



* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Reserved on: 13.05.2026
Date of decision: 22.08.2026

CNR No. DLHC010213182026

+ **FAO(OS) 60/2026 & CM APPLS. 32212-14/2026**

NISHA CHANDOLA & ANR. Appellants

Through: Appellant in person through VC.

versus

MANOJ SHARMA & ANR. Respondents

Through: None.

CORAM:

HON'BLE MR. JUSTICE VIVEK CHAUDHARY

HON'BLE MS. JUSTICE RENU BHATNAGAR

JUDGMENT

1. The present appeal assails the order dated 24.03.2026 passed by the learned Single Judge in CRL.M.A. 6275/2026 in CS (OS) 246/2023, whereby the application filed by the plaintiffs/ appellants against the defendant No.1/ Respondent No.1 seeking initiation of perjury proceedings under Section 340 of the Code of Criminal Procedure, 1973 ('CrPC') was dismissed.

2. The facts leading to the filing of the present appeal are that the parties are the children of the late Sh. Ram Chandra Sharma, who as per the appellants died intestate on 28.04.2022. CS (OS) 246/2023 was instituted for partition and rendition of accounts and recovery of the amount found due to appellant. The Court *vide* Order dated 15.07.2025 directed the respondent No.1 to file an affidavit disclosing all the assets received by him by transfer upon the demise of his



father. Pursuant thereto, respondent No. 1 filed an affidavit dated 03.09.2025, disclosing the estate of his late father. In the affidavit, averments were made that Respondent No.1 inherited the entire estate by will dated 25.06.2021. The same comprising of three immovable properties in Delhi, bank balance and fixed deposits exceeding Rs. 15.48 Crore; and mutual funds valued at approximately Rs. 1.04 Crore. He further stated that a Noida property bearing no. B-119, Sector 63, Noida, Gautam Budh Nagar, UP, 201301 belongs to M/s Ambika Garments Pvt. Ltd., which is not a party in the present suit, while certain insurance proceeds vest in the name of his minor son as the beneficiary.

3. Thereafter, an application bearing I.A. No. 28016/2025 contending that the respondent No.1 has not complied with the order dated 15.07.2025, inasmuch as he had failed to disclose the bank account details and fixed investments of M/s Ambika Garments Pvt. Ltd. *Vide* Order dated 12.11.2025 the Court directed the respondent No.1 to file an additional affidavit regarding the same. Accordingly, an additional Affidavit dated 15.01.2026 was filed by the respondent No.1 regarding the financial standing of M/s Ambika Garments Pvt. Ltd. Respondent No.1 consistently maintained that he had not inherited the assets of the company directly, but had inherited a 70% shareholding in the company by virtue of the Will dated 25.06.2021. Respondent No. 1 maintained persistent stance that the Noida industrial property and an HDFC Bank account containing approximately Rs. 80.20 Lakhs at the time of the father's demise were independent corporate assets of M/s Ambika Garments Pvt. Ltd, and since the company has not been impleaded as a party to the suit, no



relief can be claimed against the same assets.

4. The dispute arose when the Appellants raised apprehensions that the respondent No.1 misappropriated money forming part of suit property. The Appellants, thus, filed CRL.M.A. 6275/2026 under Section 340 CrPC against the respondent No.1 for making false statements on oath *qua* affidavits dated 03.09.2025 and 15.01.2026, The Appellants also alleged that Respondent No.1 had filed false affidavits with the intention of interfering with the administration of justice and had supported such affidavits with fabricated documents. They further alleged that false filings were made before the statutory registry of the Ministry of Corporate Affairs, wherein, one thousand shares were shown to have been transferred by their mother despite her having passed away in the year 2017 and seven thousand shares were shown to have been transferred by their father, even though he was medically unfit and was suffering from dementia at that relevant time.

5. Learned Single Judge dismissed CRL.M.A. 6275/2026 and held that the application appears to have been filed with the object of delaying the proceedings and harassing respondent No.1 and such allegations, by themselves, did not attract the ingredients of Section 340 CrPC read with Section 195(1)(b) CrPC at this stage. The learned Single Judge further held that the legitimacy of the statements made in the affidavits would have to be established in the suit trial. The Court was not inclined to initiate a parallel investigation under Section 340 CrPC, while the same disputed issues were awaiting adjudication in the civil suit. Liberty was, however, granted to the Appellants to initiate appropriate proceedings under Section 340 CrPC, if material



surfaces during trial showing commission of an offence under Section 195(1) CrPC.

6. The Appellant appearing in-person through VC submits that the Single Judge failed to appreciate the material placed on record, which, according to the Appellants, disclosing fraud and manipulation in the affairs of M/s Ambika Garments Pvt. Ltd, and an offence of perjury is fully made out at this stage itself as the respondent No. 1 knowingly gave false statements on oath in affidavits dated 03.09.2025 and 15.01.2026, it being evident from the records that the share transfers were executed in the name of the deceased mother and medically incapable father, the documents are patently false. Therefore, he submits that the Single Judge erred in deferring consideration of the matter until the conclusion of the trial, since the filing of false affidavits on record, according to the Appellants, constitutes a sufficient basis for initiating proceedings under Section 340 CrPC. He further submits that the findings in the impugned judgment dated 24.03.2026, describing the application under Section 340 CrPC as an attempt to arm-twist the respondent, delay the trial and harass respondent No.1 are also stated to be unwarranted and deserve to be expunged and the forensic material and the bank transactions placed on record make a prima facie case against the respondent No.1.

7. Heard counsel for the Appellant present in-person and perused documents placed on record.

8. At the outset it is imperative to note that from the bare reading of Section 340 CrPC it is clear that the Court is not bound to file a complaint in every case where a party alleges that a false statement has been made. The Court has to form an opinion that it is expedient



in the interests of justice that an inquiry should be made into an offence referred to in Section 195(1)(b) CrPC. The use of the expressions 'may' and 'expedient in the interest of justice' clearly indicates that the power is discretionary in nature and has to be exercised with care and caution.

9. The Supreme Court in the case of ***Iqbal Singh Marwah and Anr. V. Meenakshi Marwah and Anr.***, (2005) 4 SCC 370, held: -

"23. In view of the language used in Section 340 CrPC the court is not bound to make a complaint regarding commission of an offence referred to in Section 195(1)(b), as the section is conditioned by the words "court is of opinion that it is expedient in the interests of justice". This shows that such a course will be adopted only if the interest of justice requires and not in every case. Before filing of the complaint, the court may hold a preliminary enquiry and record a finding to the effect that it is expedient in the interests of justice that enquiry should be made into any of the offences referred to in Section 195(1)(b). This expediency will normally be judged by the court by weighing not the magnitude of injury suffered by the person affected by such forgery or forged document, but having regard to the effect or impact, such commission of offence has upon administration of justice. It is possible that such forged document or forgery may cause a very serious or substantial injury to a person in the sense that it may deprive him of a very valuable property or status or the like, but such document may be just a piece of evidence produced or given in evidence in court, where voluminous evidence may have been adduced and the effect of such piece of evidence on the broad concept of administration of justice maybe minimal. In such circumstances, the court may not consider it expedient in the interest of justice to make a complaint. The broad view of clause (b)(ii), as canvassed by learned counsel for the appellants, would render the victim of such forgery or forged document remediless. Any interpretation which



leads to a situation where a victim of a crime is rendered remediless, has to be discarded.”

10. In the case of **Amarsang Nathaji v. Hardik Harshadbhai Patel and Ors.**, (2017) 1 SCC 113, the Supreme Court held: -

“6. The mere fact that a person has made a contradictory statement in a judicial proceeding is not by itself always sufficient to justify a prosecution under Sections 199 and 200 of the Penal Code, 1860 (45 of 1860) (hereinafter referred to as "IPC"); but it must be shown that the defendant has intentionally given a false statement at any stage of the judicial proceedings or fabricated false evidence for the purpose of using the same at any stage of the judicial proceedings. Even after the above position has emerged also, still the court has to form an opinion that it is expedient in the interests of justice to initiate an inquiry into the offences of false evidence and offences against public justice and more specifically referred to in Section 340(1)CrPC, having regard to the overall factual matrix as well as the probable consequences of such a prosecution. (See K.T.M.S. Mohd. v. Union of India). The court must be satisfied that such an inquiry is required in the interests of justice and appropriate in the facts of the case.”

11. The principles that emerge from the aforesaid decisions are that the power under Section 340 CrPC is discretionary and must be exercised sparingly and with due caution. Such power is not meant to be invoked merely because a party alleges that a statement made before the Court is false.

12. Insofar as the reliance placed by the appellant on **Sanjeev Kumar Mittal v. State (2010) 174 DLT 214**, that, once falsehood is apparent the Court cannot remain a silent spectator. There can be no quarrel with the proposition that the purity of judicial proceedings has to be maintained and deliberate falsehood before a Court cannot be



lightly ignored.

13. In the present case, the allegations raised by the appellant are interconnected with the merits of the pending civil suit. The same would require adjudication of disputed questions of facts after appreciation of evidence.

14. Allegations made by the appellant pertaining to the genuineness of documents, validity of share transfers, alleged medical incapacity of the deceased, forgery of signatures, bank transfers after the death of the deceased and the extent of assets forming the part of the estate are serious in nature, however, seriousness of an allegation is not by itself sufficient to trigger Section 340 CrPC proceedings. The Court must be able to conclude at prima facie and on material presented before it, that deliberate attempts has been made to interfere with the administration of justice.

15. We are also of the view that initiation of proceedings under Section 340 CrPC at this stage would result in a parallel inquiry into issues that are directly in issue in the pending civil suit. Such a course would not be appropriate when the suit itself is pending and the parties are yet to lead evidence. Therefore, learned Single Judge was justified in holding that the correctness of the affidavits filed by the respondent No.1, would have to be established during the course of trial. Applying the aforesaid principles, we find no illegality or perversity in view taken by the learned Single Judge and are in consonance with the same.

16. It is also pertinent to mention that the learned Single Judge has not foreclosed the remedy of the Appellants. Liberty has been granted to the appellants to initiate appropriate proceedings under Section 340



CrPC if material appears showing commission of offences referred to in Section 195(1)(b) CrPC. Thus, the impugned judgment merely holds that the stage for invoking Section 340 CrPC has not yet arisen.

17. We are, therefore, of the considered opinion that no case is made out warranting an interference with the Impugned Order. The learned Single Judge has considered the material placed before him and took a view that initiation of proceedings under Section 340 CrPC was not warranted.

18. In view of the aforesaid discussion, the appeal is dismissed *in limine*. Pending applications, if any, also stand disposed of.

**VIVEK CHAUDHARY
(JUDGE)**

**RENU BHATNAGAR
(JUDGE)**

AUGUST 22, 2026/Harsh/ss