



CrL.R.C.(MD)No.75 of 2023

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 23.06.2025

CORAM:

THE HONOURABLE MRS.JUSTICE L.VICTORIA GOWRI

CrL.R.C.(MD)No.75 of 2023

T.Paramasivam

... Petitioner

-VS-

1.The State thro. The Inspector of Police,
Appanthiruppathi Police Station,
Madurai District.

2.N.Rameshkumar

... Respondents

PRAYER : Criminal Review Case filed under 397 r/w. 401 of Cr.P.C., to call for the records from the learned Judicial Magistrate No.V, Madurai and set aside the order in Cr.M.P.No.4670 of 2022 dated 28.11.2022, by allowing the revision petition and consequently directing the 1st respondent to register a case based on the complaint given by the petitioner dated 05.10.2022.

For Petitioner : Mr.R.Santhanam

For 1st Respondent : Mr.S.S.Manoj, Government Advocate (CrL.)

For 2nd Respondent : Mr.S.Poorna Chandran

ORDER

This Criminal Revision Case is filed, challenging the order passed in Cr.M.P.No.4670 of 2022 dated 28.11.2022, on the file of the learned

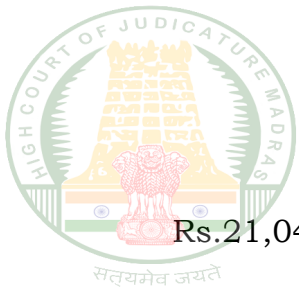


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Judicial Magistrate No.V, Madurai and to direct the 1st respondent to register a case based on the complaint given by the petitioner, dated 05.10.2022.

Factual Matrix:-

2.The petitioner, Labour Contractor by profession and the second respondent entered into an unregistered labour contract for construction of the second respondent's building at UDR Survey No.8/4AB, Alagarkoil Road, Madurai. Under Clause 3 of that contract, 80% of the agreed labour charges were to be paid on completion of the work and the remaining 20% to be paid, nine months thereafter. The rate was fixed at Rs.300/- per square foot. Relying on this, the petitioner raised funds from money-lenders and paid labourers in full. Upon completion, the petitioner claimed a sum of Rs.30,00,000/-, but the second respondent paid only Rs. 21,04,770/-. Hence, a dispute arose between them. Thereby, the petitioner lodged complaints with the police on 08.06.2022 and again on 05.10.2022, alleging deliberate non-payment. However, no action was taken. Consequently, he filed C.M.P.No.4670 of 2022 under Section 156(3) Cr.P.C. The Deputy Superintendent of Police conducted an inquiry and the second respondent admitted liability of Rs.1,00,000/-, which the petitioner declined to receive. The learned Magistrate dismissed the petition on the ground that the petitioner failed to produce any bills, receipts or vouchers to substantiate his claim of having paid labourers in excess of



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Rs.21,04,770/-. Against which, this Criminal Revision Case is filed.

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Submissions:-

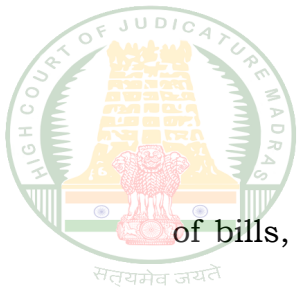
3.The learned counsel appearing for the petitioner submitted that Clause 3 of the contract itself establishes the second respondent's dishonest intention from inception. A *prima facie* case of cheating under Section 420 of IPC is made out by the contract and the second respondent's default. Requiring production of bills and receipts would defeat justice, as payments were made in cash to uneducated labourers.

4.The learned Government Advocate (Criminal) appearing for the first respondent submitted that no documentation, namely, vouchers, bills or subsequent correspondence were placed on record to prove the alleged over-payment. The dispute is purely civil in nature and does not disclose any criminal offence. In absence of any material to *prima facie* show *mens rea* or dishonest inducement, the learned Magistrate rightly dismissed the petition.

5.Heard both sides and carefully perused the materials available on record.

Points for Determination:-

(i) Whether the learned Magistrate erred in holding that, in absence



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of bills, vouchers or receipts, no *prima facie* case of cheating or breach of trust under Sections 420 or 406 of IPC is made out?

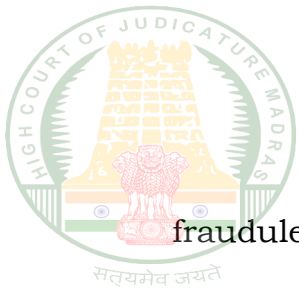
(ii) Whether the matter is one of civil contract alone, unsuitable for criminal prosecution under Section 156(3) of Cr.P.C.?

Discussion:-

6.1. Section 156(3) of Cr.P.C., empowers a learned Magistrate to direct the police to register an FIR whenever a petition discloses a cognizable offence, provided the allegations are supported by material indicating a *prima facie* case.

6.2. Here, the only documentary evidence is the unregistered contract, which by its own terms (Clause 9) envisages arbitration to resolve any dispute. Clause 3 of the contract requires issuance of labour bills to support payment claims. No such bills or vouchers have been produced, despite the petitioner's opportunity to demonstrate that he actually advanced funds to labourers in excess of the contract sum.

6.3. A mere breach of a contractual term, however dishonest, does not automatically constitute the offence of cheating or criminal breach of trust. The Hon'ble Supreme Court has repeatedly held that disputes arising from non-performance of civil contracts must ordinarily be resolved by civil remedy, unless the prosecution is based on clear dishonest inducement or



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fraudulent misrepresentation at the time of contract formation. No such allegations, much less material, exist on record.

6.4.Furthermore, the admission by the second respondent to pay Rs. 1,00,000/- before the Deputy Superintendent of Police indicates that both parties regarded the matter as a quantifiable contract dispute. The learned Magistrate rightly observed that, absent proof of *mens rea* or fraudulent misrepresentation beyond non-payment, no cognizable offence is made out.

Conclusion:-

7.For the reasons foregoing, I find no infirmity in the impugned order. The learned Judicial Magistrate No.V was correct in holding that, in absence of supporting bills or vouchers and any material demonstrating dishonest intention beyond civil breach of contract, no *prima facie* case under Sections 420 or 406 of IPC stood disclosed. Accordingly, this Criminal Revision Case is dismissed. No costs.

23.06.2025

NCC :Yes/No
Index :Yes/No
Internet : Yes
Mrn



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To

- 1.The Judicial Magistrate No.V, Madurai.
- 2.The Inspector of Police,
Appanthiruppathi Police Station,
Madurai District.
- 3.The Additional Public Prosecutor,
Madurai Bench of Madras High Court,
Madurai.



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L.VICTORIA GOWRI, J.

Mrn

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