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

\+ W.P.(CRL) 3357/2023

MOHIT MANCHANDA .....Petitioner

Through: Mr. Vinay Chaurasia, Ms. Shivangi Singh Panwar, Advocates

versus

THE STATE GOVT. OF NCT OF DELHI AND ANR. .Respondents

Through: Ms. Rupali Bandhopadhyay, ASC for the State with Mr. Abhijeet Kumar, Ms. Amisha Gupta, Advocates along with SI Manish Kumar, PS IP Estate
Mr. C.M. Maini, Mr. B.K Wadhwa, Mr. Mayank Maini, Mr. Biman Sethi, Mr. Ankit Verma, Ms. Nidhi, Advocates for R-2 & 4

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

O R D E R

% **25.09.2025**

1. The present petition under Article 226/227 of the Constitution of India read with Section 482 of the Code of Criminal Procedure, 1973[1] is directed against order dated 04th August, 2023 passed by the Additional Sessions Judge, Central District, Tis Hazari Courts, Delhi in Criminal Revision Petition No. 205/2020. By the impugned order, the Revisional Court affirmed the Magistrate's dismissal of the application filed by the Petitioner under Section 156(3) CrPC, seeking registration of an FIR against Respondent Nos. 2 to 4.

2. The genesis of the present proceedings lies in a complaint lodged by the Petitioner before the SHO, P.S. I.P. Estate, New Delhi, against private Respondents, alleging commission of various cognizable offences. The Petitioner traces his grievance to the affairs of a family partnership firm, M/s Universal Perfumery Co., which was originally constituted on 1st March, 1954. The firm was carrying on business from a shop located in Gandhi Market, Sadar Bazar, Delhi. The partnership included, *inter alia*, Late Gian Chand Manchanda (the Petitioner's grandfather) and Respondents No. 2 and 3 (the Petitioner's paternal uncles). Upon the demise of Gian Chand Manchanda on 17th October, 2001, disputes arose regarding the constitution of the firm and succession to its business, goodwill, and tenancy rights in the premises.

3. According to the Petitioner, the controversy stems from a purported "No Objection Certificate[2]" dated 12th February, 2002, furnished to the Department of Trade and Taxes by Respondent No. 4, who was merely a surety dealer and had no authority to act on behalf of the legal heirs of Late Gian Chand Manchanda. On the strength of this document, the Department deleted the name of the deceased partner from the firm's registration with effect from 27th February, 2002, as reflected in an order dated 31st December, 2001. The Petitioner alleges that Respondents No. 2 and 3, without furnishing the requisite documents sought by the Department by letter dated 9th January, 2002, managed to secure amendment of the registration certificate of M/s Universal Perfumery Co. by misrepresentation and without obtaining consent from other legal heirs.

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[1] "CrPC"
[2] "NOC"

4. The Petitioner further asserts that under clause 16 of the partnership deed dated 19th April, 1969, Late Gian Chand Manchanda was the sole owner of the firm's goodwill and of the tenancy rights in the business premises. By relying upon the impugned NOC, which the Petitioner claims was forged and unauthorized, Respondents No. 2 and 3 allegedly usurped the goodwill and tenancy rights of the firm, thereby causing wrongful loss to the Petitioner and other heirs.

5. The Petitioner, on 30th December, 2016, addressed a complaint to the Commissioner (Trade and Taxes). Pursuant thereto, he was informed by a communication dated 6th February, 2017, that it was Respondent No. 4 who had furnished the disputed NOC. Subsequently, the Department of Trade and Taxes, by its letter dated 28th April, 2017, observed that the allegations of forgery required thorough investigation, which lay beyond its jurisdiction, and advised the Petitioner to approach the competent criminal forum. It is on this basis that the Petitioner filed an application under Section 156(3) CrPC before the Metropolitan Magistrate seeking registration of an FIR.

6. The Magistrate, by order dated 2nd March, 2020, rejected the prayer and observed that the Petitioner had failed to produce the partnership deed dated 19th April, 1969 as well as the letter of the Department dated 28th April, 2017, both of which were central to his allegations. It was further noted that the Petitioner had concealed the fact that FIR No. 182/2016 under Sections 406, 420, and 120B IPC had already been registered at P.S. Sadar Bazar on similar allegations. The Magistrate also took note of the fact that in earlier quashing proceedings, the Petitioner had himself undertaken not to pursue any civil or criminal action against Respondents No. 2 and 3, thereby casting doubt on the bona fides of the complaint.

7. The Sessions Court, by the impugned order dated 4th August, 2023, upheld the dismissal of the Petitioner's application, noting that the allegations were essentially civil in nature and that the invocation of criminal process by the Petitioner appeared to be an abuse of process of law. The relevant portion of the impugned order reads as under:

> *"7. The Court has heard arguments of* ***Mr. D.N. Pandey, Advocate*** *for the petitioner,* ***Mr. B.K. Wadhwa, Advocate*** *for the respondent No. 2 and 4 and* ***Mr.Bharat Dubey, Advocate*** *for the respondent No. 3 and examined trial Court record.*
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> *8. Ld. Counsel for the petitioner contended that Department of Trade and Taxes, vide letter dated 28.04.2017 categorically stated that the allegation of forgery, there is need of thorough investigation and legal scrutiny which is beyond its powers.*
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> *9. On that premise, Ld. Counsel for the petitioner contended that there is need of investigation for collection of evidence pertaining to forgery and therefore, the jurisdictional Magistrate committed grave error in declining prayer for registration of FIR.*
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> *10. Ld. Counsel for the petitioner contended that the petitioner is one of the legal heirs of Late Gian Chand Manchanda and the constitution of the partnership firm, namely 'Universal Perfumery Co.' cannot be changed without 'No Objection Certificate' of legal heirs of Late Gian Chand Manchanda. He contended that the respondent No. 4 issued a forged 'No Objection Certificate' dated 12.02.2002 and on that basis, the constitution of 'Universal Perfumery Co' was changed. He contended that the respondent No. 2 and 3 usurped goodwill and property of the said firm and thereby, they caused substantial loss to the petitioner. He contended that the trial Court neither perused nor appreciated the documents on record, in proper perspective. He contended that the trial Court was Swayed by the status report and reached to a wrong conclusion that the petitioner tiled the said application just to settle scores with the respondent No. 2 to 4. He contended that the nature of evidence required is beyond power and reach of the petitioner, and therefore, the impugned order should be set-side*
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> *11. Ld. Counsel for the respondent No. 2 to 4 contended that there is so infirmity in the impugned order. They contended that the trial Court rightly considered status report and documents available on its file. They contended that the petitioner has no concern with the said firm.*
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> *12. Ld. Counsel for the respondent No. 2 to 4 contended that name of Late Gian Chand Manchanda was deleted, vide amendment, from the record of sales department. They contended that the petitioner furnished*

an undertaking dated 17.05.2004 that he shall have no right and share in movable and immovable properties of his parents. They contended that the petitioner did not disclose that he lodged an FTR. No. 186/2016 under Section 406/420/120B IPC registered at PS Sadar Bazar on 20.04.2015 pertaining to all the aspects relating to 'Universal Perfumery Co.' They contended that the said case compromised before Delhi Mediation Centre, Tis Hazari Cours, Delhi, vide mediation settlement dated 02.06.2016 and thereafter, the said case was quashed, vide order dated 17.11.2016 in Crl. MC 2486/2016 titled as Nirmal Anand & Ors. vs, State (Govt. of NCT of Delhi) & Ans'. They contended that "Universal Perfumery Co.' is closed since 2016. That contended that the petitioner had issued No Objection Certificate dated 13.07.2016 before Delhi Mediation Centre, Tis Hazari Courts, Delhi that he has settled all his claims qua A/c No. 00910200000581 in Bank of Baroda, Sadar Bazar Branch, Delhi pertaining to 'Universal Perfumery Co. They contended that the allegations made in the complaint do not disclose commission of any offence.

13. As regards contention that jurisdictional Magistrate was swayed by the status report, it will be relevant to state that status report furnished by an Enquiry Officer in any case, more particularly, in family disputes, business disputes. marital disputes etc, cannot be overlooked. It is incumbent on the trial Court to consider the report of the Enquiry Officer.

*14. In **Harpal Singh Arora & Ors. vs. State and Anr,** 2008 SCC OnLine Del 530, Hon'ble High Court of Delhi held, as under:*

"16. Considering the fact that the learned MM called for the report of the CAW Cell, which is fairly detailed, the proper course of action before ordering an Investigation under Section 156 (3) would have been to examine that report before deciding to issue a direction for investigation. When the police in the CAW Cell has come to conclusion that no cognizable offence is made out, the Magistrate cannot brush aside that conclusion lightly. Although that the said conclusion of the CAW Cell is not binding on the Magistrate at that stage, since his order is a judicial one he must give reasons, however brief, why he is inclined to order investigation notwithstanding the said report. Question (b) is unanswered accordingly."

15. The trial Court rightly considered the status report. The petitioner has also not challenged the veracity of the contents of the status report.

16. The Magistrate has jurisdiction to apply its judicial mind to facts and circumstances of the case while dealing with an application seeking registration of FIR.

*17. In **Ramdev Food Products (P) Ltd. vs. State of Gujarat,** (2015) 6 SCC 439, Hon'ble Supreme Court of India held as under:*

"20. It has been held, for the same reasons, that direction by the

Magistrate for investigation under Section 156(3) caner be given mechanically

In Anil Kumar v. M.K.Aiyappa, (2013) 10 SCC 705, it was observed: (SCC p.711, para 11)

11. "The scope of Section 156(3) CrPC came up for consideration before this Court in several cases. This Court in Maksud Saiyed case examined the requirement of the application of mind by the Magistrate before exercising jurisdiction under Section 156(3) and held that where jurisdiction is exercised on a complaint filed in terms of Section 156(3) or Section 200 CrPC, the Magistrate is required to apply his mind, in such a case, the Special Judge/ Magistrate cannot refer the matter under Section 156(3) against a public servant without a valid sanction order. The application of mind by the Magistrate should be reflected in the order. The mere statement that he has gone through the complaint, documents and heard the complainant, as such, as reflected in the order, will not be sufficient. After going through the complaint, documents and hearing the complainant, what weighed with the Magistrate to order investigation under Section 156(3) CrPC, should be reflected in the order, though a detailed expression of his views is neither required nor warranted…….

22.Thus, we answer the first question by holding that:

22.1. The direction under Section156(3) is to be issued, only after application of mind by the Magistrate. When the Magistrate does not take cognizance and does not find it necessary to postpone the issuance of process and finds a case made out to proceed forthwith, direction under the said provision is issued. In other words, where on account of credibility of information available, or weighing the interest of justice it is considered appropriate to straightaway direct investigation, such a direction is issued".

19. In ***Priyanka Srivastava and Another vs. State of Uttar Pradesh and Others,*** *(2015) 6 SCC 287, Hon'ble Supreme Court of India held, as under:*

"29. At this stage it is seemly to state that power under Section 156(3) warrants application of judicial mind. A court of law is involved. It is not the police taking stage at the stage of Section 154 of the Code. A litigant at his own whim cannot invoke the authority of the Magistrate. A principled and really grieved citizen with clean hands must have free access to invoke the said power. It protects the citizens but when pervert litigations takes this route to harass their fellow citizens, efforts are to be made to scuttle and curb the same."

19. Therefore, the Magistrate cannot issue direction for registration of case mechanically without applying its judicial mind to the averments *made in the complaint and accompanying documents. There is no prima facie material disclosing commission of any offence.*

20. The case of the petitioner is premised upon a 'No Objection Certificate' dated 12.02.2002 issued by the respondent No. 4 as a surety dealer that he has no objection to the change in constitution of 'Universal Perfumery Co.". The said 'No Objection Certificate' was issued for amendment in the constitution of 'Universal Perfumery Co.' for registration under 'Delhi Sales Tax Act, 1972'. Admittedly, the said 'No Objection Certificate' was issued by the respondent No. 4. Therefore, there is no forgery of any document. Further, an amendment in the constitution of "Universal Perfumery Co." for the purpose of registration under "Delhi Sales Tax Act, 1972' did not create any right pertaining to property of Late Glan Chand Manchanda in the said partnership firm.

21. The dispute is essentially pertaining to properties / rights of Late Gian Chand Manchanda in the said registered firm. It is essentially a civil dispute.

22. The petitioner has given a criminal colour to a primarily civil dispute with oblique motive.

23. This Court is not commenting upon the impact of previous litigations upon the present case. This case is a specie of genre of frivolous cases. It was instituted with the sole motive to bring the respondent no.2 to 4 into the fold of criminal justice system. The petitioner has misused and abused the process of criminal justice system.

24. Such litigation should be nipped into the bud. Allowing such litigation to blossom would not only cause mental agony, unnecessary expenses and Court visits to the respondents but it also causes immense loss of judicial time which can be utilized for the cases awaiting decision.

25. The averments made in the complaint and the contents of the documents enclosed with the petition do not disclose commission of any offence.

26. The trial Court has not committed any irregularity, illegality or jurisdictional error in dismissing the application under Section 156 (3) Cr.P.C. and consigning the application.

***CONCLUSION**:*

27. Accordingly, the criminal revision petition filed by the petitioner is dismissed. A copy of judgment along with trial Court record be sent to the trial Court. The criminal revision file be consigned to record room."

8. Counsel for the Petitioner submits that both the Magistrate and the Revisional Court failed to appreciate the material placed before them.

According to him, the documents furnished were sufficient to *prima facie* disclose the commission of cognizable offences. Yet, instead of directing the police to register an FIR, the Courts below insisted on production of further documents, overlooking the fact that certain records are not accessible to the Petitioner in his personal capacity. It is argued that crucial evidence, including documents lying in the custody of the Department of Trade and Taxes, could only have been procured through an investigation carried out by the police. The Petitioner, as a private individual, has neither the power nor the means to compel the production of such material. By refusing to invoke Section 156(3) CrPC, the Magistrate effectively denied him access to the investigative machinery of the State, which alone could have unearthed the true facts.

9. Counsel also draws attention to the communication issued by the Department of Trade and Taxes on 28th April, 2017, wherein it was recorded that allegations of forgery in relation to the amendments effected in 2002 warranted thorough investigation and scrutiny, which lay beyond the Department's remit. He contends that this official communication itself was sufficient to justify the registration of an FIR and that the Courts below erred in disregarding its significance.

10. It is further submitted that the Magistrate erred in placing reliance on the status report and dismissing the application under Section 156(3) CrPC. In doing so, the Magistrate overlooked the well-settled position that when allegations disclose forgery and cheating, the matter cannot be brushed aside as a civil dispute. Counsel maintains that the Petitioner, being a legal heir of Late Gian Chand Manchanda, has been directly prejudiced by the usurpation of goodwill and property of the partnership firm on the strength of a forged

No Objection Certificate. On this foundation, the Petitioner urges that the refusal to direct registration of an FIR has caused grave prejudice and amounts to a miscarriage of justice, since the very object of Section 156(3) is to enable an impartial investigation into cognizable offences which a private complainant is incapable of pursuing unaided.

Analysis

11. Having considered the rival submissions and the record, two questions arise: (i) whether the material placed by the Petitioner disclosed a cognizable offence requiring a direction under Section 156(3) CrPC for registration of an FIR and police investigation; and (ii) whether the Magistrate and the Revisional Court misdirected themselves in declining that relief.

12. The legal position is well settled. A direction under Section 156(3) is not to be issued mechanically. As observed by the Supreme Court in ***Anil Kumar v. M.K. Aiyappa***[3] and ***Ramdev Food Products (P) Ltd. v. State of Gujarat***[4], the Magistrate must apply his mind to the complaint and the accompanying material; what weighs with the Magistrate in requiring police investigation must be discernible, even if briefly. Equally, the remedy under Section 156(3) is not meant to be a default route whenever the complainant prefers the police to a Section 200 CrPC inquiry; it is invoked where the nature of the allegations and the kind of evidence needed make police powers of search, seizure, or forensic inquiry necessary.[5] The Supreme Court, in ***Indian Oil Corpn. v. NEPC India Ltd.***[6], has also cautioned that the criminal process ought not to be used to give a "civil dispute" the colour

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[3] (2013) 10 SCC 705.
[4] (2015) 6 SCC 439.
[5] ***Skipper Beverages Pvt. Ltd. v. State,*** 2001 SCC OnLine Del 448.
[6] (2006) 6 SCC 736.

of crime. Further, following ***Priyanka Srivastava v. State of U.P.***[7], the applications under Section 156(3) must be scrutinised for the veracity of the allegations; the court is entitled to insist on clean disclosure and to decline the prayer where the process appears leveraged to settle scores.

13. Tested on these touchstones, the order of the Magistrate, affirmed in revision, discloses no error. The Petitioner's principal allegation is that the partnership, "Universal Perfumery Co.", was reconstituted after the demise of his grandfather on the strength of a "No Objection Certificate" dated 12th February 2002 furnished by Respondent No. 4 to the Department of Trade & Taxes; that the reconstitution led to deletion of the deceased partner's name; and that Respondents Nos. 2 and 3 thereby "usurped" goodwill and tenancy rights. The complaint thus turns on: (a) the authority, effect, and legal sufficiency of the 2002 NOC submitted for sales-tax registration purposes; (b) the rights and obligations inter se partners and legal heirs under the partnership deed; and (c) alleged civil consequences (goodwill/tenancy) flowing from the alleged irregularity.

14. None of this, even if accepted at face value, by itself establishes the ingredients of forgery or cheating. Forgery (Sections 463-464 IPC) requires making a "false document" with the requisite intent. The Petitioner does not allege that the NOC is a fabricated document purporting to be made by someone who did not, in fact, make it, or that any signature was forged. His case is that Respondent No. 4 "had no authority" to issue the NOC and that other legal heirs' consent should have been obtained. Want of authority or procedural irregularity before a revenue authority does not convert a concededly genuine document into a "false document" in the sense the Penal

[7] (2015) 6 SCC 287.

Code contemplates. Likewise, cheating (Section 415 IPC) requires deception and delivery of property or inducement to act/omit; the complaint is bereft of particulars showing deception practised upon the department or upon the Petitioner, much less dishonest inducement causing wrongful loss. At its highest, the allegations reflect a contest over succession to business rights and the effect of a regulatory endorsement, quintessentially civil issues.

15. The Revisional Court has also noted circumstances that go to bona fides and to the appropriate forum. The Petitioner did not place on record, at the Section 156(3) stage, the very partnership deed (19th April, 1969) on which his case turns, or the departmental correspondence he relies on; he also suppressed prior proceedings – FIR No. 186/2016 touching the same partnership dispute, the mediation settlement dated 2nd June 2016, and the order quashing those proceedings on 17th November 2016, as well as his own undertakings/No-Objection statements *qua* the firm's bank account. These are material omissions. When a complainant seeks to set the criminal law in motion in a matter with a pronounced civil flavour, candour is indispensable. The Magistrate was entitled to view the application with circumspection and to decline the prayer for a police-led probe in the absence of full and fair disclosure, keeping in mind the decision in ***Priyanka Srivastava***.

16. The Petitioner places considerable weight on the Department of Trade & Taxes' communication dated 28th April, 2017 stating that allegations of forgery required "thorough investigation and legal scrutiny" beyond the Department's remit. That letter does not certify that a cognizable offence has occurred; it merely declines to undertake an inquiry that lies outside the Department's administrative jurisdiction. It is not a directive to register an

FIR, nor does it relieve the Magistrate of his duty to assess whether the complaint, as framed, discloses the ingredients of any offence and whether police investigation is warranted at all[8]. The Magistrate was, therefore, correct in treating the departmental letter as neutral on criminality, rather than determinative.

17. Equally untenable is the submission that only the police could access relevant records. Police powers of search and seizure are not a substitute for the complainant's burden to lay a *prima facie* criminal case; nor is Section 156(3) a tool to compel the State to investigate what is, at core, a private civil dispute.

18. The long lapse of time further fortifies the conclusion. The events complained of are traceable to 2001-2002, yet the first administrative complaint was lodged only in 2016, with the application under Section 156(3) following thereafter. No cogent explanation has been furnished for this extraordinary delay, one that is inconsistent with the urgency that ordinarily accompanies a genuine criminal grievance. While delay alone is not invariably fatal to criminal proceedings, in cases where the dispute is essentially civil in nature, it assumes greater significance. It underscores why the criminal proceedings cannot be permitted to serve as an instrument of leverage in private property or succession disputes. As cautioned in ***Indian Oil Corporation***, the criminal process should not be used as a weapon of harassment in matters that are predominantly civil. The present case, marked by a long-delayed invocation of the criminal process, falls squarely within that caution.

19. The reasoning adopted by the Sessions Court rests firmly on the

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[8] See ***Ramdev Food Products***.

record and cannot be faulted. It has correctly noted, first, that the "No Objection Certificate" in question was admittedly issued by Respondent No.4 and there is no allegation that the document itself was fabricated; secondly, that the amendment carried out for purposes of sales-tax registration did not, by itself, create or extinguish proprietary or succession rights in the firm's assets; thirdly, that the underlying controversy is in substance one of partnership and succession, not one of cheating and fourthly, that the Petitioner has suppressed the history of prior litigations and settlements on the same subject. These findings are neither perverse nor indicative of non-application of mind; rather, they reflect a judicious application of settled principles.

20. Resultantly, the petition fails and is dismissed. All pending applications stand disposed of. The observations made herein are confined to the Section 156(3) issue and shall not affect any civil proceedings between the parties.

21. For the foregoing reasons, the present petition is dismissed.

SANJEEV NARULA, J

SEPTEMBER 25, 2025/ab