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IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CR No.4549 of 2026 (O&M)
Date of Decision:-27.05.2026

Amrit Singh (now deceased) through his LRs

…..Petitioner.

Versus

Monika Kalra

.....Respondent.

CORAM: HON'BLE MR. JUSTICE VIKRAM AGGARWAL

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Present:- Mr. Bikramjeet Singh Jatana, Advocate for the petitioner.

VIKRAM AGGARWAL, J. (ORAL)

The instant revision petition, preferred under Article 227 of the Constitution of India, assails the order dated 07.05.2026 (Annexure P-5) passed by the Court of Additional Civil Judge (Senior Division), Talwandi Sabo, whereby the application moved by the petitioner-defendant under Order VII Rule 11 of the Code of Civil Procedure, 1908 (for short the 'CPC') for rejection of the plaint, was dismissed.

2. A suit for recovery of Rs.29,95,000/- along with *pendente lite* and future interest @ 1.5% per month was instituted by the respondent-plaintiff against the petitioner-defendant. As per the averments in the suit, the petitioner-defendant (Amrit Singh) had borrowed a sum of Rs.19,50,000/- from the respondent-plaintiff on 20.08.2016 on interest @ 1.5% per month. The said suit was opposed by way of a written statement (Annexure P-2).

3. An application under Order VII Rule 11 CPC (Annexure P-3) was filed seeking rejection of plaint on the ground that since the transaction was shown to be in cash, the plaint deserved to be rejected in view of the judgment of the Hon'ble Apex Court in the case of ***The Correspondence Rbanms Educational Institution Versus B Gunashekar and another, 2025 AIR Supreme Court 2065***. The said application was opposed by way of a reply (Annexure P-4).

4. By way of the impugned order (Annexure P-5), the said application was dismissed leading to the filing of the instant revision petition.

5. I have heard learned counsel for the petitioner.

6. Learned counsel for the petitioner submits that in view of the judgment of the Hon'ble Apex Court in the case of ***The Correspondence Rbanms Educational Institution (supra)***, since all transactions were stated to be in cash, the plaint deserves to be rejected. Learned counsel has referred to the judgment of the Hon'ble Apex Court in this regard.

7. I have considered the submissions made by learned counsel for the petitioner, but find the same to be devoid of merit.

8. In the case of ***The Correspondence Rbanms Educational Institution (supra)***, the plaint was not rejected on the ground of there being a cash transaction. The averments made in the application under Order VII Rule 11 CPC found mention in paragraph No.6 of the judgment, which reads as under:-

> ***"6. After service of summons, the appellant filed an***

application bearing I.A. No. 3 of 2018 under Order VII Rule 11(a) and (d) CPC, seeking rejection of the plaint, inter alia stating that the respondents are only agreement holders and not owners of the suit schedule property and that, mere execution of an agreement to sell does not create or confer any right or interest in the property in favour of the proposed purchasers."

9. Findings in the matter were recorded by the Hon'ble Apex Court in paragraphs No.17 and 18, which read as under:-

"17. At the same time, we are conscious of principle that only averments in the plaint are to be considered under Order VII Rule 11 CPC. While it is true that the defendant's defence is not to be considered at this stage, this does not mean that the court must accept patently untenable claims or shut its eyes to settled principles of law and put the parties to trial, even in cases which are barred and the cause of action is fictitious. In T. Arivandandam (supra), this Court emphasized that where the plaint is manifestly vexatious and meritless, courts should exercise their power under Order VII Rule 11 CPC and not waste judicial time on matters that are legally barred and frivolous. The present case falls squarely within this principle.

18. In the instant case, admittedly, no sale was originally effected and only part consideration was made, which was not even to the appellant, but rather to a third party. Upon discovering that the property did not belong to the third party, the respondents instituted a suit. It must be noted that the appellant has been in possession of the suit schedule property for several decades. Given these circumstances, the trial court must have adopted a fair and balanced approach, carefully weighing all relevant factors, considered the

provisions of the Transfer of Property Act, 1882 and the Specific Relief Act, 1963, but it did not do so. The decision of the trial Court was also affirmed by the High Court. However, we have to take into consideration that the respondents are in the habit of filing similar suits in respect of other valuable properties in Bangalore, based on various alleged agreements to sell, which do not confer any right to sue. On the other hand, the appellant is a 148-year-old charitable trust serving marginalized communities. The public interest implications of this case are significant consideration. Such institutions must be protected from speculative litigation that can drain their resources and impede their charitable work. Moreover, allowing suits like the present one to proceed to trial, would not only waste judicial time and resources, but also encourage similar speculative and extortionate litigations. Hence, this is a fit case for the imposition of costs on the respondents under section 35A of the Civil Procedure Code, 1908. However, we refrain from doing so at this stage. At the same time, the respondents are hereby cautioned that any future misuse of the judicial process lacking in bonafides may invite strict action including imposition of exemplary costs."

10. Thereafter, in paragraph No.18.1, it was noticed that the plaintiffs claimed to have paid a huge sum towards consideration by cash. The Hon'ble Apex Court then noticed the statutory provisions under the Income Tax Act and issued the following directions:-

"18.1 x x x x x

(A) Whenever, a suit is filed with a claim that Rs.2,00,000/- and above is paid by cash towards any transaction, the courts must intimate the same to the

> ***jurisdictional Income Tax Department to verify the transaction and the violation of Section 269ST of the Income Tax Act, if any,***
>
> ***(B) Whenever, any such information is received either from the court or otherwise, the Jurisdictional Income Tax authority shall take appropriate steps by following the due process in law,***
>
> ***(C) Whenever, a sum of Rs.2,00,000/- and above is claimed to be paid by cash towards consideration for conveyance of any immovable property in a document presented for registration, the jurisdictional Sub-Registrar shall intimate the same to the jurisdictional Income Tax Authority who shall follow the due process in law before taking any action,***
>
> ***(D) Whenever, it comes to the knowledge of any Income Tax Authority that a sum of Rs.2,00,000/- or above has been paid by way of consideration in any transaction relating to any immovable property from any other source or during the course of search or assessment proceedings, the failure of the registering authority shall be brought to the knowledge of the Chief Secretary of the State/UT for initiating appropriate disciplinary action against such officer who failed to intimate the transactions."***

11. It is, therefore, abundantly clear that the plaint was not rejected on the said ground, but directions were issued where transaction was shown to be in cash. The trial Court would, of course, be bound by the said judgment and would issue requisite directions at the relevant stage.

12. However, the plaint is not liable to be rejected on the said ground at the nascent stage.

13. That being so, the instant revision petition is found to be devoid of merit and the same is accordingly dismissed.

Pending application(s), if any, shall also stand disposed of.

(VIKRAM AGGARWAL)
JUDGE

May 27, 2026
Yag Dutt

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