



* IN THE HIGH COURT OF DELHI AT NEW DELHI

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*Reserved on: 20th August, 2025
Pronounced on: 21st November, 2025*

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CRL.M.C. 2953/2021, CRL.M.A. 18572/2021

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.....Petitioners

Through: Mr. Vipul Wadhwa, Ms. Kashika Gera, Advocates.

versus

1. **THE STATE OF NCT OF DELHI**
2. **ANGLE INFRASTRUCTURE PVT. LTD.**
THROUGH ITS DIRECTOR MR. RAJIV NARDA
201, ELEGANCE TOWER, PLOT NO.8,
DISTRICT CENTER, JASOLA
DELHI-110025
krrishinfra@yahoo.com

.....Respondents

Through: Mr. Shoaib Haider, APP for the State
with SI Amit Tyagi, P.S. EOW
Ms. Rebbecca John, Senior Advocate
with Mr. Gurpreet Singh, Mr. Prabir
Singh, Mr. Bakul Jain and Mr. Jatin
S. Sethi, Advocates for R-2.

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. Petition under Section 482 of the Code of Criminal Procedure, 1973 (*hereinafter referred to as "Cr.P.C."*) has been filed on behalf of the Petitioners for setting aside Order dated 19.07.2021 passed in CrI. Revision No.67/2020 by learned ASJ-02, New Delhi *vide* which the Order of learned ACMM dated 22.12.2020 directing registration of FIR on the Application under Section 156(3) Cr.P.C., was set aside.



2. ***Briefly stated***, Complaint under Section 200 Cr.P.C. had been filed on behalf of the Petitioner, a Hindu Undivided Family (HUF), engaged in business of manufacturing and export of garments. Some time in the month of August, 2018, ***Directors of Angle Infrastructure Pvt. Ltd. (Respondent No.2 Company), namely, Mr. Amit Katyal and Mr. Rajiv Narda*** approached the Petitioners with an investment proposal and represented Mr. Amit Katyal to be the sole and absolute owner of a parcel of land admeasuring 13.456 acres located at Section-70, Gurgaon, Haryana (*'Schedule Land'*). They further represented that Respondent No.2 Company has been granted a License bearing No.170/2008 for the development of a residential complex comprising of Apartments, villas, etc. on the Schedule Land (*'Florence Estate'*).

3. At the relevant time, Mr. Amit Katyal was 99.9% shareholder of Respondent No.2 Company and Mr. Rajiv Narda was a Director. They both represented that in terms of the Policy for creating Transit Oriented Development (TOD), issued by the Town and Country Planning Department *vide* Notification dated 09.02.2016, Developers including the Respondent No.2 Company, have been permitted additional Floor Area Ratio (FAR) for commercial use for Projects falling within the TOD Zone. They further represented that the Schedule Land to the extent of 31 Kanal and 9 Marla falls within the TOD Zone and therefore, *Respondent No.2 Company is entitled to additional FAR for Florence Estate for the commercial use in terms of the Notification.*

4. It was further represented that Respondent No.2 Company was in need of funds for the purpose of obtaining requisite permissions, Letter of Intents (*'LoI'*), etc. for additional FAR and for changing the land use to



commercial. Meetings were held between the Petitioner and Directors of Respondent No.2 Company on numerous occasions and various terms were negotiated. On the basis of the endorsement and representations of Mr. Amit Katyal and Mr. Rajiv Narda and purely on the basis of assurance given by them, an MoU dated 16.08.2018 was executed between the Petitioners and Respondent No.2 Company and *Venta Realtech Pvt. Ltd. ('VRPL')* was the confirming party to the MoU.

5. In terms of MoU, the Petitioners were to invest Rs.10,00,00,000/- as investment in Respondent No.2 Company. Out of total Investment, Respondent No.2 Company acknowledged the receipt of Rs.5,00,00,000/-. The Petitioners have asserted that till date of filing of Complaint, they had invested Rs.8,38,91,000/- in Respondent No.2 Company.

6. As per MoU, Respondent No.2 Company was to obtain the LoI within a period of 30 days from the signing of the MoU. Furthermore, as was guaranteed by Respondent No.2 Company, it had to utilise the initial investment of Rs.5,00,00,000/- solely for the purposes of paying the requisite fees to the concerned authorities for the purposes of availing the additional FAR and for the purposes of conversion of land use to commercial.

7. In order to secure the Petitioners' investment, Respondent No.2 Company allotted 09 Apartments in Florence Estate, Sector-70, Gurugram, Haryana in favour of the Petitioners. Confirming Party to the MoU i.e. VRPL also allotted two Apartments in favour of the Petitioners admeasuring 5450 sq. Feet each in its Project '*Monde De Provence*'.

8. Mr. Amit Katyal, who was the 99.99 percent shareholder of Respondent No.2 Company, was also a majority shareholder in VRPL.



Further, even on behalf of VRPL, MoU has been entered by Mr. Rajiv Narda, who is also a Director of VRPL. Mr. Amit Katyal is virtually the mind and will of Respondent No.2 Company as well as VRPL.

9. Respondent No.2 Company represented that Florence Estate is being developed by it, whereas *Monde De Provence* is being developed by the MoU confirming party VRPL. It was also represented that Securities created in favour of the Petitioners, were fully paid up and that there was no impediment in the way of the Petitioners to invoke the Securities in terms of the MoU. Furthermore, in terms of MoU, upon the receipt of the LoI, Respondent No.2 Company was required to immediately inform the Petitioners in writing of the receipt of such LoI and supply a copy of the same to them.

10. Respondent No.2 Company also undertook to put in its best efforts to sell, in the presence of the Petitioners and subject to their consent, the FSI (whole or in part) to the prospective buyers within a period of 60 days from the date of the receipt of the LoI. In the event of failure of Respondent No.2 Company to do so with the stipulated period, Petitioners were at absolute liberty to sell the Security Interest in the open market.

11. Petitioners assert that Respondent No.2 Company failed to inform them about receipt of LoI, which was supposed to be done within 30 days of signing of MoU. Petitioners assert that they found that Respondent No.2 Company had no authority to apply for LoI without obtaining No-Objection from existing flat owners of the Project. Respondent No.2 Company, *vide* its Letter dated 27.07.2016, had requested Krrish Florence Estate Buyers Welfare Association for their objections/consent to its proposal to construct additional commercial towers in the Project, which had been refused by the



Association vide Letter dated 01.09.2016 as well as several individual homebuyers.

12. Petitioners also came to know that Respondent No.2 Company through its Directors had applied for additional FAR for 23,353 sq. mts. (251048 sq. Ft), whereas as per MoU, it was represented that Respondent No.2 Company would be applying for additional 3,90,000 sq. ft. It is claimed that Respondent No.2 Company made false representations to the Petitioner with the sole objective of inducing them to part with their hard-earned money.

13. Furthermore, the consent from the existing homebuyers to apply for LoI was not even necessary. In an attempt to invoke the Securities, the Petitioners approached some real estate agents and enquired about current status of the Securities. To their utter dismay and shock, they discovered that the Security Interest given by VRPL Securities is unenforceable, as it was already into insolvency. Further, the purported security interest created in the 09 Apartments in Florence Estate by the Directors of Respondent No.2 Company, was illegal and void. Petitioners discovered that Respondent No.2 Company could have allotted and/or created any interest in the said Apartments only in favour of Central Government employees, as per licence bearing No.170/2008 granted to the Company.

14. Petitioners also realised that ***Recital F (v) of the Apartment Buyer's Agreement***, vide which rights were created by Respondent No.2 Company in favour of the Petitioners, stated, "*the Purchaser(s) is/was an employee(s) of the Central Government of India, employed in the _____ in the capacity of _____ from _____ to _____. There are no conditions imposed on the Purchaser(s) or orders passed against the Purchaser(s) of any nature*



whatsoever from any authority or court, to disqualify the Purchaser(s) from any benefits that are available to any Central Government employee.”

15. In fact, Respondent No.2 Company, *vide* its Letters dated 24.07.2018 and 20.08.2018, had requested the Director, Town and Country Planning to allow it to sell the Units in Florence Estate to the General Public as well. Thus, on the date of the signing of the MoU and in fact even till date, no such permission has been granted to Respondent No.2 Company.

16. Further, it has come to the knowledge of the Petitioners that Respondent No.2 had allotted Apartments to other members of public, Companies, etc., who were not Central Government employees. It seems that Respondent No.2 Company and its Directors are involved in massive scam, duping innocent buyers of their hard-earned money.

17. It is clear that no rights could have been created in favour of the Petitioners since they were not Central Government employees. Respondent No.2 Company and its Directors were at all times very well aware of the fact that the Petitioners are not Central Government employees.

18. Petitioners further asserted that they were shocked to note that the Agreements were purportedly signed and executed in the year 2015, while the MoU was entered in 2018, making it preposterous to even imagine that any Agreement was entered into between the parties in 2015.

19. On 01.11.2019, Petitioners wrote to Respondent No.2 Company terminating the MoU and sought refund of the total Invested Amount, i.e. Rs. 8,38,91,000/-. Instead of accounting for the investment made by the Petitioners and / or refunding it, Respondent No.2 Company, *vide* its Letter dated 06.11.2019, admitted having approached the Petitioners for funds for the purposes of obtaining the LoI and also admitted that despite repeated



follow-ups, it was not able to obtain the LoI so far. They also admitted that the Agreements pertaining to Florence Estate are pre-dated, though they denied their responsibility by calling it an '*inadvertent error*'. They also blatantly refused to refund the money invested by Petitioners.

20. Petitioners assert that they were **induced** by Respondent No.2 Company to part with their hard-earned money on false representations and had created a false security interest for their investment. Respondent No.2 Company had intention to cause wrongful loss to the Petitioners as is evident from the aforesaid facts. The accused persons committed offence punishable under Section 109/120B/403/405/406/ 417/420 IPC. Petitioners thus filed *Complaint dated 05.09.2020 at P.S. Mandir Marg, EOW* and annexed all the documents therein, but no action was taken by the Police.

21. Thereafter, Petitioners filed a Representation dated 24.09.2020 before DCP, EOW, but again, no action was taken. This compelled the Petitioners to approach the Court of learned MM.

22. **Learned ACMM** in Application under Section 156(3) Cr.P.C. annexed with the Complaint under Section 200 Cr.P.C., considered all the aforesaid facts and *held that the allegations made in the Complaint disclose that Respondent No.2 Company had made representations about the project and induced the Petitioners to part with their hard-earned money*. They have not carried out any of its promises. Further, in respect of issue of advancing money, Respondent No.2 Company had tried to explain that it may have been some inadvertent error in mentioning the date on the Agreements. The Website of Respondent No.2 Company was also in existence mentioning about the nature of flats. Considering the entire set of



facts, *directions were issued to DCP, EOW to register the FIR under appropriate provision of law and to carry out investigations.*

23. Aggrieved by the said Order, Respondent No.2 Company preferred a ***Revision Petition No.370/2020 before learned ASJ*** and vide Order dated 19.07.2021, ***learned ASJ allowed the same and set aside Order dated 22.12.2020*** of the learned ACMM observing that the impugned Order was silent on certain crucial aspects and following questions had been put by the Court:

- “1. *What are the offences alleged qua which the investigation is required to be carried out?*
2. *What is the requirement of police intervention in the instant matter?*
3. *On what basis, Ld. ACMM has assumed the jurisdiction upon the impugned matter?”*

24. These three questions were considered in detail and it was concluded that there was no *prima facie* offence disclosed from the averments made in the Complaint and the impugned Order of learned ACMM dated 22.12.2020 directing registration of FIR, was set aside.

25. *Aggrieved by the Order of learned ASJ dated 19.07.2021, Petitioners have filed present Petition.*

26. The **grounds of challenge** are that at the stage of Section 156(3) Cr.P.C., only relevant fact is to be seen is whether a *prima facie* case is made out, which requires investigation and no mini-trial must be held to ascertain the guilt of the Accused.

27. Learned ASJ has assessed the evidence on record and arrived at a conclusion, at a pre-cognizance stage, that the offenses qua the Accused are



not made out. It has been erroneously records that “*even if we assume for the sake of arguments that the flats in question were purchased by the Respondents, even then no case of deception is made out.*”

28. It is submitted that thorough investigation is indispensable to ascertain whether the Petitioners were deceived to enter into the MoU, since it is the Petitioners case that they were induced to part with their money on the representation made by Respondent No.2 Company, which had created Securities in favour of the Petitioners. It has not been appreciated that Respondent No.2 Company created Security Interest in favour of the Petitioners despite being fully aware that in terms of the License, which mandated that the flats could be allotted/sold to Central Government employees only and Petitioners were not so.

29. Further, it has not been appreciated that the representation made by Respondent No.2 Company in the MoU that there was no impediment in the way of the Petitioners to invoke the Securities in terms of the MoU, was false to the express knowledge of Respondent No.2 Company. It should have been appreciated that Respondent No.2 Company cannot be allowed to approbate and reprobate at the same time.

30. It has further not been considered that these Apartment Buyer’s Agreements were *ante-dated* and the stamp paper to the said Agreements pertained to the year 2015. The Impugned Order suffers from serious factual infirmities and is legally perverse. Learned ASJ should not have undertaken a fact finding exercise at the pre-cognizance stage.

31. Respondent No.2 Company, *vide* Letter dated 06.11.2019, admitted all the pertinent facts reflecting false inducement made by it. The Impugned Order of learned ASJ is patently illegal and it has been erroneously observed



that there was no specific allegations regarding offence of breach of trust/mis-representation. Respondent No.2 Company has failed to utilise the amount of Rs.8,38,91,000/- in accordance with the terms of MoU.

32. *In the end*, it is submitted that the learned Revision Court has somehow been given an impression that the dispute in question is *purely civil in nature*, as Respondent No.2 Company has taken unilateral steps to appoint the Arbitrator. Even if a civil dispute has been initiated by Respondent No.2 Company, it is not sufficient to absolve it from the prosecution for various offences.

33. *The Impugned Order is therefore, illegal and may be set aside and the Order of learned MM directing registration of FIR be restored.*

34. **A detailed Reply has been filed on behalf of Respondent No.2 Company, M/s Angle Infrastructure Pvt. Ltd.** wherein all the averments made in the Petition, are denied.

35. It is submitted that there is no irregularity or illegality in the Order dated 19.07.2021 of learned ASJ which is based on correct proposition of law and appreciation of facts. The learned ACMM had in a mechanical manner directed registration of FIR under Section 156(3) Cr.P.C against the Respondent without going through the facts of the case as no offence is made out.

36. It is submitted that Respondent No.2 Company was registered under the Companies Act. A detailed reference is made to the Order of learned ASJ who has succinctly narrated the infirmities in the Order of learned MM while setting it aside. The learned Revisional Court exercised its jurisdiction under Section 397 Cr.P.C. to correct the palpable error in non-compliance of



the provisions of law by the learned ACMM. Reliance is placed on *Amit Kapoor vs. Ramesh Chander*, (2012) 9 SCC 460.

37. It is further asserted that the Petitioner/Complainant kept on changing its stances, concealed material information and documents before the learned ACMM. It is not disputed that it has no jurisdiction over the subject matter as was pointed in the ***Status Report*** of Respondent No.1/State. The learned ACMM, however, without giving due consideration to these aspects highlighted in the Status Report, passed an Order for registration of FIR without any justification and the explanation.

38. It is submitted that the Petitioner has present an improved version of the allegations, which at each instance from Complaint to police to the Ld. ACMM to Ld. ASJ, based on concocted facts of the transaction.

39. It is further contended that from the bare perusal of the Complaint, it is evident that the dispute *inter-se* the parties is civil in nature which the Complainant has *malafidely* converted into a criminal one. The present case is a classic example of multifarious litigations which have been instituted by the Complainant against the Krrish Group on the pretext of a single transaction. The learned ASJ has correctly appreciated that “*It is incomprehensible that as to how the Respondents can claim to be cheated in this matter*”.

40. It is further explained that Respondent No.2 is the absolute owner of the parcel of land admeasuring 13.456 acres *vide* registered Sale Deed dated 26.07.2013. The concerned Authorities had approved the development of the land for residential complex by constructing the apartments, villas with suitable infrastructure facilities including basement parking. The license No.170/2008 was granted by Department of Town and Country Planning to



Respondent No.2 to develop the land. In terms of the policy for creating transit-oriented development *vide* Notification dated 09.02.2016 Department of Town and Country Planning permitted the developers for additional floor area ratio for commercial use for construction development in projects within transit-oriented development zone in which the subject land falls. The Company had approached the Petitioners for funds to obtain requisite permissions/ LoI from the concerned Authorities for additional floor area ratio and change of land use to commercial.

41. Accordingly, MoU dated 16.08.2018 was entered between the Respondent No.2, the Petitioner and M/s Venta Realtech and the detailed terms were agreed which were incorporated in the MoU. The payment of Rs.5 Crores was received from the Petitioners and immediately thereafter, on the next day i.e. 17.08.2018 the Application was filed before the Department of Town and Country Planning for additional floor area. However, because of the circumstances beyond its control, the Department did not issue the LoI to the Company.

42. There was no intentional violation of any of the terms of MoU by Respondent No.2 despite which the Petitioner terminated the MoU by letter dated 01.11.2019, even though it had no power to do so. The payments have not been made by the Petitioner in terms of MoU and they have failed to perform their part in terms of MoU. The Notice dated 01.11.2019 was only a desperate attempt of the Petitioners to put undue pressure on the Respondent No.2 Company and to extort money.

43. The termination Notice was replied on 06.11.2019 by the Respondent and reference was made to Clause XVI of MoU which provided for



invoking arbitration in case of unresolved disputes between the parties. The Respondent No.2 sought a meeting to resolve the disputes.

44. The Petitioners failed to disclose the complete facts and claimed that the Company had created rights on flats in the Project Florence Estate, Sector-70, Gurgaon which is exclusively and solely for the benefit of Central Government employees and the Petitioners were kept in dark thereby causing them wrongful loss.

45. The Respondent No.2 has claimed that this averments is absolutely incorrect. The Letter dated 28.08.2015 issued by the Company to the Petitioner No.1 being the *karta* of Petitioner No.4 whereby the flats of Project Florence Estate were offered, it was duly stated that those Flats were intended for Central Government Employees only. This Letter was accepted by the Petitioners and thus, it was within their knowledge that flats in this Project could be sold only to Central Government employees. There was no deception practiced in this regard. Likewise, similar letter was issued to other Petitioners through Petitioner No.1 being the GPA Holder, wherein there was a due disclosure of all the facts.

46. It is further contended that the *Florence Estate Project* was exclusively for Central Government employees and the same was in the public domain as was mentioned on the web site of the Company and almost every real estate brokerage freelancer website. The Petitioners were provided with Brochure of Florence Estate which duly mentioned this fact of flats being for the Central Government employees. All these aspects were duly considered by the Investigating Agency which chose to close the enquiry on the Complaint dated 19.11.2020 filed by the Petitioner.



47. It is further contended that Police Station EOW had no jurisdiction to entertain the present Complaint since the Petitioners resides in South West District and has its registered address in the same District. The Projects are situated in Gurgaon and therefore, the learned ACMM, Patiala House Courts had no jurisdiction to entertain the Complaint.

48. The Respondent has also preferred an Application under Section 340 Cr.P.C pointing out the false averments and misrepresentations made in the Complaint by the Petitioners. It is asserted that it is *a purely civil dispute* and the learned ASJ has rightly considered all the aspect to recall the Order of the ACMM directing registration of FIR.

49. Reliance is placed on Murari Lal Gupta vs. Gopi Singh 2005 13 SCC 699, wherein a similar Complaint under Section 420/406 IPC was filed which was quashed by observing that even if all the allegations made in the Complaint are taken to be true, the offence under Section 420/406 IPC was not made out. The Respondent was granted an liberty to pursue the remedy before the Civil Court.

50. Similar observations were made in the case of Ram Biraji Devi & Anr. vs. Umesh Kumar Singh & Anr., 2006 (5) SCALE 638 and Kusum Sandhu & Anr. vs. Sh. Prakash Narang, 2009 II Advocates (Cr.) (DHC) 161.

51. The Apex Court in the matter of M/s Indian Oil corporation vs. NEPC India Ltd. & Other, AIR 2006 SC 2780 deprecated the tendency to convert a Civil dispute into a Criminal case. Further, Supreme Court in Inder Mohan Goswami & Another vs. State of Uttaranchal and Ors., Appeal (Crl.) 1392 of 2007 observed that initiated criminal proceedings against the Appellant when the dispute essentially was civil in nature, is an abuse of process of



Court. Similar observations were made in All Cargo Movers (I) Pvt. Ltd. & Ors. vs. Dhanesh Badarmal Jain & Anr., Appeal (Crl.) 1443 of 2007, Hotline Teletubes and components Ltd. vs. State of Bihar, (2005) SCC (Cr.) 1515.

52. It is further contended that for committing an offence of *cheating*, the essential ingredient is *dishonest intention since beginning*. Mere breach of Contract cannot give rise to a criminal offence prosecution for cheating unless fraudulent dishonest intention is shown since the beginning of the transaction. For which reliance is placed on Anil Mahajan vs. Bhor Industries, (2006) 1 SCC (Cr.) 746 and Delhi Race Club (1940) Ltd. vs. State of U.P., 2024 SCC OnLine SC 2248.

53. It is further contended that the guidelines have been given in the case of Subhakaran Lulwruka, (supra) and in Om Prakash, (supra) in regard to registration of FIR under Section 156(3) Cr.P.C which have been correctly applied by the learned ASJ to decline the registration of FIR.

54. Reliance is also placed on Rajendra Kumar Sitaram Pande vs. Uttam, (1999) 3 SCC 134; R. Nagender Yadav vs. State of Telengana, (2023) 2 SCC 195; Vesa Holdings Private Limited & Anr. vs. State of Kerala, (2015) 8 SCC 293; Randheer Singh vs. State of UP and Ors., 2021 SCC OnLine SC 942; Satishchandra Ratanlal Sah vs. State of Gujarat, (2019) 9 SCC 148; Deepak Gaba vs. State of UP, (2023) 3 SCC 423; Archana Rana vs. State of Uttar Pradesh, (2021) 3 SCC 751.

55. It is, therefore, submitted that there is no merit in the Petition which is liable to be dismissed.

Submission heard and record perused.



56. The present Petition arises out of a commercial arrangement that got sour, with the Petitioners alleging criminal misconduct on the part of Respondent No.2 Company in relation to both the deployment of invested funds and the delivery of promised residential Units.

(i) Allegation of Fraud in Investment:-

57. The Petitioners contend that the money received by Respondent No.2, was not invested in accordance with the MoU terms and constitutes inducement, deceit, or fraud. Whereas, the Respondent No.2 Company has contended that the Company had invested the money in accordance with the terms of MoU. There is no inducement, deceit or fraud in this regard, which has been considered in great extent by the learned ASJ in the impugned Order.

58. Essentially, the parties had entered into a MoU dated 16.08.2018 in regard to the investments in the Housing Projects undertaken by the Respondent No.2 Company. Detailed terms were agreed in regard to the investments. Admittedly, as per the terms of Agreement, the money Rs.5 crores given by the Petitioners was to be invested for getting the requisite permissions, Letter of Intent (LoI) etc.

59. It is the contention of the Respondent No.2 Company that in terms of the MoU, a Letter dated 20.08.2018 was written by the Company to the Department of Town and Country Planning, praying for amendment in the terms of License. Immediately thereafter, on 29.12.2018, another Letter was written to Department of Town and Country Planning seeking permission for higher FAR.

60. As per the Note sheet dated 05.11.2019 of JE, Headquarter of Department of Town and Country Planning, the action was initiated by the



concerned Department on the request of Respondent No.2. The proposal of the Respondent No.2 was approved by the Department *vide* Letter dated 20.01.2020. Moreover, the Respondent had duly replied *vide* Letter dated 06.11.2019 to the Petitioners that the requisite Applications have been filed before the concerned Department.

61. It is trite law that *not every breach of contract or commercial disagreement can be elevated to the level of criminal prosecution*. There must be clear evidence of *mens rea* at the inception of the transaction.

62. The fact that Respondent No.2 Company pursued this matter through multiple Applications and engaged substantively with the regulatory process, demonstrates a genuine effort to secure the permissions that formed the basis of the investment arrangement; is a conduct which is inconsistent with fraudulent intent.

63. *The learned ASJ rightly declined to permit the investigation for what is essentially a civil dispute.*

(ii) Non-Delivery of Promised Flats:-

64. The *second contention* raised by the Petitioners is that Respondent No.2 had given 9 flats in Project Florence Estate, Sector-70, Gurugram and the confirming party Venta Realtech Pvt. Ltd. (VRPL) had allotted 2 flats in favour of the Complainant in its Project *Monde De Provence*. The Petitioners had vehemently contended that they were cheated as these Apartments could have been allotted only to Central Government employees. According to the Petitioners, this restriction effectively disqualified them from receiving any Unit whatsoever, rendering the entire investment arrangement a fraudulent scheme designed to extract their funds without providing any commensurate benefit.



65. However, as has been detailed by learned ASJ, it was quite evident from the **recitals** in the Apartment Buyers Agreement that the Units could be purchased only by Central Government employees. Not only this, that all these Apartments were intended for Central Government employees, was also published in the **Brochure** and the **Website** of all the real estate Brokers. It was not a fact which was not in public domain or not indicated in the Buyers Agreement for the Petitioners to assert that there was misrepresentation.

66. Furthermore, it cannot be overlooked that these were given as a security interest to the Petitioners. As has been noted by learned ASJ, security interest is distinct from conferring the ownership rights as was sought to be agitated for the first time before the learned ASJ. There was nothing to show that there was an impediment in realization for the security interest in these flats that were created in terms of MoU.

67. It can also not be overlooked that the Petitioners, who felt that the terms of MoU are not been complied with, had terminated it *vide* Termination Letter dated 01.11.2019. It is quite evident from the averments made in the Complaint and as appreciated by the learned ASJ, that the allegations were essentially flowing out of an MoU which according to the Petitioner, was not complied in true spirit. Moreover, as stipulated in Clause XVI of MoU, in case of disputes the parties were at liberty to invoke arbitration.

68. Learned ASJ has in detail considered the averments of the Petitioners to conclude that *it was a case which was essentially containing the allegations of breach of MoU.*



(iii) Whether the Application under Section 156(3) Cr.P.C was rightly allowed by learned ACMM with directions to register the FIR?

69. In this regard reference has been made to Om Prakash, (supra) and Subhkaran Lulwruka, (supra) wherein the Apex Court had given the guidelines that while considering an Application under Section 156(3) Cr.P.C., the Magistrate must form his independent opinion on the basis of *facts whether a cognizable offence is disclosed* against the accused persons arrayed in the Complaint and also to thereafter, assess whether the investigation by the Police is required in the matter. The preliminary enquiry may be done by the SHO, but in case no such enquiry has been done then it is all the more necessary for the Magistrate to consider all the facts and upon satisfaction unless there are exceptional circumstances to be recorded in writing, a Status Report be called from the Police. Thereafter *only if it is felt that the investigations are mandatorily required by the Police that such investigations may be directed*.

70. ***In the present case***, as has been rightly observed the nature of disputes essentially arise from MoU and evidence is essentially documentary in nature. There is nothing highlighted about the requirement of the Police investigations. Moreover, while considering the Complaint under Section 200 Cr.P.C., if the need or assistance or any other investigation is required, the learned ACMM is well empowered under Section 202 Cr.P.C to seek such assistance.

(iv) Issue of Jurisdiction:-

71. In the end, the *fourth aspect* regarding the jurisdictional issue has been raised. However, it is a settled law that even if the FIR is registered in



a Police Station without jurisdiction, the same can always be transferred to the jurisdictional Police Station.

72. However, *since it is not a fit case where the investigation needs to be directed under Section 156(3) Cr.P.C, this aspect is of little significance at this stage.*

Conclusion:-

73. It is hereby concluded that the learned ASJ in its detailed Order has rightly set aside the Order of the learned ACMM and dismissed the Application under Section 156(3) Cr.P.C. There is no merit in the present Petition, which is hereby **dismissed**.

74. The Petition stands disposed of along with the pending Application(s).

(NEENA BANSAL KRISHNA)
JUDGE

NOVEMBER 21, 2025/R/va