05.04.2025 respectively. It was thus alleged that the chain of events clearly shows that the intent of the petitioner was fraudulent from the very inception, and he had no intention to

make the payment of Rs. 36,50,000/- to the respondent No.2-complainant. With a view to allure the complainant on the said pretext and to withdraw the civil suit instituted by him, he assured to make the payment on presentation of the cheque but had no intent to ever honour the said assurance. Hence, the FIR in question was got registered.

4. Counsel for the petitioner contends that as a matter of fact, the entire amount of Rs. 36,50,000/- was paid in cash and the suit was withdrawn by the complainant thereafter. He contends that though the cheque in question was signed by the petitioner but the body thereof had not been filled up by him. He further contends that since proceedings under Section 138 of the Negotiable Instruments Act, 1881, have already been initiated, hence, the present FIR could not have been registered as it would amount to incarceration of the petitioner twice for the same offence.

5. I have heard learned Counsel appearing on behalf of the petitioner at length and have gone through the documents appended alongwith the present petition.

6. It is the specific case of the petitioner that he had paid a sum of Rs. 36,50,000/- in cash which such transaction is not recognized in law. The Hon'ble Supreme Court in the matter of '*The Correspondence, RBANMS Educational Institution versus B. Gunashekar and another"* reported as *2025 SCC OnLine SC 793*, has specifically directed that whenever a claim is raised by a litigant before a Court of Law for having made cash transactions contrary to the provisions of the Income Tax Act and in violation of the Circulars issued by the RBI, such matters ought to be reported to the Department of Income Tax for initiating action against such claimant. As the petitioner herein claims that he had paid the aforesaid amount in cash, hence,

he admits the cash transaction, which is impermissible in law. Accordingly, Union of India through the Department of Income Tax is directed to take appropriate action in terms of Section 186 of the Income Tax Act, 2025 against the petitioner (**Aadhar bearing No. 384754258449)** for having concealed sources of Income and to seek recovery/execute prosecution of petitioner for such non-disclosure of the Income tax returns, if any.

7. Proceeding further, the entire gravamen of the case is that since the respondent No.2-Complainant has initiated proceedings under Section 138 of the Negotiable Instruments Act, 1881, hence, the instant FIR could not have been registered. I find myself in disagreement with the arguments advanced.

8. It is apparent from a perusal of the allegations levelled in the FIR that the necessary ingredients are prima facie satisfied. Taking into consideration the factum that the allegations spell out that the petitioner had assured of repayment on presentation of the cheque and allured the complainant into withdrawing the proceedings i.e. Civil Suit that was instituted by the respondent No.2-complainant before the Civil Court and acting upon such assurance, he had withdrawn the Civil Suit, hence, the necessary ingredients as prescribed for commission of offence under Section 420 IPC stand fully satisfied. So far as the contention of the petitioner that it amounts to double jeopardy is concerned, it is premature at this juncture to assume that the respondent No.2-complainant may not withdraw the proceedings that have already been initiated by him under the complaint NACT/161 of 2025. The petitioner having not faced a concluded trial, the question of being incarcerated twice for the same offence does not arise.

Hence, the submission at this stage is premature. Consequently, the present petition is dismissed.

9. Let a copy of this order be sent to the Income Tax Department for initiating appropriate action in terms of directions contained in the judgment of the Supreme Court in the matter of *'The Correspondence RBANMS Educational Institution versus B. Gunashekar and another'* (supra).

(VINOD S. BHARDWAJ)
JUDGE

MAY 18, 2026
Vishal Sharma

Whether speaking/reasoned	:	Yes/No
Whether Reportable	:	Yes/No