HIGH COURT OF JUDICATURE AT ALLAHABAD

APPLICATION U/S 528 BNSS No. - 44532 of 2026

Anjali

.....Applicant(s)

Versus

State of U.P. and Another

.....Opposite Party(s)

Counsel for Applicant(s)	:	Chandrajeet
Counsel for Opposite Party(s)	:	G.A.

Court No. - 76

HON'BLE SAURABH SRIVASTAVA, J.

1. Heard learned counsel for applicant and learned AGA for the State.

2. Present application has been preferred with the prayer to quash the chargesheet dated 01.10.2021 and cognizance/summoning order dated 08.12.2021 as well as entire proceedings of Case No.11422 of 2021 (State Vs. Prashant Yadav and others), arising out of Case Crime no. 38 of 2021, under Sections 420, 406 IPC, P.S.- Pilkhuva, District Hapur, pending in the court of learned Chief Judicial Magistrate, Hapur.

3. Learned counsel appearing on behalf of applicant has challenged the impugned chargesheet along with cognizance/summoning order and entire proceedings of the present case precisely on the ground that Sections 420 and 406 IPC cannot go together in the same breath as per the proposition of law settled by Hon'ble Supreme Court in the case of **Delhi Race Club (1940) Ltd. and others vs. State of Uttar Pradesh and another reported in 2024 10 SCC 690**. The relevant portion of the said judgment is being reproduced hereinbelow:-

> *"38. In our view, the plain reading of the complaint fails to spell out any of the aforesaid ingredients noted above. We may only say, with a view to clear a serious misconception of law in the mind of the police as well as the courts below, that if it is a case of the complainant that offence of criminal breach of trust as defined under Section 405 IPC, punishable under Section 406 IPC, is committed by the accused, then in the same breath it cannot be said that the accused has also committed the offence*

of cheating as defined and explained in Section 415 IPC, punishable under Section 420 IPC.

41. The distinction between mere breach of contract and the offence of criminal breach of trust and cheating is a fine one. In case of cheating, the intention of the accused at the time of inducement should be looked into which may be judged by a subsequent conduct, but for this, the subsequent conduct is not the sole test. Mere breach of contract cannot give rise to a criminal prosecution for cheating unless fraudulent or dishonest intention is shown right from the beginning of the transaction i.e. the time when the offence is said to have been committed. Therefore, it is this intention, which is the gist of the offence.

43. There is a distinction between criminal breach of trust and cheating. For cheating, criminal intention is necessary at the time of making a false or misleading representation i.e. since inception. In criminal breach of trust, mere proof of entrustment is sufficient. Thus, in case of criminal breach of trust, the offender is lawfully entrusted with the property, and he dishonestly misappropriated the same. Whereas, in case of cheating, the offender fraudulently or dishonestly induces a person by deceiving him to deliver any property. In such a situation, both the offences cannot co-exist simultaneously.

55. It is high time that the police officers across the country are imparted proper training in law so as to understand the fine distinction between the offence of cheating vis-vis criminal breach of trust. Both offences are independent and distinct. The two offences cannot coexist simultaneously in the same set of facts. They are antithetical to each other. The two provisions of IPC (now BNS, 2023) are not twins that they cannot survive without each other."

4. On the other hand, learned A.G.A. has vehemently opposed the prayer sought through the instant application but unable to dispute the settled proposition of law as relied upon by the learned counsel appearing for applicant.

5. Since the arguments as advanced on behalf of learned counsel for applicant, are based on legal issue, no notice is required to be issued to opposite party no.2.

6. After hearing the learned counsel for the parties, going through the record of the case and the judgment of the Hon'ble Supreme Court rendered in the case of **Delhi Race Club (Supra)**, it is crystal clear that both the sections i.e. Sections 420 and 406 IPC cannot go in the same breath and as such, cognizance/summoning order dated 08.12.2021 is liable to be set aside. Although judgment of Hon'ble Supreme Court rendered in the case of **Delhi Race Club (Supra)** has been passed on 23.08.2024 and cognizance of offence in the present case, has been taken on dated 08.12.2021 and as per the judgment rendered by Hon'ble the Apex Court in the case of **Kanishk Sinha and another Vs. The State of West Bengal and another [2025 SCC Online SC 443]**, the judgment of Hon'ble the Apex Court will always be retrospective in nature unless the judgment itself specifically states that the judgment will operate prospectively.

7. In view thereof, cognizance/summoning order dated 08.12.2021 passed in Case No.11422 of 2021 (State Vs. Prashant Yadav and others), arising out of Case Crime no. 38 of 2021, under Sections 420, 406 IPC, P.S.-Pilkhuva, District Hapur, pending in the court of learned Chief Judicial Magistrate, Hapur, is set aside. Matter is hereby remitted back to learned court concerned for passing fresh order of taking cognizance of offence, if required, in light of the proposition of law settled by Hon'ble Supreme Court in the case of **Delhi Race Club (supra).**

8. Accordingly, the instant application stands **allowed in part**.

(Saurabh Srivastava,J.)

October 23, 2026
Vivek Kr.

Digitally signed by :-
VIVEK KUMAR
High Court of Judicature at Allahabad