



2026:DHC:223



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

% *Reserved on: 19th November, 2025*
Pronounced on: 12th January, 2026

+ **CRL.M.C. 1146/2017, CRL.M.A. 4730/2017 (stay)**

1. **SHRI AMIT JAIN**
S/O LATE SHRI HANS KUMAR JAIN
R/O BQ-58, THIRD FLOOR,
SHALIMAR BAGH, NEW DELHI

2. **SHRI NIMIT JAIN**
S/O LATE SHRI HANS KUMAR JAIN
R/O BQ-58, THIRD FLOOR,
SHALIMAR BAGH, NEW DELHI

.....Petitioner

Through: Mr. Fanish K Jain, Mr. Shri Harsh,
Mr. Abhishek Shokeen, Advocates.

versus

M/S. MURTI UDYOG LIMITED
THROUGH ITS DIRECTOR
REGD. OFFICE AT 10133-36,
MODEL BASTI INDUSTRIAL AREA,
EAST PARK ROAD,
OPP.; FILMISTAN CINEMA, DELHI-110006

.....Respondent

Through: Mr. S.C. Singhal, Advocate

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. Petition filed under Section 482 of the Code of the Criminal Procedure, 1973 (*hereinafter referred to as "CrPC"*) on behalf of the



Petitioners seeking quashing of the **summoning Order dated 29.01.2015**, whereby Ld. MM summoned **Petitioner No.1/Sh. Amit Jain** for offences under **Sections 420/506 of the Indian Penal Code, 1860** (*hereinafter referred to as "IPC"*) and **Petitioner No.2/Sh. Nimit Jain** for the offence under **Section 506 IPC**, in *CC No. 77/4/14* titled, "*Murti Udyog Ltd. vs. Sh. Amit Jain and Ors.*" and the proceedings emanating therefrom.

2. The **brief facts of the case** are that Petitioner No.1 was the sole proprietor of M/s P.P. Metal Industries, operating at *458/466, Shambhu Nath Compound, Friends Colony Industrial Area, Shahdara, Delhi*. The said business was closed in **December, 2012**.

3. Petitioner No.2 is the real brother of Petitioner No.1. Apart from the Petitioners, one *Rajender Prasad Jain* was initially arrayed as an accused in the Complaint and summoned under Section 506 IPC. Subsequently, after the passing of the summoning Order, the Respondent sought amendment of the Memo of Parties and the *father of the Petitioners* was arrayed as an accused in place of Sh. Rajender Prasad Jain, but he has already expired.

4. The Respondent alleged in the Complaint, that Sh. Rajender Prasad Jain was a partner in M/s P.P. Metal Industries, and that Petitioner No.1, through a Broker, contacted the Respondent/M/s Murti Udyog Ltd. on **19.09.2012** for supply of Aluminium wire rods, which were supplied to the Respondent on **30.09.2012**. An Invoice No. 347 for a sum of **Rs.15,23,214/-** was raised. It is further alleged that the goods were transported through **M/s Puran Bharat Road Carrier** *vide G.R. No. 60987* dated **30.09.2012** by **Truck No. HR-55C-2536**, received on the early morning of **01.10.2012**, and payment was agreed to be made by **06.10.2012**.



5. It is further alleged that when the Respondent's representative approached Petitioner No.1 on **06.10.2012** for payment, Petitioner No.1 expressed inability due to non-availability of funds and promised payment on **08.10.2012**. It was claimed that Petitioner No.1 was not available on 08.10.2012, and Petitioner No.2 and the father of the Petitioners informed the representative that Petitioner No.1 was hospitalized and asked him to return after two days.

6. It is further alleged that on **11.10.2012**, the premises of the Firm were found locked and the stock removed. The Respondent claims that upon contacting Petitioner No.1 telephonically, Petitioner No.2 attended the call and stated that the Petitioners had suffered losses. It is further alleged that the Petitioners threatened the Respondent and the broker with dire consequences and claimed to have links with local goons. The Petitioners therefore, cheated the Respondent, for which a Complaint dated **28.01.2013** was made to the **DCP, Daryaganj**, but no action was taken.

7. The Respondent filed a Complaint under **Section 200 CrPC** before the Ld. MM. In pre-summoning evidence, the Respondent Company examined **CW-1, Sh. Naveen Goel**, the Director who deposed that all three accused were partners in M/s P.P. Metal Industries and that the goods were received by the staff of the accused, though he could not disclose the name of any such staff.

8. **CW-2, Sh. Maya Ram**, who was running M/s Puran Bharat Road Carrier, deposed that delivery was made on **01.10.2012**, but he could not tell the name of the staff who received the goods.

9. It is submitted that solely on the basis of the Complaint and the pre-summoning evidence of CW-1 and CW-2, the Ld. MM, *vide* **Order dated**



29.01.2015, summoned the Petitioner No.1 for offences under **Sections 420/506 IPC**, and Petitioner No.2 for the offence under **Section 506 IPC**.

10. **Aggrieved by the summoning Order dated 29.01.2015, the Petitioners have preferred the present Petition on the grounds** that the summoning Order does not record any reasons, nor does it disclose how a *prima facie case* is made out against the Petitioners. *Further, the Complainant/Respondent in his pre-summoning evidence has failed to disclose the name of the person who allegedly received the goods. In the absence of the name of the person who received goods in cannot be presumed that the goods were delivered to the Petitioners. Admittedly, the goods were not received by the Petitioners.*

11. The Respondent has itself alleged, *“Shri Amit Jain refused to come on phone and clearly stated that they had gone in losses and they had no option to receive the material in this manner so as to recover their losses”*. The said averment of the Respondent in the Complaint signifies that the Petitioners have refused to take the delivery of the goods.

12. Furthermore, merely because the price of the goods supplied in a business transaction is not paid, it would not constitute an offence under Section 420 IPC.

13. The Respondent/Complainant has till date neither issued any demand notice to the Petitioners demanding the price of the good allegedly supplied nor any suit for recovery has been filed against the Petitioners. There is no averment in the Complaint or in the pre-summoning evidence as to *any dishonest inducement*, by the Petitioners to deliver goods, to the Respondent. It is submitted that the present issue falls within the ambit of



Civil dispute for recovery and no offence under Section 420 IPC is made out.

14. It is further asserted that the Respondent is a legal entity and the Respondent has not explained to whom the alleged threats were extended on behalf of the Respondent and the person named in the Complaint i.e. Shri Maharaj Singh to whom the alleged threats have also been extended, has not been examined as witness. There is no evidence of these alleged threats extended and hence, summoning under Section 506 IPC is bad in law.

15. *Hence, a prayer is made for quashing of CC No. 77/4/14 and the summoning Order dated 29.01.2015.*

16. A compilation of judgments has been filed by the Petitioners, in support of the contentions made in their Petition. Reliance is placed on Anukul Singh vs. State of U.P. and Anr., 2025 INSC 1153 decided on 24.09.2025; M/s Shikhar Chemicals vs. The State of U.P. and Anr., SLP (Crl.) No. 11445/2025 decided on 04.08.2025; Hridaya Ranjan Prasad Verma & Ors. vs. State of Bihar and Anr., (2000) 4 SCC 168; Dalip Kaur and Ors. vs. Jagnar Singh and Anr., (2009) 14 SCC 696; Deepak Gaba and Ors. vs. State of U.P. and Anr., (2023) 3 SCC 423; Samir Sahay vs. State of U.P. and Anr., 2017 SCC OnLine SC 1285; Sarabjit Kaur vs. State of Punjab and Anr., 2023 SCC OnLine SC 210; Vijay Kumar Ghai and Ors. vs. State of W.B. and Ors., 2022 SCC OnLine SC 344.

17. **Respondent/M/s Murti Udyog Ltd.** in its **Reply** has vehemently opposed the allegations made in the present Petition.

18. It is claimed that the Petitioners purchased the goods with a dishonest intention and falsely represented that payment for the supplied goods would be made. However, instead of making the payment, the Petitioners retained



the goods without payment, despite the transaction not being on a credit basis. It is a clear case of cheating, as the supply would not have been made but for the Petitioners' assurance of payment upon delivery. The Petitioners, acting with *mala fide* and deliberate intent, induced the Respondent to supply the goods on the assurance of immediate payment. Accordingly, the Respondent has been rightly summoned, and the present petition is not maintainable at this initial stage.

19. *On merits*, the averments of the Petitioners are denied. It is submitted that the Ld. MM was fully competent to take cognizance on the basis of material available on record and to summon the Petitioners. Furthermore, the evidence cannot be re-appreciated in the present proceedings at this stage.

20. *Hence, the present Petition is liable to be dismissed.*

Submissions heard and record perused.

21. The present petition arises out of a private Complaint filed by the Respondent/Complainant, M/s Murti Udyog alleging offences under Sections 420 and 506 IPC in relation to a commercial transaction pertaining to the supply of aluminium wire rods. It is alleged that Petitioner No.1, Sh. Amit Jain, the sole proprietor of M/s P.P. Metal Industries, placed an Order for supply through a broker on 19.09.2012, pursuant to which goods worth Rs. 15,23,214/- were supplied on 30.09.2012. The Respondent claims that despite assurances of payment upon delivery, the Petitioners failed to make payment but retained the goods, and subsequently issued threats when payment was demanded.

22. The Respondent had also filed an Application under Section 156(3) CrPC which was dismissed by the Ld. MM *vide* Order dated 26.06.2013.



The said Order was challenged by way of a Revision Petition wherein Ld. ASJ upheld Order of Ld. MM on 05.12.2013. Ld. ASJ observed that the dispute in the present case is *purely for payment of money of the goods supplied and essentially the matter is civil in nature*, which does warrant registration of FIR.

23. Based on the same allegations, a Complaint under Section 200 CrPC was filed, leading to the summoning of Petitioner No.1 for offences under Sections 420/506 IPC and Petitioner No.2/Sh. Nimit Jain under Section 506 IPC *vide* Order dated 29.01.2015.

24. Thus, the moot question for adjudication is ***whether the allegations in the Complaint, disclose the commission of any cognizable offence so as to justify continuation of the criminal proceedings?***

Allegations under Section 420 IPC:

25. A bare perusal of the Complaint dated 28.01.2013 made to the DCP and Complaint dated 15.02.2013 under Section 156(3) CrPC, on the basis of which the Respondent filed a Complaint under Section 200 CrPC before the Ld. MM, reveals that the entire foundation of the allegations rests on non-payment of amount after delivery of goods.

26. The Complaint itself records that the transaction was negotiated through *one Sh. Maharaj Singh*, a broker *and* goods were supplied against a duly raised Invoice and payment was agreed to be made after receipt of goods. There is no allegation whatsoever that at the time of placing the Order, the Petitioners made any false representation as to their capacity or intention to pay, nor is any material pleaded to suggest that the Petitioners never intended to honour the transaction at its inception.



27. Instead, the Respondent's own case demonstrates prolonged negotiations and demands for payment, thereby negating the essential ingredient of *deception at inception*, which is a necessary requirement to constitute an offence under Section 420 IPC.

28. Herein, it is pertinent to refer to the case of *Hridaya Ranjan Prasad Verma vs. State of Bihar*, (2000) 4 SCC 168, wherein the Apex Court held as under:

“15. In determining the question it has to be kept in mind that the distinction between mere breach of contract and the offence of cheating is a fine one. It depends upon the intention of the accused at the time to inducement which may be judged by his subsequent conduct but for this subsequent conduct is not the sole test. Mere breach of contract cannot give rise to criminal prosecution for cheating unless fraudulent or dishonest intention is shown right at the beginning of the transaction, that is the time when the offence is said to have been committed. Therefore it is the intention which is the gist of the offence. To hold a person guilty of cheating it is necessary to show that he had fraudulent or dishonest intention at the time of making the promise. From his mere failure to keep up promise subsequently such a culpable intention right at the beginning, that is, when he made the promise cannot be presumed.”

29. Further, the Apex court in *AM Mohan vs. State Represented by SHO & Another*, 2024 INSC 233 observed as under:

“13. It could be thus seen for attracting the provision of Section 420 of IPC, the FIR/complaint must show that the ingredients of Section 415 of IPC are made out and the person cheated must have been dishonestly induced to deliver the property to any person; or to make, alter or destroy valuable security or anything signed or sealed and



capable of being converted into valuable security. In other words, for attracting the provisions of Section 420 of IPC, it must be shown that the FIR/complaint discloses:

- (i) the deception of any person;*
- (ii) fraudulently or dishonestly inducing that person to deliver any property to any person; and*
- (iii) dishonest intention of the accused at the time of making the inducement.”*

(Emphasis supplied)

30. The Apex Court in Ashok Kumar Jain vs. State of Gujarat, 2025 INSC 614 decided on 01.05.2025, relied upon Hridaya Ranjan Prasad Verma, (supra) and AM Mohan, (supra) while dealing with a commercial transaction involving supply of goods, delayed/non-payment of consideration and allegations of cheating and criminal breach of trust, reiterated the settled position of law that mere non-payment of sale consideration, does not *ipso facto* constitute offences under Sections 406 or 420 IPC, **unless dishonest or fraudulent intention is shown to exist at the inception of the transaction.**

31. The Apex Court thus, held that a purely *civil dispute* cannot be permitted to be given a criminal colour, and continuation of such proceedings would amount to an abuse of the process of law. It is further noted, “*Further, what begs the question is whether such non-payment of the sale price can be an offence of criminal breach of trust and cheating at the hands of the second respondent. The answer is clearly no.*”

32. Furthermore, in the case of Anukul Singh vs. State of U.P. and Anr., 2025 INSC 1153 decided on 24.09.2025, the Apex Court observed that the matter concerning repayment of loan money and the alleged coercion in execution of documents, is purely civil in character. In this case, the Court



placed reliance on *Indian Oil Corporation vs. M/s. NEPC India Ltd.*, (2006) 6 SCC 738 wherein it was held that criminal law cannot be used as a tool to settle scores in commercial or contractual matters, and that such misuse amounts to abuse of process.

33. ***Applying the above principles to the present case***, even if the allegations in the Complaint are accepted at their face value, the dispute emanates from an admitted commercial transaction involving supply of goods and alleged failure to make payment thereafter. There is no specific averment or material indicating dishonest intention on the part of the Petitioners at the time of placing the Order or at the inception of the transaction.

34. *Here, a reference is also made to the pre-summoning evidence adduced by the Respondent/Complainant.*

35. The pre-summoning evidence of ***CW-1/Naveen Goel***, Director of Complainant Company admits that this was the first transaction between the parties and that the goods were received by the staff of the accused, though he is unable to identify the person who allegedly took delivery. CW-1 does not depose to any specific false representation or deception practiced at the time of placing the order. His statement that the payment was not made “*because they had dishonest intention from the starting,*” is a mere opinion unsupported by any fact.

36. Furthermore, the testimony of ***CW-2/Sh. Maya Ram***, the representative of the Pooran Bharat Road Carriers, the Transporter, further undermines the prosecution case. CW-2 merely proves the factum of transportation and delivery of goods and categorically states that he cannot tell the name of the person who took delivery. He does not depose to any



role of the Petitioners in receiving the goods dishonestly. At best, his testimony establishes the completion of delivery pursuant to a commercial transaction.

37. Thus, a holistic reading of the Complaint, the pre-summoning evidence and the material placed on record, reflects that the essential *ingredient of deception* under Section 420 IPC, is conspicuously absent. The allegations, at best, discloses a dispute relating to non-payment of sale consideration arising out of a commercial transaction, for which the remedy lies in civil law. No *prima facie* case of Cheating under Section 420 IPC is made out.

Offence under Section 506 IPC:

38. The allegations relating to criminal intimidation under Section 506 IPC, are equally vague and omnibus. The Complaint does not specify the exact words used, the date or time of the alleged threats, or the individual role attributed to each Petitioner. The alleged threats are stated in a generalized manner. The relevant portion of the Complaint is reproduced as under:

*“7. That in the above said facts & circumstances, the undersigned had no option then to contact telephonically but Telephone No.09999943575 of **Shri Amit Jain** was attended by **Shri Nimit Jain** and **Shri Amit Jain** refused to come on phone and clearly stated that they have gone in losses and they had no option to receive the material in this manner so as to recover their losses.*

8. That not only this, he clearly threatened that the undersigned should not pressurize them to make payment as such pressurization would doing a serious consequences. The undersigned continuously made attempt



*to contact Shri Amit Jain and after 15 days was able to establish contact with Shri Amit Jain **who also repeated the same threats**. In these circumstances the undersigned contacted the broker Shri Maharaj Singh and along with him visited to the residence of the accused at 69B, BW Apartments, Shalimar Bagh, Delhi and Sh. Maharaj Singh also persuaded them to make the payment but all the three were **very rude and threatened that how dare to come to their house and if they do not leave then they would suffer dire consequences**.*

*9. **That they clearly threatened that they have contacts with local goons and if they will not leave the place, they will call such goons to sell all of us right**. On these threats, the undersigned came under shock and surprised that the aforesaid persons collectively cheated the complainant with malafide intentions from the very beginning as it was disclosed by them.*"

39. Neither CW-1 nor CW-2 has deposed to any specific threat, words, conduct, or circumstance amounting to criminal intimidation. It is well settled that bald assertions of threats, unaccompanied by particulars or corroboration, do not satisfy the legal threshold for constituting an offence of criminal intimidation. Even the pre-summoning evidence does not advance the Respondent's case.

40. There is thus, no material on record to demonstrate either the requisite *mens rea* to threaten or the existence of any threat capable of satisfying the essential ingredients of Section 506 IPC.

Conclusion:

41. In view of the aforesaid discussion, CC No.77/4/14 along with the summoning Order dated 29.01.2015 and all consequential proceedings emanating therefrom, is hereby **quashed**.



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42. The Petition is accordingly disposed of.
43. Pending application(s), if any, stand disposed of accordingly.

(NEENA BANSAL KRISHNA)
JUDGE

JANUARY 12, 2026

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