IN THE HIGH COURT AT CALCUTTA
CRIMINAL REVISIONAL JURISDICTION
APPELLATE SIDE

PRESENT:
THE HON'BLE JUSTICE UDAY KUMAR

CRR 2433 of 2022

Manish Kakrania
-Vs-
M/s. Earthlink Estate Pvt. Ltd. & Anr.

With

CRR 2434 of 2022

Manish Kakrania
-Vs-
M/s. Drishti Advisories Pvt. Ltd. & Anr.

With

CRR 2435 of 2022

Manish Kakrania
-Vs-
M/s. Parvati Infraventures & Anr.

For the Petitioner : Mr. Arindam Sen
Mr. Saurav Basu
Mr. Sumik Biswas
Ms. Payel Maji
Mr. Nikhilesh Mittal

For the Opposite Party No. 1 : Mr. Moyukh Mukherjee
Ms. Sagnika Banerjee
Ms. Sarmistha Basak

Hearing concluded on : 19.12.2025

Judgment on : 16.01.2026

UDAY KUMAR, J.: –

1. The petitioner has moved these revisional applications under Section 482 of the Code of Criminal Procedure, 1973, seeking the quashing of proceedings in Case Nos. CS/12713, 12715, and 12716 of 2020 pending before the Learned Metropolitan Magistrate, 20th Court, Calcutta. The petitioner stands arrayed as Accused No. 7 for the alleged commission of offences punishable under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881.

2. The genesis of the dispute lies in a commercial transaction originating in 2016, wherein the complainant entities (Opposite Party No. 2) extended financial assistance via Inter-Corporate Deposits (ICDs) to the accused company, M/s Citylife Retail Private Limited. To discharge the existing liability, the company issued three cheques dated December 1, 2019, totalling Rs. 56,00,000/-. Upon presentation, the instruments were returned dishonoured on February 28, 2020, with the endorsement "Drawer's signatures not as per mandate."

3. The complainants contend that the petitioner, by virtue of being a substantial shareholder (25.01%) and a "Responsible Officer," was a "controlling mind" of the company in charge of its day-to-day affairs. Statutory notices were issued in March 2020, and upon non-payment, the impugned complaints were filed.

4. The crux of the matter revolves around Section 141 of the NI Act, which governs offences by companies. It stipulates:

i. *"If the person committing an offence under section 138 is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company... shall be deemed to be guilty of the offence..."*

5. Mr. Arindam Sen, learned counsel for the petitioner, submits that there is a total absence of temporal nexus. He underscores that the petitioner resigned from the company on July 4, 2019—five months prior to the issuance of the cheques. This exit is substantiated by Form DIR-12, a statutory public document. Relying on *Harshendra Kumar D. v. Rebatilata Koley (2011) 3 SCC 351*, he argues that the Court is duty-bound to take judicial notice of ROC records to prevent harassment. He further invokes the Principle of Judicial Parity, noting that this Court has already quashed identical proceedings against co-accused in CRR 1636, 1638, and 1639 of 2020.

6. Mr. Moyukh Mukherjee, learned counsel for the Opposite Party No. 2, counters that the petitioner's liability is a "triable issue of fact." He contends that since the petitioner was a "controlling mind" when the ICDs were originally negotiated in 2016, a continuing responsibility exists. He submits that the petitioner's role must be tested through the fire of cross-examination and that the Court should not conduct a "mini-trial" by evaluating defensive documents at this preliminary stage.

7. Vicarious liability under Section 141 of the NI Act is not a matter of course; it is a legal fiction that must be strictly construed. The statute stipulates that a person is deemed guilty only if they were in charge of the company "at the time the offence was committed." The offence under Section 138 is a composite one, but for the purpose of fastening criminal culpability, the critical threshold is the date of issuance and subsequent dishonour.

8. It is a matter of record that the petitioner severed all ties with the company on July 4, 2019, whereas the impugned cheques were issued on December 1, 2019. Logically and legally, a director who has been *functus officio* for five months prior to the issuance of the cheque cannot be said to possess a "controlling mind" over the company's decision-making process at the material time.

9. The complainant's attempt to attach perpetual liability based on the 2016 loan negotiation is legally tenuous. Liability under Section 141 is functional and time-specific, not status-based or retrospective. As observed in *Pooja Ravinder Devidasani v. State of Maharashtra (2014) 16 SCC 1*, the law does not contemplate a "history-based" liability where a person is held responsible for future defaults long after their exit.

10. Furthermore, this Court emphasizes the Sanctity of Public Records. The petitioner's resignation is substantiated by Form DIR-12, an unimpeachable public document. As established in *Anita Malhotra v. Apparel Export Promotion Council (2012) 1 SCC 520*, the Court must exercise its inherent power to prevent manifest injustice when documents beyond suspicion indicate a resignation prior to the offence. Consistency is the hallmark of judicial discipline; as this Court has already quashed proceedings against co-accused on identical grounds, denying the same relief to the petitioner would be discriminatory.

11. The legal pillars supporting the quashing of these proceedings are founded upon a strict interpretation of vicarious liability in corporate criminal law.

i. Firstly, the Doctrine of Contemporaneous Linkage dictates that culpability under Section 141 of the Negotiable Instruments Act is not a status-based or perpetual burden. It necessitates a precise temporal nexus between the individual's executive role and the company's conduct at the material time of the offence. Criminal liability is an intensely personal obligation; it cannot be fastened upon a person who had become *functus officio* nearly five months prior to the issuance and dishonour of the instruments. A resignation that effectively predates the creation of the cheque severs the "controlling mind" from the corporate act, rendering any subsequent prosecution against such an individual legally and logically untenable.

ii. Secondly, this Court must uphold the Sanctity of Unimpeachable Public Records. Statutory filings, particularly Form DIR-12 submitted to the Registrar of Companies, are not merely administrative entries but constitute "unimpeachable public documents" of which a Court is entitled—and indeed duty-bound—to take judicial notice. When such a record establishes an irreversible chronological gap between the director's resignation and the statutory default, the High Court's inherent power under Section 482 of the Code must be invoked to prevent a manifest abuse of process. To compel a person to undergo the "fire of trial" when their innocence is documented by the State's own public records would be a travesty of justice and an exercise in judicial futility.

iii. Finally, the principle of Judicial Parity and Consistency remains the hallmark of legal discipline. Since this Court has already evaluated the identical factual matrix in related proceedings involving co-accused and found the prosecution to be unsustainable, a different yardstick cannot be applied to the present petitioner. Where the foundational facts are identical and the evidence of resignation is beyond suspicion, the continuation of the criminal proceeding against the petitioner is an unwarranted harassment that the law cannot countenance.

12. In view of the aforesaid findings, this Court is of the opinion that the continuation of the proceedings in Case Nos. CS/12713, 12715, and 12716 of 2020 against the petitioner constitutes a gross abuse of the process of law.

13. Accordingly, it is ordered:

i. C.R.R. Nos. 2433, 2434, and 2435 of 2022 are allowed.

ii. The proceedings in Case Nos. CS/12713/2020, CS/12715/2020, and CS/12716/2020 are hereby quashed and set aside insofar as they relate to the petitioner, Sri Manish Kakrania.

iii. The petitioner is discharged from his bail bonds.

iv. The Learned Trial Court shall proceed against the remaining accused persons with utmost dispatch, in accordance with law, uninfluenced by any observations made herein.

v. There shall be no order as to costs.

vi. Interim order, if any, shall stand vacated.

vii. All connected applications stand disposed of, and interim orders, if any, stand vacated.

14. Urgent photostat certified copy of this judgment, if applied for, be given to the parties upon compliance of all necessary formalities.

(Uday Kumar, J.)