

02. 21.04.2026.
Court No.237.
(Pritam)

CRR 635 of 2025.

Debabrata Sinha.
-Vs.-
State of West Bengal &Anr.

Mr.Baidurya Ghosal,
Mr. Saikat Mukherjee,
Mr. Sourav Mukherjee.

...for the petitioner.

Mr. Debasish Roy, Ld. APP.,
Mr. Anand Keshari,
Ms. Suparna Chatterjee.

.....fort the State.

This Court finds no justification for permitting the continuance of G.R. Case No. 2238 of 2020 under Sections 409 and 420 of the Indian Penal Code, arising out of Kharagpur (Local) Police Station Case No. 514 of 2020 dated August 25, 2020, presently pending before the learned Additional Sessions Judge, 1st Court, Paschim Medinipur.

It appears that the aforesaid case was initiated against the petitioner on the basis of a First Information Report lodged by the Chief Inspector (Food & Supplies), Paschim Medinipur, by way of a complaint dated August 25, 2020.

In the First Information Report, it was alleged that the rice mill owned by the petitioner, namely Super Rice

Mill Pvt. Ltd., had executed a bipartite agreement with the District Controller of Food & Supplies, Paschim Medinipur, for the acceptance of paddy procured by the Food & Supplies Department at the Centralized Procurement Centre through Direct Purchase Camps, and for the conversion of such paddy into Custom Milled Rice (CMR), followed by delivery of the resultant rice in terms of the CMR (Control and Obligation) Order, 2017-18. It was further alleged that, pursuant to the said agreement, the petitioner's rice mill had submitted an undated cheque for a sum of Rs. 20 lakh in favour of the Food & Supplies Department, Paschim Medinipur.

It was further alleged that the total quantity of paddy handed over to the rice mill was 6824.594 CMR (MT), which obligated the petitioner to deliver 4640.72 CMR (MT). The petitioner, however, delivered only 4032.34 CMR (MT) and failed to deliver the remaining 608.38 CMR (MT).

The informant, therefore, alleged that the petitioner had misappropriated paddy to the extent of 608.38 CMR (MT), equivalent to Rs. 1,76,06,760/-.

Based on the said First Information Report, the aforesaid case was registered against the petitioner. It is, however, an admitted position before this Court that the petitioner has since paid the said sum of Rs. 1,76,06,760/-, along with interest, amounting in total to

Rs. 2,03,81,809/-, to the District Controller (F&S), Paschim Medinipur.

Mr. Baidurya Ghosal, learned advocate appearing for the petitioner, has rightly placed reliance upon the judgment reported in **(2022) 7 SCC 124 (Vijay Kumar Ghai v. State of West Bengal)**, to contend that, in the present case, the essential ingredients of Section 420 of the Indian Penal Code are not made out, as there was no fraudulent or dishonest intention on the part of the petitioner at the inception of the transaction. The relevant portion of the aforesaid judgment is extracted below:

“38. There can be no doubt that a mere breach of contract is not in itself a criminal offence and gives rise to the civil liability of damages. However, as held by this Court in Hridaya Ranjan Prasad Verma v. State of Bihar, the distinction between mere breach of contract and cheating, which is criminal offence, is a fine one. While breach of contract cannot give rise to criminal prosecution for cheating, fraudulent or dishonest intention is the basis of the offence of cheating. In the case at hand, complaint filed by Respondent 2 does not disclose dishonest or fraudulent intention of the appellants.

39. In Vesa Holdings (P) Ltd. v. State of Kerala, this Court made the following observation:

"13. It is true that a given set of facts may make out a civil wrong as also a criminal offence and only because a civil remedy may be available to the complainant that itself cannot be ground to quash a criminal proceeding. The real test is whether the allegations in the complaint disclose the criminal offence of cheating or not. In the present case, there is nothing to show that at the very inception there was any intention on behalf of the accused persons to cheat which is a condition precedent for an offence under Section 420 IPC. In our view, the complaint does not disclose any criminal offence at all. Criminal proceedings should not be encouraged when it is found to be mala fide or otherwise an abuse of the process of the court. The superior courts while exercising this power should also strive to

serve the ends of justice. In our opinion, in view of these facts allowing the police investigation to continue would amount to an abuse of the process of the court and the High Court committed an error in refusing to exercise the power under Section 482 CrPC to quash the proceedings.”

The facts of the case, as noted above, clearly demonstrate that the petitioner delivered 4032.34 CMR (MT) and failed to deliver the remaining 608.38 CMR (MT) in terms of the agreement between the parties.

On the other hand, Ms. Suparna Chatterjee, learned advocate appearing for the State, has contended that the petitioner cannot be absolved of criminal liability merely by repayment of the outstanding dues, as the alleged criminality would nonetheless subsist.

It is well settled that a mere breach of contract, by itself, does not constitute a criminal offence. In the present case, the liability of the petitioner appears to be civil in nature.

It is further evident that the petitioner has already paid a sum of Rs. 2,03,81,809/- to the concerned authorities towards the principal amount along with accrued interest.

In view of the aforesaid facts, this Court finds no justification for the continuation of the present criminal proceedings against the petitioner.

In view of the foregoing, **CRR 635 of 2025** is **allowed**, and the criminal proceeding, being G.R. Case No. 2238 of 2020 under Sections 409 and 420 of the Indian Penal Code, arising out of Kharagpur (Local) Police Station Case No. 514 of 2020 dated August 25, 2020, and presently pending before the learned Additional Sessions Judge, 1st Court, Paschim Medinipur, is hereby quashed.

Urgent Photostat certified copy of this order, if applied for, be supplied to the parties upon compliance of all formalities.

(Kausik Chanda, J.)