



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

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CRM-M-51164-2022 (O&M)

Date of decision : 06.04.2026

JASBIR KAUR @ NACHHATTAR KAUR AND OTHERS

... PETITIONERS

Versus

STATE OF HARYANA AND ANOTHER

.. RESPONDENTS

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

Present:- Mr. U.K. Agnihotri, Advocate with
Mr. A.K. Agnihotri, Advocate
Mr. Kapil Punia, Advocate for the petitioners.

Mr. Rakesh Kumar Jangra, AAG, Haryana.

Mr. Dhruv Gupta, Advocate
Ms. Titiksha, Advocate for the respondent No.2.

H.S. Grewal, J.(Oral)

1. This petition has been filed under Section 482 Cr.P.C. seeking quashing of FIR No. 351 dated 20.07.2022, registered under Sections 120-B, 406, 420 IPC at Police Station Mahesh Nagar, District Ambala, along with all consequential proceedings arising therefrom.
2. The case of the prosecution is that petitioner No.1-Jasbir Kaur @ Nachhattar Kaur is stated to be the owner in possession of agricultural land measuring 20 Kanal 12 Marla situated in Village Chandpura, H.B.No.25, Tehsil



Ambala Cantt., District Ambala. On 10.02.2018, petitioner No.1 entered into an agreement to sell the aforesaid land with respondent No.2 vide agreement dated 10.02.2018 (Annexure P-2). The sale consideration was fixed at the rate of Rs.48,50,000/- per acre (1 acre = 8 kanal). At the time of execution of the agreement to sell, respondent No.2 paid a sum of Rs.8,00,000/- as earnest money to petitioner No.1, out of which Rs.80,000/- was paid in cash and Rs.7,20,000/- was paid vide cheque No.000768 dated 12.02.2018. It was further agreed that an additional amount of Rs.4,00,000/- would be paid on 10.05.2018. The sale deed was agreed to be executed on 08.10.2019 upon payment of the balance sale consideration. It was also mentioned in the agreement that in case, the purchaser failed to get the sale deed executed after paying the remaining sale consideration, the earnest money would stand forfeited.

3. On the same set of allegations, petitioner No.2-Gurmeet Singh, who is the owner in possession of land measuring 2 Kanal 2 Marla situated in Village Chandpura, District Ambala, entered into an agreement to sell on 10.02.2018, with respondent No.2 at the same rate i.e. Rs.48,50,000/- per acre (1 acre = 8 kanal). At the time of execution of the agreement, respondent No.2 paid earnest money of Rs.2,00,000/- to petitioner No.2, out of which Rs.20,000/- was paid in cash and Rs.1,80,000/- was paid through cheque No.000767 dated 12.02.2018. It was further agreed that a sum of Rs.1,00,000/- would be paid on 10.05.2018. The sale deed was agreed to be executed on 08.10.2019.

4. As per the terms of the agreements, the petitioners had undertaken to obtain the necessary NOC, get the land demarcated and provide a passage of



2 karam width to the land in question. However, the petitioners failed to fulfill the aforesaid obligations. Even after expiry of the stipulated period, the complainant repeatedly approached the petitioners, but they merely gave assurances and failed to comply with the terms and conditions of the agreements. It is, therefore, alleged that petitioner No.1-Nachhattar Kaur @ Jasbir Kaur, petitioner No.2-Gurmeet Singh and petitioner No.3-Sukhwinder Singh (husband of petitioner No.1), in conspiracy with each other, committed fraud upon respondent No.2 on the pretext of selling land, with an intention to misappropriate the amount paid by him.

5. Learned counsel for the petitioner, however, submits that respondent No. 2 is a property dealer who intended to sell the aforesaid property after carving out plots. However, respondent No. 2 failed to arrange the requisite sale consideration and, despite repeated requests made by petitioners No.1 and 2, he did not come forward to get the sale deed executed. It is further submitted that, as per the Agreements to Sell (Annexures P-2 and P-3), the sale deed was scheduled to be executed on 08.10.2019. However, the office of the Sub-Registrar, Ambala, remained closed on that date on account of the Dussehra festival. However, respondent No. 2 was informed in advance on 26.09.2019 about the said holiday, and was requested to execute the sale deed prior to the fixed date, but he refused. Thereafter, he was also requested to execute the sale deed on 09.10.2019, but he again refused. Therefore, respondent No. 2 failed to perform his contractual obligations.

6. It is further submitted by learned counsel that the petitioners, with their *bona fide* intention, issued legal notice dated 22.10.2019 calling upon respondent No. 2 to appear before the Sub-Registrar, Ambala on 05.11.2019 for



execution of the sale deed. However, respondent No. 2, through his counsel, replied on 30.10.2019 expressing his unwillingness to execute the sale deed even on the said date. It is further submitted that the complainant subsequently filed a civil suit for specific performance on 06.10.2022, which is primarily barred by limitation.

7. It is also submitted that petitioner No. 3, namely Sukhwinder Singh, is neither the owner nor in possession of the land in question and has been falsely implicated with a *mala fide* intention and therefore, no offence is made out against him under Sections 120-B, 420, or 406 IPC.

8. It is also submitted that the entire dispute is purely civil in nature arising out of an alleged breach of contract and no such intention can be attributed to the petitioners, particularly in view of the fact that they issued notices for execution of the sale deed. It is further submitted that the complainant, having failed to perform his obligations, has attempted to give a criminal colour to a purely civil dispute. In support of his submissions, he has relied upon the judgment of the Hon'ble Supreme Court in ***Inder Mohan Goswami and Anr. vs. State of Uttaranchal and others, (2007) 12 SCC 1***, wherein it has been held that criminal proceedings should not be used as a tool for harassment or to settle civil disputes with ulterior motives.

9. *Per contra*, learned State counsel, while referring to the reply by way of an affidavit of Deputy Superintendent of Police, Ambala Cantt, District Ambala, submits that the investigation in the present case has been completed and the final report under Section 173 Cr.P.C. has already been presented before the learned trial Court. It is further submitted that as many as 13 prosecution witnesses have been cited in the said report and the charges under



Sections 406, 420 and 120-B IPC have been framed against the petitioners. It is thus submitted that sufficient material exists on record to proceed against the petitioners and no ground is made out for interference at this stage. It is also submitted that the petitioners are not involved in any other case.

10. On the other hand, learned counsel appearing for respondent No. 2 vehemently opposes the present petition and submits that there is cogent and convincing material on record to establish that the petitioners had entered into an agreement to sell the property in question and had received a substantial amount towards sale consideration from respondent No. 2. Despite having received the said amount, the petitioners deliberately failed to honour their contractual obligations and did not execute the sale deed within the stipulated time. It is further submitted that the conduct of the petitioners clearly reflects dishonest intention from the very inception of the transaction and the petitioners, after receiving the earnest money, avoided execution of the sale deed on one pretext or the other and have thereby caused wrongful loss to respondent No. 2. It is, therefore, submitted that the present matter involves serious disputed questions of fact, which cannot be adjudicated in proceedings under Section 482 Cr.P.C., and the same are required to be tested during the course of trial on the basis of evidence to be led by the parties. Consequently, it is prayed that the present petition be dismissed.

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

12. At the outset, it is not in dispute that the petitioners are the owners of the property in question and the Agreements to Sell dated 10.02.2018 (Annexures P-2 & P-3) were duly executed between the parties. It is also



admitted that a substantial amount was paid by respondent No.2 as earnest money. However, the sale deed could not be executed within the stipulated period. The primary question that arises for consideration is whether the allegations made in the FIR, even if taken at their face value, disclose the commission of offences under Sections 406, 420 and 120-B IPC, or whether the dispute is purely civil in nature.

13. From the record, it is evident that the petitioners had issued legal notices to respondent No.2 calling upon him to execute the sale deed on a subsequent date after the original date fell on a public holiday. This conduct *prima facie* reflects the bona fide intention of the petitioners to perform their part of the contract. There is nothing on record to show that the petitioners had any dishonest or fraudulent intention at the inception of the transaction.

14. It is a settled proposition of law that for constituting an offence of cheating, the intention to deceive must exist from the very beginning of the transaction. Mere breach of contract or failure to honour the terms of an agreement does not give rise to criminal liability unless such dishonest intention is clearly established. Reference may be made to the judgment of the Hon'ble Supreme Court in **Inder Mohan Goswami v. State of Uttaranchal (supra)**, wherein it has been held that criminal proceedings should not be used as an instrument of harassment or for settling civil disputes.

15. Similarly, 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)**, the Hon'ble Supreme Court held that where the dispute is predominantly civil in nature arising out of contractual obligations,



criminal proceedings would amount to abuse of the process of law. 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.”

16. It is also significant that the complainant has filed a civil suit for specific performance, though after registration of the FIR. This clearly indicates that the dispute essentially pertains to enforcement of contractual rights, which falls within the domain of civil law.



17. Moreover, the report under Section 173 Cr.P.C. does not bring any new incriminating material on record and is largely a reproduction of the FIR allegations. Therefore, this Court is of the considered opinion that the continuation of criminal proceedings in such circumstances would not serve the ends of justice.

18. Consequently, the petition is allowed and FIR No. 351 dated 20.07.2022 under Sections 120-B, 406, 420 IPC registered at Police Station Mahesh Nagar, District Ambala, along with all consequential proceedings arising therefrom are hereby quashed qua the petitioners.

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

06.04.2026
Mahima/Sonia

(H.S.GREWAL)
JUDGE

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