

IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION

Criminal Appeal No. 5035/2025
@SLP (Crl.) No(s). 2526/2025

VARDHMAN GADIYA

Appellant

VERSUS

THE STATE OF MADHYA PRADESH & ANR.

Respondent(s)

O R D E R

1. Leave granted.
2. Heard learned Counsel for the parties.
3. A brief narration of the facts giving rise to the present appeal would be necessary.
4. One Chand Mohd. Kha Mevati was the original owner of the land in dispute. Accused No.1 i.e., Prateek Kumar (for short A-1) purchased the land in dispute from Prakash Kumwar and Hariram *vide* sale deed dated 16.11.2009. Prakash Kumwar and Hariram had purchased it from daughters of Chand Mohd. Kha Mevati *vide* sale deeds dated 28.01.2009 and 17.07.2009.
5. On 05.1.2012, A-1 executed a registered

Power of Attorney in favour of the appellant, who is accused No. 2 (for short A-2). A-2 acting on the said power executed sale deed in favour of the complainant (i.e., the second respondent) on 29.12.2012.

6. When the second respondent applied for mutation of his name based on the sale deed, he had to face an objection from one Bherulal. Bherulal claimed title over the land in question through sale deed dated 07.06.1999 alleged to have been executed by the original owner Chand Mohd. Kha Mevati. In between, in the year 2010, Bherulal instituted a civil suit for declaration of his rights based on the sale deed dated 07.06.1999. This suit was decreed in his favour in the year 2015 and the said decree was confirmed by the Appellate Court in the year 2019.

7. Having lost title, the second respondent filed a complaint implicating A-1, A-2 and broker Narendra Nahar (for short A-3).

Interestingly, only A-1 and A-2 were summoned for offences punishable under Sections 468 and 420 of the Indian Penal Code, 1860 ("IPC"). Later, they were charged for offences punishable under Sections 468 and 420 IPC.

8. Aggrieved therewith, the appellant preferred a revision before the High Court. The High Court by the impugned order found the charge under Section 468 IPC not made out as there existed no false document of the nature specified in Section 464 IPC. However, it found the charge under Section 420 IPC *prima facie* made out.

9. Being aggrieved with the order of the High Court to the extent it refused to quash the charge under Section 420 IPC, this appeal has been filed.

10. The submission of the learned Counsel for the appellant is that even if the complaint allegations coupled with the documents on record are taken at their face value, there is nothing to indicate that the

appellant dishonestly misrepresented or suppressed any fact to the complainant either *qua* title of the owner or *qua* pendency of civil proceedings.

11. To substantiate the above submissions, we have been taken through (1) the complaint; (2) the Power of Attorney under which the appellant executed the sale deed in favour of the complainant; and (3) the sale deed executed by the appellant as a Power of Attorney holder of A-1. By placing the aforesaid documents before us, it has been submitted that though the allegations are against A-3 (a broker) of reaching out to the complainant and his father for sale of the land in question, there is no allegation whatsoever against the appellant of either reaching out to the complainant or his father to purchase the land in question. Further, there is no allegation of making a false representation that the vendor had good and clean title with no litigation pending before any court. Rather, in the

sale deed, it is stated that if the title of the vendor is found defective, the vendor shall indemnify the purchaser. In such circumstances, it is urged, necessary ingredients of an offence of cheating are not made out *qua* the appellant, particularly when there exists no material to indicate that the appellant was aware of pending civil litigation or of any injunction operating therein. It is also argued that there is no material to assume that the appellant was in conspiracy with the vendor and in furtherance thereof, the sale deed was executed in favour of the complainant.

12. *Per contra*, the learned Counsel for the complainant submitted that since a civil suit was pending on the date when the sale deed was executed, the vendor ought to have disclosed about the cloud on his title. In such circumstances, the appellant, who acted as a Power of Attorney holder of the vendor, would be deemed to be aware of the defect in title and, therefore, it can be said that he

was in cahoots with the vendor and as such liable to be prosecuted for an offence of cheating.

13. We have considered the rival submissions and have perused the record carefully.

14. It is well-settled in criminal jurisprudence that except in offences where the statute imposes strict liability, existence of a guilty mind is necessary before an act could be termed an offence. No doubt on existence of certain facts an inference may be drawn regarding presence of a guilty mind but there can be no general presumption as regards its presence, particularly when the act in question absent a guilty mind is a lawful act.

15. In the instant case, the appellant as a power of attorney holder of A-1 executed sale deed in favour of the complainant. The power of attorney executed by A-1 made no disclosure about pending proceedings *qua* the land in question. In such circumstances, the

complainant was required to disclose the material from which one could infer, *prima facie*, that the appellant was aware of such litigation, yet he chose to suppress the same and thereby practiced deceit upon the complainant to sell a disputed property for valuable consideration. If those had been the allegations, *prima facie*, an offence of cheating would have been made out. But here there exists no material to *prima facie* indicate that the appellant was aware of the pending dispute *qua* the land. Except the bald allegations of conspiracy there is nothing to show guilty mind of the appellant who merely acted under a registered power of attorney. What is important is that in the sale deed, there is no claim regarding title of the vendor being undisputed. Rather, the sale deed states that if there is any defect in title of the vendor, the vendor shall indemnify the purchaser. In such circumstances, it cannot be said that the appellant made any false assurance or

promise or fraudulently suppressed facts with a dishonest intention to cause wrongful loss to the complainant or/ and to cause wrongful gain to oneself.

16. Accordingly, we are of the view that necessary ingredients of an offence of cheating are not *prima facie* made out to proceed against the appellant for an offence of cheating.

17. The appeal is, accordingly, allowed. The impugned order is set aside to the extent it affirms the charge under Section 420 IPC; and the proceedings as against the appellant under Section 420 IPC are, hereby, quashed. The order of the High Court quashing the charge under Section 468 IPC is affirmed.

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

.....J
[MANOJ MISRA]

.....J
[UJJAL BHUYAN]

New Delhi
November 25, 2025

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (Crl.) No(s). 2526/2025

[Arising out of impugned final judgment and order dated 21-08-2024 in CRLR No. 810/2023 passed by the High Court of Madhya Pradesh at Indore]

VARDHMAN GADIYA

Petitioner(s)

VERSUS

THE STATE OF MADHYA PRADESH & ANR.

Respondent(s)

IA No. 66166/2025 - PERMISSION TO PLACE ADDITIONAL FACTS AND GROUNDS

Date : 25-11-2025 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE MANOJ MISRA
HON'BLE MR. JUSTICE UJJAL BHUYAN

For Petitioner(s) :

Mr. Nipun Saxena, Adv.
Ms. Astha Sharma, AOR
Mr. Sanjeev Kaushik, Adv.
Mr. Simranjeet Singh Rekhi, Adv.
Mr. Anirudh Gotety, Adv.
Ms. Deepali Dabas, Adv.
Ms. Aadya Pandey, Adv.
Ms. Monal Prasad, Adv.
Ms. Debatmaja Ghosh, Adv.

For Respondent(s) :

Mr. Pashupathi Nath Razdan, AOR
Ms. Maitreyee Jagat Joshi, Adv.
Mr. Astik Gupta, Adv.
Mr. Akanksha Tomar, Adv.

Mr. Umesh Babu Chaurasiya, Adv.
Mrs. Manjula Chaurasiya, Adv.
Mr. Pawan Rai, Adv.
Mrs. Sampurna Nand Rai, Adv.
Mr. Dharmendra Kumar Sinha, AOR

UPON hearing the counsel the Court made the following
O R D E R

1. Leave granted.
2. The appeal is allowed in terms of the signed order which is placed on the file.
3. Pending application(s), if any, shall stand disposed of.

(CHETAN ARORA)
ASTT. REGISTRAR-cum-PS

(SAPNA BANSAL)
COURT MASTER (NSH)