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

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CRM-M-45003-2024
Date of decision : 08.04.2026

Kishore Kumar Aggarwal and others

... Petitioners

Versus

State of Haryana and others

.. Respondents

CORAM : HON'BLE MR. JUSTICE H.S.GREWAL

Present:- Mr. Randeep Rai, Senior Advocate with
Mr. Animesh Sharma, Advocate,
Mr. Gurfateh Singh Khosa, Advocate,
Mr. Farhad Kohli, Advocate for the petitioners.

Mr. Vijay Kumar, AAG, Haryana.

Mr. Manish Giri, Advocate for respondent No.2, 13, 18 & 19.

None for remaining respondents.

H.S. Grewal, J.(Oral)

1. This petition has been filed under Section 528 of BNSS, 2023 seeking quashing of FIR No.626 dated 23.08.2013, under Sections 406, 420, 467, 468, 471 & 120-B IPC, registered at Police Station Sadar Karnal, District Karnal (Annexure P-1) along with all subsequent proceedings arising therefrom including chargesheet dated 07.01.2017 (Annexure P-8).

2. The case of the prosecution is that True Zone Buildwell Company Ltd. purchased a piece of land measuring 134 kanals situated at village Phoosgarh, Tehsil and District Karnal, vide sale deed dated 15.12.2004 (Annexure P-4) from Sh. Sunil Singhal, for a total sale consideration of Rs.2,17,75,000/-. Thereafter, mutation was done in the name of the company



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and the company became the legitimate owner of the land. Thereafter, the company developed a residential housing colony over the land and sold plots to various buyers. The present FIR came to be registered at the instance of certain homebuyers alleging that the company cheated them by executing sale deeds despite the existence of an ex-parte decree dated 15.03.2010 pertaining to the said land.

3. Learned Senior Counsel for the petitioners submits that the petitioners, being Directors of the company, were bona fide in discharge of their duties. It is submitted that the aforesaid ex-parte decree was passed without their knowledge and the same was subsequently set aside by the learned Additional District Judge, Karnal vide order dated 21.04.2014 (Annexure P-6), which has attained finality.

4. It is further submitted that the company possessed a valid licence dated 25.11.2005 issued by the competent authority (Directorate of Town and Country Planning), which was duly renewed from time to time. Therefore, the allegation in the chargesheet regarding absence of a valid licence is factually incorrect and misleading.

5. Learned counsel for the petitioners further submits that no offence of cheating is made out, as there was no intention to deceive the buyers at any point of time. It is submitted that possession of the plots has already been handed over to the buyers and the sale deeds have been duly executed in their favour. Most of the complainants are in possession and are enjoying the possession of their respective plots. It is further submitted that some of the complainants, including respondents No.6, 12 and 14, have already sold their plots to third parties and, therefore, have no subsisting grievance. He has



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placed on record certain documents in support of his submissions, which are taken on record.

6. It is also submitted that the colony stands fully developed and the possession thereof has already been transferred to the Municipal Corporation, Karnal vide order dated 28.06.2016 (Annexure P-10), which further substantiates that the project has been completed and is inhabited.

7. On the basis of the aforesaid submissions, learned Senior counsel prays for allowing the present petition and for quashing of the aforesaid FIR and all consequential proceedings, on the ground that no prima facie offence is made out against the petitioners and the dispute stands substantially resolved.

8. On the other hand, learned State counsel as well as counsel for respondent No.2, 13, 18 and 19 do not dispute the factum of delivery of possession to the plot holders and the subsequent transfer of the colony to the Municipal Corporation.

9. I have heard learned counsel for the parties and perused the material available on record.

10. It is an admitted fact that the possession of the plots has been delivered to the buyers and most of the complainants have no subsisting grievance. The colony is already developed, inhabited and stands handed over to the Municipal Corporation.

11. In such circumstances, the essential ingredients of the offences alleged, particularly dishonest intention at the inception, are not made out. The dispute, if any, is essentially civil in nature and the continuation of criminal proceedings in the present case would serve no useful purpose and would amount to abuse of the process of law.



12. Reference may be made to the judgment of the Hon'ble Supreme Court in the case of **Anukul Singh Vs. State of Uttar Pradesh and Anr. (Criminal Appeal No. 4250 of 2025 arising out of SLP (Crl.) No. 2682 of 2020]**), wherein it has been held that criminal proceedings should not be used as an instrument of harassment or for settling civil disputes. The relevant extract thereof is reproduced hereunder:-

“17. This Court has, in a long line of decisions, deprecated the tendency to convert civil disputes into criminal proceedings. In Indian Oil Corporation v. M/s. NEPC India Ltd.¹⁷, it was held that criminal law cannot be used as a tool to settle scores in commercial or contractual matters, and that such misuse amounts to abuse of process. The following paragraphs from the decision are apposite:

“9. The principles, relevant to our purpose are:

(i) A complaint can be quashed where the allegations made in 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 the case alleged against the accused. For this purpose, the complaint has to be examined as a whole, but without examining the merits of the allegations. Neither a detailed inquiry nor a meticulous analysis of the material nor an assessment of the reliability or genuineness of the allegations in the complaint, is warranted while examining prayer for quashing of a complaint.

(ii) A complaint may also be quashed where it is a clear abuse of the process of the court, as when the criminal proceeding is found to have been initiated with malafides/malice for wreaking vengeance or to cause harm, or where the allegations are absurd and inherently improbable.

(iii) The power to quash shall not, however, be used to stifle or scuttle a legitimate prosecution. The power should be used sparingly and with abundant caution.

(iv) The complaint is not required to verbatim reproduce the legal ingredients of the offence alleged. If the necessary factual foundation is laid in the complaint, merely on the ground that a few ingredients have not been stated in detail, the proceedings should not be quashed. Quashing of the complaint is warranted only where the complaint is so bereft of even the basic facts which are absolutely necessary for making out the offence.

(v) A given set of facts may make out: (a) purely a civil wrong; or (b) purely a criminal offence; or (c) a civil wrong as also a



criminal offence. A commercial transaction or a contractual dispute, apart from furnishing a cause of action for seeking remedy in civil law, may also involve a criminal offence. As the nature and scope of a civil proceedings are different from a criminal proceeding, the mere fact that the complaint relates to a commercial transaction or breach of contract, for which a civil remedy is available or has been availed, is not by (2006) 6 SCC 738 itself a ground to quash the criminal proceedings. The test is whether the allegations in the complaint disclose a criminal offence or not.

10. While on this issue, it is necessary to take notice of a growing tendency in business circles to convert purely civil disputes into criminal cases. This is obviously on account of a prevalent impression that civil law remedies are time consuming and do not adequately protect the interests of lenders/creditors. Such a tendency is seen in several family disputes also, leading to irretrievable break down of marriages/families. There is also an impression that if a person could somehow be entangled in a criminal prosecution, there is a likelihood of imminent settlement. Any effort to settle civil disputes and claims, which do not involve any criminal offence, by applying pressure through criminal prosecution should be deprecated and discouraged.”

18. Similarly, in [Inder Mohan Goswami and another v. State of Uttaranchal](#) and others¹⁸, it was emphasized that criminal prosecution must not be permitted as an instrument of harassment or private vendetta. In [Ganga Dhar Kalita v. State of Assam](#)¹⁹, this Court again reiterated that criminal complaints in respect of property disputes of civil nature, filed solely to harass the accused or to exert pressure in civil litigation, constitute an abuse of process.

19. Most recently, in [Shailesh Kumar Singh @ Shailesh R. Singh v. State of Uttar Pradesh and others](#) ²⁰, this Court disapproved the practice of using criminal proceedings as a substitute for civil remedies, observing that money recovery cannot be enforced through criminal prosecution where the dispute is essentially civil. The Court cautioned High Courts not to direct settlements in AIR 2008 SC 251 (2015) 9 SCC 647 Criminal Appeal No. 2963/2025 decided on 14.07.2025 : 2025 INSC 869 such matters but to apply the settled principles in Bhajan Lal. The following paragraphs are relevant in this context:

“9. What we have been able to understand is that there is an oral agreement between the parties. The Respondent No.4 might have parted with some money in accordance with the oral agreement and it may be that the appellant – herein owes a particular amount to be paid to the Respondent No.4. However, the question is whether prima facie any offence of cheating could be said to have been committed by the appellant.”



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13. Consequently, this petition is allowed and FIR No.626 dated 23.08.2013, under Sections 406, 420, 467, 468, 471 & 120-B IPC, registered at Police Station Sadar Karnal, District Karnal (Annexure P-1) along with chargesheet dated 07.01.2017 (Annexure P-8) and all subsequent proceedings arising therefrom are hereby quashed qua the petitioners.

08.04.2026
Sonia

(H.S.GREWAL)
JUDGE

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No