IN THE HIGH COURT AT CALCUTTA
CRIMINAL REVISIONAL JURISDICTION
APPELLATE SIDE

Present:
The Hon'ble Justice Chaitali Chatterjee (Das)

CRR 3634 of 2014
With
IA No. CRAN 5 of 2025

Ramachandran Vasudevan
Vs.
The State of West Bengal & Anr.

For the petitioner	**:**	**Mr. Pinak Kr. Mitra,**
		Mr. Neelesh Choudhury,
		Ms. Anuradha Poddar,
For the opposite party No.2	**:**	**Ms. Manaswita Mukherjee.**
		Mr. Deb Kumar Sen,
Heard on	**:**	**01/10/2026**
Judgment on	**:**	**01/10/2026**
Uploaded On	**:**	**07/10/2026**

Chaitali Chatterjee(Das), J.:-

1. This is an application under Section 482 of the Code of Criminal Procedure filed by the petitioner for quashing of proceeding in connection with complaint case no. C.S. 73527 of 2023 under Sections

420/406/120B of the IPC now pending before the Learned Metropolitan Magistrate, 10th Court, Calcutta.

2. The brief fact of the case is that the petitioner is an independent non-executive Director of Shriram Insight Share Brokers limited, which is the public limited company incorporated in terms of the Company Act having registered office of the said company at Shriram House, no.4, Burkit Road, T. Nagar Chennai and besides that the company has also private and corporate office at Pan India in different cities and States .The instant proceeding has been initiated at the behest of the opposite party no.2 before the learned Judicial Magistrate alleging against the present petitioner that present petitioner including five other FIR named accused persons are the whole time Director of the said company and they were directly responsible and in charge of the operation pertaining to salary disbursal of the employees of the accused no.1.

3. The complainant herein was an employee of Shriram City Union Finance Ltd. and later transferred to accused no.1 i.e. Shriram Insight Share Brokers Ltd. as a Divisional Manager. It was further alleged that as Divisional Manager responsible to look after the numerous legal matters initiated against the company and co-ordinate and Manager them until his retirement in August 2020. Subsequently, after severe persuasion by FIR named accused persons including the present petitioner, the said complainant joined as General Manager on a contractual basis from 1.9.2020 till 31.8.2021, which was renewed

thereafter, twice between the parties from August 31, 2021 till September 1, 2021 and from September 1, 2021 till August 31, 2022.

4. In addition, the present petitioner along with other FIR named accused persons promised him to pay her remuneration along with incentives and several other benefits on behalf of the company and the complainant became entitled to receive the incentives from the accused company to tune of Rs.18,00,000/- for the period in between the 1.1.2021 and 31.12.2021 in additional and above as monthly remuneration. The complaint further disclosed that it was usual practice of the company to pay the remuneration amounting two instalments and accordingly the complainant received the first instalment a sum of Rs. 8,64,000/- from the company on 4.4.2022 and further promised that the second instalment of the remaining amount of Rs.9,00,000/- would be paid on or before 30.9.2022.

5. The dispute cropped up since the second instalment was not paid to the complainant as assured by the accused persons. The complainant further escalated his concern to the higher official of the accused company and they blatantly refused to disburse the said remaining instalment without giving any cogent reason. Subsequently, having no other alternative, the complaint was filed by the complainant on the allegation that the accused persons in-connivance and collusion with each other and in furtherance of criminal conspiracy cheated the

complainant to the tune of Rs.9,00,000/- thereby caused wrongfully gain to themselves and wrongful loss to the complainant.

6. On the basis of such complaint, the learned Metropolitan Magistrate, Calcutta took cognizance of the same on 19.7.2023 and transferred the case record to the learned Metropolitan Magistrate, 10th Court, Calcutta for trial. After receiving the said report and on examining the complainant and other witnesses, the said Court issued process against the present accused persons including the other accused persons in terms of the order dated 10.8.2023. After receiving the said summon, the petitioner surrendered before the Trial Court and prayed for bail and presently is enlarged on bail. Under such backdrop, the petitioner has come up before this Court for quashing of the entire proceeding on the ground especially that the petitioner is an independent non-executive Director of the company/accused no.1 and is a resident of Chennai. No enquiry held in terms of the Section 202, which is mandated by the statute as well as by the decision of the Hon'ble Supreme Court. That apart, the opposite party no.2 was an employee of the company, who retired on August 31, 2020 and subsequently, rejoined for a period of two years solely on contractual basis on certain terms and condition in terms of the letter of engagement as given on 1.9.2020. In consonance with such terms and conditions of the letter and from the complaint itself it is apparent that certain emoluments or incentives towards the first instalment in respect of a particular period was paid to the complainant

and prior to that two occasions, he received the entire amount raised no objection. No specific role or overt act has been attributed to the petitioner in the petition of complaint .The complaint does not disclose any entrustment or misappropriation on the part of the petitioner nor does it alleges about any deception or dishonest inducement made by him. Therefore, the present petitioner alone has no responsibility or liability to deal with the same.

7. The learned counsel representing the petitioner submits that there is civil suit filed by the opposite party no.2 against the company over the self-same issue. That apart, it is settled proposition of law even if, the entire complaint is taken in its entirety, it would be at best breach of terms of contract and does not attract 420 or 406 IPC.

8. It is further submitted that it is settled proposition of law that order issuing summons is a serious matter for which the learned Magistrate ought of have applied his judicial mind before passing any such order.

9. More so, the case has been initiated under Section 420 as well as Section 406 and in terms of celebrated decision of ***Delhi Race Club (1940) Ltd vs The State Of Uttar Pradesh (2024) 10 SCC 690*** these two charges cannot be proceed simultaneously. Hence prays for quashing of the entire proceeding including the order issuing summons.

10. On behalf of the learned counsel representing the opposite party, it is submitted that that Directors were responsible as specifically mentioned in the FIR and he was approached by the Director, which he categorically

mentioned in the written complaint. So, in this case, the corporate veil is to be lifted since on persuasion and inducement and assurances by the accused persons only the present complainant/opposite party agreed to rejoin after retirement in the same company on consolidated remuneration. So far as the non-compliance of mandatory provision as envisaged in Section 202 of the Code of Criminal Procedure, the Learned Advocate put reliance upon the decision of ***National Bank of Oman Vs. Barakara Abdul Aziz & Anr.*** reported in ***(2013) 2 SCC 488*** and ***Vijay Dhanuka & Anr. Vs. Najima Mamtaj & Ors.*** reported in ***(2014) 14 SCC 638*** where it has been held that in such cases where the formalities of Section 202 has not been complied with, the matter is required to be relegated for the purpose of compliance. In addition, the entire facts and circumstances of the case suggests that there was an inducement and intention from the very beginning when the present petitioners were assured with providing increment and persuaded him to join in the said post, which was later on do not complied. Hence this revision application should be dismissed.

11. Having heard both the learned counsel and going through the materials on record, the back drop of the case found to be emerges when the present de facto complainant re-joined in the service on a consolidated remuneration after his retirement as Divisional Manager on and from 1.9.2020 till 31.8.2021, subsequently renewed twice i.e. from 31.9.2021 till 1.9.2021 and from 1.9.2021 till 21.8.2022. The crux of the

complaint disclose that the complainant was assured to be paid remuneration along with incentive and several other benefits by the company and in terms of such complainant became entitled to tune of Rs.18,00,000/- towards the incentive and other benefits in additional to his monthly remuneration and out of such amount of Rs.8, 64,000/- was received from the company on 1.4.2022.

12. It is further submitted by the learned counsel on behalf the opposite party that the record that no dispute has been raised with regard to the salary paid to him. Therefore, in terms of the contractual appointment excepting non-payment of the balance amount of Rs.9,00,000/- which accrued towards increment and other benefits were extended as promised.

13. Learned Magistrate after receiving the complaint, lodged under Section 200 of the Code of Criminal Procedure against the company Shiram Insight Share Brokers Ltd. along with its Directors and the HR Head personnel with whom all subsequent contemporaneous communications were made between the de facto complainant and the company took cognizance and transferred the matter to the Learned Magistrate for disposal. It was alleged in the complaint that the accused nos. 2 to 7 including the present petitioners are the whole time Director of the accused no.1 /company and all major decisions are taken pertinent to the accused no. 1/company and therefore, responsible for all day to day activity. The learned Magistrate on August 10, 2023 fixed the matter for

SA and the complainant and the witnesses were examined on the date and thereafter, considering the appointment letter, bank statement, TDS Certificate issued by the company and other corroborating facts found that sufficient materials exists there to proceed with the case, accordingly issued summons under Section 204 of the Code of Criminal Procedure.

14. In the decision of ***Umashankar Yadav & Anr. Vs. State of Uttar Pradesh 2025 INSC 653*** it was held by the Hon'ble Supreme Court that-

> "*Summoning of an accused is a serious matter which affects liberty and dignity of the individual concerned. Judicial intervention under Section 482 Cr. P.C. to weed out vexatious proceedings is of pivotal importance in order to protect individuals from untelling harassment and misery and to ensure unmerited prosecutions do not crowd overflowing dockets of criminal courts and yield space for deserving cases. Faced with the agony of a lame prosecution, it is of little solace to a litigant to be told that inherent powers are shut out as he is entitled to approach the trial court and pray for discharge. The inherent power of the High Court to prevent abuse of process of court is much wider in amplitude than the discharge powers and cannot be whittled down on the plea of existence of such remedy*".

15. The nature of the complaint lodged before the Court clearly manifests that the address of the present petitioner is in Chennai. Despite that the learned Magistrate did not make any other enquiry under Section 202 of the Code of Criminal Procedure. In this regard, the decision relied upon by the learned counsel representing the opposite party can be looked upon. In the case ***National Bank of Oman(Supra),*** where it was held that in cases where accused resides beyond area over which Magistrate concerned exercises jurisdiction, it is incumbent upon Magistrate to carry out an enquiry or order investigation under Section 202 before the issuing process. It was held thereafter, that in such event, the matter to be remitted back to the Magistrate for passing afresh order.

16. In the decision of ***Vijay Dhanuka (supra)*** it was held in paragrapgh 11 that- "*Section 202 of the Code, inter alia, contemplates pertinent to the issue of process "in a case where the accused were residing at a place beyond the areas for which he exercised his jurisdiction" and thereafter no other enquire into the case by himself for direct an investigation to be made by a police officer or by such other person as he thinks fit."*

In paragraph 14 of the said decision it was observed as follows:

> *"14. In view of our answer to the aforesaid question, the next question which falls for our determination is whether the learned Magistrate before issuing summons has held the inquiry as mandated under Section 202 of the Code. The word "inquiry" has been defined under Section 2(g) of the Code, the same reads as follows:*

> *"**2. (g) 'inquiry'** means every inquiry, other than a trial, conducted under this Code by a Magistrate or court;"*
>
> *It is evident from the aforesaid provision, every inquiry other than a trial conducted by the Magistrate or the court is an inquiry. No specific mode or manner of inquiry is provided under Section 202 of the Code. In the inquiry envisaged under Section 202 of the Code, the witnesses are examined whereas under Section 200 of the Code, examination of the complainant only is necessary with the option of examining the witnesses present, if any. This exercise by the Magistrate, for the purpose of deciding whether or not there is sufficient ground for proceeding against the accused, is nothing but an inquiry envisaged under Section 202 of the Code."*

17. At this stage, it is necessary to consider the decision of ***G. Sagar Suri Vs. State of U.P.*** reported in ***(2000) 2 SCC 636,*** that was also taken note by the co-ordinate Bench in ***H.T.C India Pvt. Ltd. Vs Link Telecom Pvt. Ltd 2023 SCC OnLine Cal 13,*** where it was observed-

> *" it is to be seen if a matter, which is essential of civil nature has been given a cloak of criminal offence. Criminal Proceedings are not a short cut of other remedies available in law. Before issuing process a criminal Court has to exercise a great deal of caution. For the accused it is a serious matter. This Court has laid certain principles on the basis of which High Court is to exercise its jurisdiction under Section 482 of the Code. Jurisdiction under this Section has to be exercised to prevent abuse of the process of any Court or otherwise to secure the ends of justice."*

The co-ordinate Bench also observed that-

> "*While no one with a legitimate cause or grievance should be prevented from seeking remedies available in criminal law, a complainant who initiates or persists with a prosecution, being fully aware that the criminal proceedings are unwarranted and his remedy line only in civil law, should himself be made accountable, at the end of such misconceived criminal proceedings, in accordance with law.*"

In this case, it is pertinent to discuss the section itself under which the issue has been quoted:-

"420. Cheating and dishonestly inducing delivery of property.-

Whoever cheats and thereby dishonestly induces the person deceived to deliver any property to any person, or to make, alter or destroy the whole or any party of a valuable security, or anything which is signed or sealed, and which is capable of being converted into a valuable security, shall be punished with imprisonment of either description for a term which may extend to sever years, and shall also be liable to fine.

***Ingredients of offence.**- The essential ingredients of the offence under Section 420 are as follows:-*
(1) There should be fraudulent or dishonest inducement of a person by deceiving him;

(2) (a) The person so induced should be intentionally induced to deliver any property to any person or to consent that any person shall retain any property, or

(a) the person so induced to do anything which he would not do or omit if he were not so deceived, and

(b) in cases covered by second part of clause(a), the act or omission should be one which caused or was likely to cause damage or harm to the person induced in body, mind or property.
The two essential ingredients of the offence under this section are-
(A) Deceit, that is to say dishonest or fraudulent misrepresentation, and
(B) Inducing the person deceived to part with property."

18. On close scrutiny of the entire complaint and the nature of allegation levelled no material can be found which suggest that the petitioner dishonestly induced the complainant to deliver property at the inception. In plethora of decisions the Hon'ble Supreme Court pointed out the clear distinction between a civil wrong and in the form of breach of contract, non-payment of money or disregard to and violation of the contractual terms, and the offence under Section 420 and 406 IPC. In a recent decision of the Supreme Court in ***Lalit Chaturvedi v. State of Uttar Pradesh (2024) 12 SCC 483*** it was observed and held in para 7 taking note of the decision of ***V.Y. Jose v. State of Gujarat (2009) 3 SCC 78*** that-

> *"7. Similar elucidation by this Court in V.Y. Jose v. State of Gujrat explicitly states that a contractual dispute or breach of contract per se should not lead to initiation of a criminal proceeding. The ingredient of "cheating", as defined under Section 415 IPC, is existence of a fraudulent or dishonest intention of making initial promise or representation thereof, from the very beginning of the formation of contract. Further, in the absence of the averments made in the complaint petition wherefrom the ingredients of the offence can be found out, the High Court should not hesitate to exercise its jurisdiction under Section 482 Cr.PC. Section 482 CrPC saves the inherent power of the High Court, as it serves a salutary purpose viz. a person should not undergo harassment of litigation for a number of years, when no criminal offence is made*

out. It is one thing to say that a case has been made out for trial and criminal proceedings should not be quashed, but another thing to say that a person must undergo a criminal trial despite the fact that no offence has been made out in the complaint. This Court in V.Y. Jose(Supra) placed reliance on several earlier decisions in Hira Lal Hari Lal Bhagwati v. CBI[1], Indian Oil Corpn. V. NEPC India Ltd.[2], Vir Prakash Sharma v. Anil Kumar Agarwal[3] and All Cargo Movers (India) (P) Ltd. v. Dhanesh Badarmal Jain[4].

18. In the decision of ***V.Y. Jose & Anr. Vs. State of Gujarat & Anr.*** reported in ***(Supra)***, it was held in paragraph 14 that-

"14. *An offence of cheating cannot be said to have been made out unless the following ingredients are satisfied:*

i) deception of a person either by making a false or misleading representation or by other action or omission ;

ii) fraudulently or dishonestly inducing any person to deliver any property; or to consent that any person shall retain any property and finally intentionally inducing that person to do or omit to do anything which he would not do or omit .

For the purpose of constituting an offence of cheating ,the complainant is required to show that the accused had fraudulent or dishonest intention at the time of making promise or representation .Even in a case where the

[1] (2003) 5 SCC 257
[2] (2006) 6 SCC 736
[3] (2007) 7 SCC 373
[4] (2007) 14 SCC 776

allegations are made in regard to failure on the part of the accused to keep his promise ,in the absence of a culpable intention at the time of making initial promise being absent ,no offence under section 420 IPC can be said to have been made out" .

19. In the case of ***Arshad Neyaz Khan Vs. State of Jharkhand & Anr. 2025 SCC OnLine SC 2058*** the Hon'ble Supreme Court held Section 406 and 420 IPC cannot be co-exist on the same allegation reiterating the decision of ***Delhi Race Club (supra).*** The offence of cheating involves criminal intention from inception of criminal breach of trust there is lawful endorsement at the beginning which is later mis-appropriated. It was held both offences cannot be existed simultaneously on same fact as they are "antithetical" to each other. It is settled law that for establishing the offence of cheating the complainant is required to show that the appellant had fraudulent dishonest intention at the time of making process and representation not fully alleged agreement for transaction. More so, nothing can be found to establish such intention right at the beginning.

20. Therefore, on careful consideration of entire facts and circumstances of the case, it is very much evident that firstly, the present petitioner is the Director of the company who was not solely responsible to take all the decisions. Secondly, the part payment towards his remuneration and incentives were admittedly paid. Therefore, question of intention from deception do not find any place . So far Section 406 is concerned also no

such ingredient can be found as there is dispute regarding his performance, which was raised much later only after several communication was made by the petitioner and that has certainly prejudiced the present complainant, who has compelled to lodge the complaint, but at no point of time, any criminality can be attached for non-payment of the part payment towards the incentive specially when it has been alleged that there are certain terms and conditions on fulfilling of the same he would be entitled to the same. The present de facto complainant already filed a civil suit against the petitioner. The complaint in this case has failed to make a case that satisfies the basic ingredients of the offence under section 420IPC and this court also do not find that any offence of Criminal Breach of trust has been made out .

21. Therefore from the above discussions in the touchstone of the law laid down in this regard this court is of the considered view that the proceeding if allowed to be continued against the petitioner it would be an abuse of the process of law .

22. Hence this revisional application stands allowed and the entire proceeding being complaint case no. C.S. 73527 of 2023 under Sections 420/406/120B of the IPC now pending before the Learned Metropolitan Magistrate, 10th Court, Calcutta stands quashed qua the petitioner.

23. All connected pending applications are also disposed of.

24. All parties shall act on the server copies of this order duly downloaded from the official website of this Court.

[Chaitali Chatterjee (Das), J.]

(nb)