



2026:DHC:8779



* IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on: 23.09.2026

Date of Decision: 06.10.2026

Uploaded on: 06.10.2026

CNR No. DLHC010336672026

+ W.P.(CRL) 2239/2026 & CRL.M.A. 22365-2026

VANSH VERMA

.....Petitioner

Through: Mr. Govind Rishi, Mr. Sandeep Kaushik, Mr. Kartikay Kaushik, Mr. Vaibhav, Mr. Gaurav Yadav and Mr. Shorya Goel, Advs.

versus

THE STATE OF NCT OF DELHI & ANR.Respondents

Through: Ms. Rupali Bandhopadhyaya, ASC with Mr. Abhijeet Kumar and Ms. Amisha Gupta, Advs. for GNCTD.
Mr. Rakesh Tikku, Sr. Adv. with Dr. Manoj Gorkela, Mr. Saurav Pandey, Mr. Manish, Mr. Muntaqua Ahmed and Mr. Monu Kumar, Advs. for R2.
Insp. Kailash Chand, PS Tilak Nagar

CORAM:

HON'BLE MS. JUSTICE MADHU JAIN

JUDGMENT

MADHU JAIN, J.

1. The present petition has been filed under Article 226 of the Constitution of India, 1950 read with Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (hereinafter referred to as the 'BNSS'), seeking quashing of **FIR No. 437/2025** dated 30.10.2025, registered at P.S. Tilak



Nagar, for offences punishable under Sections 318 and 61 of the Bharatiya Nyaya Sanhita, 2023 (hereinafter referred to as the 'BNS'), and all proceedings emanating therefrom.

The brief facts of the case

2. As per the allegations in the FIR, in October 2023, the petitioner's mother, Sonia Verma, was introduced to respondent No. 2, proprietor of M/s Kasturi Jewellers Pvt. Ltd., through a mutual acquaintance, Mahender Khera. It is alleged that thereafter, she became a regular customer of the showroom and made several jewellery purchases, initially making timely payments.

3. It is alleged that subsequently, the petitioner and his mother purchased jewellery on credit for an upcoming wedding, assuring respondent No. 2 that the outstanding amount would be cleared shortly. On the basis of their previous transactions and representations, jewellery was allegedly supplied to them against approval vouchers.

4. It is further alleged that towards part payment of the outstanding dues, the petitioner's mother issued a cheque for ₹60 lakh. However, upon subsequent follow-up, she allegedly shared a bank statement reflecting that the account was "debit frozen". The complainant's employee thereafter allegedly followed up with the petitioner and his mother regarding the outstanding dues, which were stated to be approximately ₹1.48 crore.

5. It is alleged that despite repeated communications and sharing of invoices and approval vouchers, the outstanding amount remained unpaid. Consequently, a complaint was lodged before the Special Commissioner of



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Police, Zone-II, *vide* Diary No. 14565 dated 07.07.2025, pursuant to which the aforesaid FIR came to be registered.

6. During investigation, a notice under Section 35(3) of the BNSS was issued to the petitioner on 04.12.2025 to join the investigation. The petitioner's mother was subsequently arrested on 05.01.2026. The Investigating Officer thereafter sought her judicial custody on the ground, *inter alia*, that the jewellery could not be recovered as she was allegedly not cooperating with the investigation.

7. *Vide* order dated 06.01.2026, the learned JMFC-07, West District, Tis Hazari Courts, Delhi, declined the prayer for judicial custody and granted bail to the petitioner's mother.

8. Thereafter, the petitioner approached the learned Additional Sessions Judge, West District, Tis Hazari Courts, Delhi, by way of an anticipatory bail application, which came to be allowed *vide* order dated 13.01.2026.

9. Aggrieved by the registration of the aforesaid FIR and the proceedings emanating therefrom, the petitioner has preferred the present writ petition seeking quashing of the FIR and consequential proceedings.

Submissions on Behalf of the Petitioner

10. Learned counsel for the petitioner submits that the dispute arises out of commercial transactions between the parties and has been given a criminal colour by the complainant. It is contended that the FIR does not attribute any specific role or overt act to the petitioner and does not contain any allegation of a false or dishonest representation made by him.

11. It is further submitted that the FIR itself records that payments had



initially been made promptly, thereby negating any dishonest intention from the inception, which is an essential ingredient of the offence of cheating under Section 318 of the BNS.

12. Learned counsel further submits that the allegations, even if taken at their face value, at best disclose a breach arising from a credit transaction and do not make out the ingredients of a criminal offence. Reliance is placed upon ***Paramjeet Batra v. State of Uttarakhand*, (2013) 11 SCC 673**, and ***State of Haryana v. Bhajan Lal*, 1992 Supp (1) SCC 335**, to contend that criminal proceedings arising essentially out of a civil/commercial dispute and instituted to exert pressure upon the accused are liable to be quashed.

13. Learned counsel for the petitioner further submits that, even if the allegations in the FIR are taken at their face value, the jewellery was admittedly supplied on credit and the dispute, at its highest, pertains to non-payment of the outstanding amount, which would constitute a civil/commercial dispute and not an offence of cheating. It is contended that the FIR does not disclose any dishonest or fraudulent intention on the part of the petitioner from the inception of the transaction, which is an essential ingredient of the offence under Section 318 of the BNS. Learned counsel relies upon ***State of Haryana v. Bhajan Lal*, 1992 Supp (1) SCC 335**, to contend that the present case falls within the categories warranting exercise of the inherent jurisdiction of this Court, particularly where the allegations do not prima facie constitute an offence and the criminal proceedings are alleged to have been initiated with an ulterior motive.

14. Learned counsel further places reliance upon ***Delhi Race Club***



(1940) Ltd. v. State of Uttar Pradesh, Criminal Appeal No. 3114 of 2024, to submit that mere breach of a commercial transaction cannot give rise to criminal prosecution for cheating unless fraudulent or dishonest intention existed from the inception. Reliance is also placed upon **Sanjay Agarwal v. State of Odisha, Criminal Appeal Nos. 2593–2594 of 2024**, and **Mohammed Ibrahim v. State of Bihar, (2009) 8 SCC 751**, to contend that criminal proceedings should not be permitted to continue where a predominantly civil dispute has been given a criminal colour to exert pressure upon the accused.

15. It is further submitted that there is no specific allegation attributing any role to the petitioner in the commission of the alleged offence and that the FIR fails to disclose the essential ingredients of cheating. Learned counsel also contends that there is an unexplained delay in registration of the FIR, which, according to him, casts doubt upon the allegations. On these grounds, it is urged that continuation of the criminal proceedings would amount to an abuse of the process of law and that the FIR and proceedings emanating therefrom deserve to be quashed in exercise of the jurisdiction under Section 528 of the BNSS.

Submissions On Behalf Of The Respondents

16. Learned counsel for the respondent opposes the present petition and submits that the FIR, read as a whole, prima facie discloses the commission of an offence under Section 318 of the BNS. It is submitted that the matter cannot be characterised as a mere commercial dispute, as the FIR specifically alleges that the petitioner, along with the co-accused, made



false representations and assurances which induced the complainant to part with jewellery worth approximately ₹1.48 crore on credit.

17. Learned counsel submits that the petitioner cannot seek quashing by relying upon his own version of the disputed transactions, as the question whether there was dishonest intention from the inception is a matter of evidence. It is further submitted that the allegations regarding the accused acting in concert also require investigation and cannot be adjudicated at this stage.

18. Learned counsel further submits that the FIR is required to be read as a whole and, when so read, clearly discloses cognizable offences. It is therefore contended that no ground for interference under Section 528 of the BNSS is made out and the present petition deserves to be dismissed.

Findings and Analysis

19. This Court has considered the submissions advanced by learned counsel for the parties and has perused the FIR and the material placed on record. At the outset, it is required to be noted that while exercising jurisdiction under Section 528 of the BNSS, this Court is required to examine whether the allegations contained in the FIR, taken at their face value and accepted in their entirety, disclose the commission of an offence. At this stage, this Court is not required to undertake an appreciation of evidence or adjudicate upon the truthfulness of the allegations.

20. Before advertent to the facts of the present case, this Court considers it appropriate to refer to the principles governing the exercise of jurisdiction under Section 482 Cr.P.C., as succinctly reiterated by the



Supreme Court in *Neeharika Infrastructure (P) Ltd. v. State of Maharashtra*, (2021) 19 SCC 401. The relevant observations are reproduced hereunder:

“33.12. The first information report is not an encyclopaedia which must disclose all facts and details relating to the offence reported. Therefore, when the investigation by the police is in progress, the court should not go into the merits of the allegations in the FIR. Police must be permitted to complete the investigation. It would be premature to pronounce the conclusion based on hazy facts that the complaint/FIR does not deserve to be investigated or that it amounts to abuse of process of law. After investigation, if the investigating officer finds that there is no substance in the application made by the complainant, the investigating officer may file an appropriate report/summary before the learned Magistrate which may be considered by the learned Magistrate in accordance with the known procedure.

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33.15. When a prayer for quashing the FIR is made by the alleged accused and the court when it exercises the power under Section 482CrPC, only has to consider whether the allegations in the FIR disclose commission of a cognizable offence or not. The court is not required to consider on merits whether or not the merits of the allegations make out a cognizable offence and the court has to permit the investigating agency/police to investigate the allegations in the FIR.”

21. The principal submission on behalf of the petitioner is that the dispute arises out of commercial transactions between the parties and that



the subsequent failure to discharge the outstanding liability cannot, by itself, constitute an offence of cheating. There can be no dispute with the proposition that a mere breach of a contractual or commercial obligation, in the absence of dishonest or fraudulent intention at the inception of the transaction, would not constitute the offence of cheating.

22. However, in the present case, the allegations contained in the FIR, read as a whole, are not confined to mere non-payment of an outstanding amount. It is specifically alleged that, after having established a relationship of trust with the complainant and after making representations regarding their ability and intention to clear the dues, the accused persons obtained jewellery worth approximately ₹1.48 crore on credit. It is further alleged that the complainant, relying upon such representations and the previous course of dealings between the parties, was induced to part with the said jewellery.

23. The FIR further alleges that the accused persons had represented that they were temporarily short of liquid funds and had assured the complainant that the outstanding dues would be cleared within a short period. The complainant has specifically alleged that such representations were false and were made with dishonest intention to induce delivery of the jewellery.

Relevant portion of the said FIR are reproduced hereinbelow:

“Initially, payments were made promptly by Accused No. 1 at the time of purchase, which further fortified the Complainant's trust in them.

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That later on, both Accused No. 1 and Accused No. 2 visited the Complainant's showroom and expressed their desire to purchase jewellery items



for an upcoming wedding. During the said visit, the Accused persons represented that they were temporarily short of liquid funds and, therefore, requested that the jewellery be provided to them on a credit basis. They gave repeated assurances that, being longstanding and regular customers of the Complainant, they would clear the dues within a short period.

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Relying upon their prior conduct of timely payments, their introduction through Mr. Mahender Khera ... and the trust they had cultivated by making high-value purchases in the past, the Complainant was induced to part with further jewellery on credit, supported by approval vouchers duly acknowledged by the Accused”

24. At this stage, this Court cannot determine whether the aforesaid allegations are true or whether the petitioner had, in fact, dishonest intention at the inception of the transaction. The fact that payments had admittedly been made in respect of earlier transactions may be a circumstance relevant to the determination of the existence of dishonest intention, but the effect thereof can only be assessed upon consideration of the evidence. It cannot, at this stage, be held to conclusively negate the specific allegations contained in the FIR in respect of the subsequent credit transactions.

25. Similarly, the allegation regarding the bank account being reflected as “debit frozen”, the issuance of the cheque for ₹60 lakh, and the subsequent conduct attributed to the accused persons are matters which would require examination on the basis of evidence. This Court cannot, in exercise of jurisdiction under Section 528 of the BNSS, determine whether these circumstances establish dishonest intention from the inception or



merely reflect a subsequent inability to discharge the outstanding liability.

26. It is also relevant that the FIR contains specific allegations of inducement preceding the delivery of the jewellery and does not merely allege that, after a concluded sale transaction, the accused failed to make payment. Consequently, the submission that the matter is purely civil or commercial in nature cannot, at this stage, by itself constitute a ground for quashing the FIR.

27. As regards the offence under Section 61 of the BNS, the FIR contains allegations that the accused persons acted in concert and pursuant to a premeditated design. Whether such allegations are ultimately substantiated and whether the requisite agreement or common design constituting criminal conspiracy is established are matters which would depend upon the material collected during investigation and the evidence led at trial. This Court, at the present stage, would not undertake an appreciation of such evidence.

28. The submission regarding other criminal cases allegedly pending against the petitioner also cannot, by itself, be determinative of the present proceedings. The present petition has to be examined on the allegations contained in the FIR and the material relevant to the present case.

Conclusion

29. Thus, on a holistic reading of the FIR, this Court is unable to hold that even if the allegations contained therein are accepted in their entirety, no offence is disclosed. The present case, therefore, does not fall within the category of cases warranting exercise of the inherent jurisdiction of this



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Court for quashing of the FIR at the threshold.

30. Accordingly, the present petition is dismissed.

31. It is, however, clarified that the observations made herein are confined solely to the adjudication of the present petition under Section 482 Cr.P.C., and shall not be construed as an expression on the merits of the case.

32. The learned Trial Court shall consider the case independently on its own merits, uninfluenced by any observations made in the present judgment. The investigating agency shall proceed with the investigation in accordance with law, and all rights and contentions of the parties are left open to be urged before the competent court at the appropriate stage.

33. Pending application(s), if any, also stand disposed of in the aforesaid terms.

MADHU JAIN
(JUDGE)

OCTOBER 6, 2026/RM