



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

**CRM-A-897-2019 (O&M)**  
Date of decision: 28<sup>th</sup> July, 2025

Prem Chand

... Appellant

Versus

Bangali Ram

... Respondent

**CORAM: HON'BLE MRS. JUSTICE MANJARI NEHRU KAUL**

Present: Mr. Vivek Dahiya, Advocate  
Amicus Curiae for the applicant/appellant.

**MANJARI NEHRU KAUL, J.**

1. The instant appeal under Section 378(4) Cr.P.C. has been preferred by the appellant/complainant against the judgement dated 10.10.2018 passed by the Court of learned Judicial Magistrate 1<sup>st</sup> Class, Naraingarh, whereby the accused/respondents were acquitted of the charges under Section 406, 420 of the IPC.

2. Learned amicus for the appellant has assailed the impugned judgment on several grounds. It is contended that:

- (i) the appellant had fully proved the case of cheating and criminal breach of trust by leading cogent oral and documentary evidence;
- (ii) the trial Court erred in not properly appreciating the evidence, misread material facts, and failed to apply the correct legal principles;

- (iii) the agreement to sell dated 05.09.2013 (Ex.C1), along with the legal notice (Ex.C2), postal acknowledgements (Ex.C3 & C4), copy of jamabandi (Ex.C5), and site plan (Ex.C6), clearly establish that the respondents induced the appellant to enter into a sale transaction by falsely representing ownership of a different parcel of land;
- (iv) the complainant paid ₹4,00,000/- as earnest money, but later discovered that the land actually owned by the accused (khasra Nos.47//12 and 47//19) did not abut any road, contrary to their representation. Despite repeated requests and legal notice, the amount was not returned;
- (v) the complainant proved his case beyond all reasonable doubt. The evidence of CW-1 (complainant) and CW-2 (brother of complainant) clearly established the dishonest conduct of the accused;
- (vi) as per the learned Amicus, the impugned judgment, is perverse, based on conjectures, and legally unsustainable as the trial Court failed to draw proper inferences from the material on record and erroneously acquitted the accused.

3. Coming to the allegations leveled by the complainant, the accused approached him with a dishonest intent and offered to sell 4 Kanals of land for ₹18,00,000/-. An agreement to sell dated 05.09.2013 (Ex.C1) was executed, fixing 30.08.2014 as the date for registration of the sale deed, and ₹4,00,000/- was paid as earnest money.

4. The complainant later discovered that the accused were not the owners of the land adjacent to the road (Khasra No.18) as shown to

him, but instead mentioned different khasra numbers in the agreement, which were allegedly located elsewhere. This prompted the complainant to issue a legal notice dated 23.07.2014 (Ex.C2) demanding refund of the earnest money, which the accused refused.

5. The trial Court summoned the accused for offences under Sections 406 and 420 IPC. The complainant while appearing as CW-1 reiterated the allegations, and CW-2 Jagannath also deposed. Documents such as the agreement to sell, revenue records, and the legal notice were also brought on record.

6. On the basis of the evidence led, the learned trial Court acquitted the accused, holding that no ingredients of Sections 420 or 406 IPC were made out.

7. After hearing learned counsel for the parties and going through the material record, this Court finds no infirmity in the reasoning and conclusion drawn by the learned trial Court. The following findings are pivotal:

- (i) In the present case, although the complainant alleged that he was shown land adjacent to a road, and that the khasra numbers in the agreement relate to a different parcel of land, his own evidence demolishes the allegations of deception.
- (ii) The complainant, while appearing as CW-1, admitted that he is a retired Army officer and served in the Transport Department. He also admitted that he is well educated and had seen the land prior to the execution of the agreement. Furthermore, he deposed that the revenue record was shown to the deed writer and was in his possession at the time of

executing the agreement. Not only this, the land in question is in the same village where the complainant resides and is located barely about one kilometer from his house. The complainant's brother CW-2 Jagannath, who was also an intermediary in the transaction, also admitted that the revenue records had been obtained from the Patwari before the execution of the agreement. Thus, there was no element of deception or inducement. The complainant had full knowledge of the khasra numbers and consciously executed the agreement to sell. The revenue records confirmed that the land sold corresponded to the khasra numbers mentioned in the agreement.

- (iii) The complainant, being literate, a well-informed buyer, familiar with the locality and documents, cannot now be heard to say that he was cheated.

8. Section 420 IPC requires: (a) deception by the accused; (b) dishonest inducement to deliver property or valuable security. In the present case, there is no manner of doubt that the essential ingredients to attract the mischief of an offence under Section 420 IPC are clearly amiss. Furthermore, in the instant case, the earnest money of ₹4,00,000/- was paid as part of the agreement to sell (Ex.C1). The agreement clearly stipulated that in the event of default by the buyer, the earnest money shall be forfeited.

9. The complainant admitted in his testimony that he was not in a financial position to pay the remaining sale consideration of ₹14.00 lac and had signed the agreement fully aware of its contents.

10. There is, therefore, no dishonest misappropriation. Retention of the earnest money was in accordance with the contractual terms. As such, the necessary ingredients of Section 406 IPC, which are: (i) entrustment of property; (ii) dishonest misappropriation or conversion of that property, are not proved.

11. This Court has no hesitation to observe that the present case is purely of a civil nature arising from alleged breach of contract. Criminal law cannot be invoked to settle private civil disputes nor can it be used as a tool of coercion.

12. In view of the above discussion, there is no merit in the instant appeal. The findings recorded by the trial Court are based on the correct appreciation of facts and law. No perversity or illegality has been pointed out. Accordingly, the appeal as well as the application seeking condonation of delay, are dismissed.

**(MANJARI NEHRU KAUL)**  
**JUDGE**

**July 28, 2025**

*rps*

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