



2026:CGHC:17995-DB

**NAFR**

**HIGH COURT OF CHHATTISGARH AT BILASPUR**

**CRMP No. 813 of 2022**

1. Kuldeepak Arora S/o Sh. J.K. Arora, Aged About 69 Years R/o B7/23/1, Safdarjung Enclave, New Delhi – 110029.
2. Vijay Shukla, S/o Sh. Indra Deo Shukla Aged About 60 Years R/o Kh No. 258, A4 Firstd Floor, Kohinoor Enclave, Saidulajab Extension, Delhi - 110030.

**... Petitioner(s)**

**versus**

1. State of Chhattisgarh Through The Station House Officer, Police Station Amanaka, Raipur Chhattisgarh.
2. RKSK Steel India Pvt. Ltd., Through Mr. Rajkumar Paliwal And Having Its Office At District Tendua, Raipur, (C.G.) And Having Its Registered Office At 3a, Mangoe Lane, 1st Floor, Kolkata, West Bengal - 700001

**...Respondent(s)**

(Cause-title taken from Case Information System)

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For Petitioners	:	Mr. Akhand Pratap Pandey, Advocate.
For Respondent/State	:	Ms. Vaishali Mahilong, Deputy Government Advocate.
For Respondent No. 2	:	Mr. Ashish Tiwari, Advocate.

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**Hon'ble Shri Ramesh Sinha, Chief Justice**  
**Hon'ble Shri Ravindra Kumar Agrawal, Judge**  
**Order on Board**

**Per Ramesh Sinha, Chief Justice**

**21.04.2026**

1. Heard Mr. Akhand Pratap Pandey, learned counsel for the petitioners. Also heard Ms. Vaishali Mahilong, learned Deputy Government Advocate, appearing for the State/ respondent No. 1 and Mr. Ashish Tiwari, learned counsel, appearing for respondent No. 2.
2. The present petition has been filed by the petitioners with the following prayers:

*“A. Allow the present petition and quash the impugned FIR No. 109 of 2022 dated 10.03.2022 [P.S. Amanaka, Raipur] registered under Sections 420/34 of the IPC as well as all consequential proceedings arising out of or emanating therefrom; and*

*B. Any other order(s) that this Hon'ble Court may deem fit and necessary in the interest of justice.”*

3. Learned counsel for the petitioners submits that on 10.02.2022, petitioner No. 1, Mr. Kuldeepak Arora, received a notice from P.S. Amanaka, Raipur calling upon him to respond to allegations levelled by respondent No. 2, M/s RSKS Steel India Pvt. Ltd., in a complaint alleging commission of offences under Sections 420/34 of the IPC. It is submitted that in compliance thereof, a detailed reply dated 13.02.2022

was furnished, clearly stating that the dispute was purely civil in nature and that respondent No. 2 had already approached the NCLT, New Delhi in respect of the same dispute, and therefore, the complaint was devoid of merit.

4. It is further submitted by the learned counsel, appearing for the petitioners that despite the aforesaid, FIR No. 109/2022 dated 10.03.2022 came to be registered at P.S. Amanaka, Raipur under Sections 420/34 of the IPC, wherein the petitioners have been arrayed as accused. It is submitted that the allegations pertain to supply of goods between 2015 and 2018, during which payments were admittedly made regularly, and the alleged default arose only subsequently, thereby clearly indicating a contractual dispute. He also submitted that the complainant has suppressed the material fact that the dispute stood amicably resolved in the year 2020, pursuant to which the complainant agreed to accept three flats in lieu of the alleged outstanding dues, and the said settlement was duly acted upon through issuance of credit notes, debit notes, and execution of Builder Buyer Agreements. It is thus submitted that no subsisting liability remains.

5. Learned counsel for the petitioner further contended that the dispute sought to be given a criminal colour is purely civil in nature, which is evident from the fact that respondent No. 2 has already initiated proceedings under Section 9 of the Insolvency and Bankruptcy Code, 2016 (for short, 'Code of 2016') before the NCLT, New Delhi being C.P. (IB) No. 608/2021 titled "*RKSK Steel India Pvt. Ltd. vs.*

*Apace Builders and Contractors Pvt. Ltd.*", which is pending consideration, and therefore, initiation of criminal proceedings is an abuse of process. He also contended that the impugned FIR is a misuse of criminal law to exert pressure in a civil dispute. In this regard, reliance is placed on ***Vijay Kumar Ghal vs. State of West Bengal***, reported in **(2022) SCC Online SC 344**, wherein it has been held that mere breach of contract does not amount to cheating unless there was dishonest intention at the inception of the transaction. Reliance is also placed on ***Mitesh Kumar J. Sha vs. State of Karnataka & Ors.***, reported in **(2021) SCC Online SC 976**, holding that criminal colour should not be given to civil disputes. Further reliance is placed on ***Vesa Holdings (P) Ltd. v. State of Kerala***, reported in **(2015) 8 SCC 293**, reiterating that dishonest intention at inception is a *sine qua non* for an offence under Section 420 of the IPC. Reliance is also placed on ***Indian Oil Corporation vs. NEPC India Ltd.***, reported in **(2006) 6 SCC 736**, and ***G. Sagar Suri vs. State of UP***, reported in **(2000) 2 SCC 636**, to submit that criminal proceedings should not be used as a shortcut for civil remedies and must be quashed where they amount to abuse of process.

6. It is further stated by the learned counsel for the petitioners that no specific role has been attributed to the petitioners in the impugned FIR and there are no allegations of any inducement, misrepresentation, or dishonest intention on their part. It is submitted that the petitioners have been implicated solely on account of their designation as Directors. He also stated that there is no concept of vicarious liability in

criminal law in the absence of a specific statutory provision. Reliance is placed on ***Maksud Saiyed v. State of Gujarat & Ors.***, reported in **(2008) 5 SCC 668**, wherein the Hon'ble Supreme Court held that criminal liability cannot be fastened upon Directors merely by virtue of their position in the company unless specific allegations demonstrating their active role and criminal intent are made in the complaint. Further reliance is placed on ***Sunil Bharti Mittal v. CBI***, reported in **(2015) 4 SCC 609**, wherein it was held that vicarious liability in criminal law can be imposed only when there exists a specific statutory provision to that effect, and that in the absence of such provision, a Director or officer of a company cannot be prosecuted unless there are clear and specific allegations showing their individual involvement coupled with the requisite *mens rea*.

7. Learned counsel for the petitioners submits that even otherwise, the essential ingredients of Section 420 of the IPC are not made out, as there is no allegation of deception or fraudulent inducement at the inception. The long-standing business relationship between the parties from 2015 to 2018, with regular payments, negates any such intention. He further submits that the allegations regarding dishonour of cheques are misleading, as the cheques were issued in 2015 as security and not in discharge of any liability in 2019, and stop payment instructions had already been issued. It is submitted that although a legal notice dated 18.11.2019 was issued, the same was duly replied on 03.12.2019, and no proceedings under Section 138 of the Negotiable Instruments Act were initiated thereafter.

**8.** Learned counsel for the petitioners further submits that the learned Single Judge, vide order 19.05.2022, was pleased to grant interim relief to the petitioners. Lastly, learned counsel submits that the petitioners, being residents of New Delhi, are being subjected to undue harassment and hardship on account of the present proceedings.

**9.** It is thus submitted that the impugned FIR is liable to be quashed in exercise of powers under Section 482 of the CrPC (now Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023) as its continuation would amount to abuse of process of law and would not serve the ends of justice.

**10.** On the other hand, learned State counsel opposed the present petition and submitted that the impugned FIR discloses commission of cognizable offences and, therefore, the investigating agency is well within its statutory powers to conduct a full-fledged investigation. It is further submitted that the investigation has been seriously impeded on account of the interim order passed by the learned Single Judge and that the same deserves to be vacated in the interest of justice so as to enable the investigating agency to collect evidence and take the investigation to its logical conclusion.

**11.** Learned counsel for the respondent No. 2 submits that the present petition is wholly misconceived, devoid of merits and substance, and is liable to be dismissed at the threshold. He further submits that the FIR bearing Crime No. 109/2022 dated 10.03.2022 has been rightly registered under Sections 420/34 of the IPC against the petitioners

along with co-accused Mukesh Khurana on the basis of a complaint disclosing commission of cognizable offences. It is submitted that the petitioners, in connivance with the co-accused, had purchased TMT bars from the respondent No. 2 Company worth Rs. 2,50,61,066/- and thereafter failed to make payment despite repeated demands, and instead gave false assurances.

**12.** Learned counsel for respondent No. 2 would submit that petitioners issued three cheques towards discharge of their liability, which upon presentation were dishonoured, thereby clearly demonstrating their dishonest and fraudulent intention. It is submitted that the act of taking delivery of goods and issuing cheques without intention to honour the same establishes that the petitioners had malafide intention from the very inception to defraud the respondent No.2, thereby attracting the offence of cheating. He further stated that the police is duty bound to register an FIR upon disclosure of a cognizable offence under Section 154 of the CrPC, as held by the Hon'ble Supreme Court in ***Lalita Kumari vs. Government of Uttar Pradesh & Ors.***, reported in **(2014) 2 SCC 1**, and accordingly the FIR has been rightly registered and investigation ought to proceed in accordance with law.

**13.** It is further contended by the learned counsel, appearing for respondent No. 2 that due to the interim order passed by the learned Single Judge, the investigation has been stalled and the charge-sheet could not be filed. He also contended that the allegations in the FIR, on

a bare reading, clearly disclose commission of cognizable offences and require thorough investigation, which has been impeded due to the interim protection granted to the petitioners. He further submits that the contentions raised by the petitioners pertain to disputed questions of fact and constitute their defence, which cannot be adjudicated in proceedings under Section 482 of the CrPC (now Section 528 of the BNSS) at this stage, and the petitioners are at liberty to raise all such pleas before the learned trial Court at the appropriate stage.

**14.** Learned counsel for respondent No. 2 submits that the petitioners have relied upon a purported Builder Buyer Agreement dated 12.11.2020 to claim settlement of dues; however, the respondent No. 2 has categorically denied the execution of any such agreement and has asserted that the signatures of its authorized signatory, Mr. Neeraj Tiwari, as well as the Company seal appearing on the said document, are forged and fabricated. It is submitted that the said allegation of forgery is substantiated by the report of a handwriting expert, which confirms that the signatures and seal are not genuine. He also submits that the respondent No. 2 has also taken appropriate legal steps in this regard, including initiation of proceedings for action in respect of the forged document, and therefore, the reliance placed by the petitioners on the alleged settlement is wholly misplaced and untenable. He would submit that the inherent powers under Section 482 of the CrPC (now Section 528 of the BNSS) are to be exercised sparingly and with great caution. Reliance is placed on *M/s. Neeharika Infrastructure Pvt. Ltd. vs. State of Maharashtra*, reported in *AIR 2021 SC 1918*, wherein it

has been held that Courts should not ordinarily interfere with investigation of cognizable offences and that quashing of FIR at the initial stage should be an exception rather than the rule.

**15.** Learned counsel for respondent No. 2 further relies upon ***State of Telangana vs. Habib Abdullah Jeelani***, reported in **(2017) 2 SCC 779**, to submit that the power to quash criminal proceedings must be exercised sparingly and only in rare cases, and should not be used to stifle legitimate prosecution. He further stated that it is a settled position of law that if the allegations in the FIR prima facie disclose commission of an offence, the Court ought not to interfere with the investigation, and the matter should be allowed to proceed in accordance with law. It is submitted that the petitioners are seeking a pre-trial adjudication of disputed facts, which is impermissible.

**16.** Learned counsel for respondent No. 2 further stated that the scope of interference under Section 482 of the CrPC (now Section 528 of the BNSS) and Article 226 of the Constitution is limited and does not extend to examining the truthfulness or otherwise of the allegations at the stage of investigation. Reliance is also placed on ***Satvinder Kaur vs. State (Govt. of NCT of Delhi)***, reported in **(1999) 8 SCC 728**, and ***Tejbir & Ors. vs. State of Haryana***, reported in **(2011) 11 SCC 556**, to submit that criminal proceedings should not be quashed where the FIR discloses commission of an offence. He also submits that the petitioners have failed to make out any case for interference by this Hon'ble Court, and the present petition is an attempt to evade due process of law and

stall investigation.

**17.** It is thus submitted that the present petition deserves to be dismissed, so that the investigation may proceed in accordance with law.

**18.** We have heard learned counsel for the parties at length and have perused the material available on record, including the impugned FIR.

**19.** At the outset, it is trite that the inherent powers of this Court under Section 482 of the Cr.P.C. (now Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023) are extraordinary in nature and are to be exercised sparingly, with circumspection, and only in cases where the allegations, even if taken at their face value, do not disclose any offence or where continuation of the proceedings would amount to abuse of the process of law.

**20.** In the present case, a plain and meaningful reading of the impugned FIR reveals specific allegations that the petitioners, in connivance with co-accused, induced the complainant to supply goods of substantial value, failed to discharge their liability, and issued cheques which were dishonoured upon presentation. Such allegations, at this stage, cannot be said to be inherently improbable or absurd so as to warrant interference by this Court.

**21.** The principal contention advanced on behalf of the petitioners is that the dispute is purely civil in nature and stood amicably settled between the parties. However, the said contention is seriously disputed by respondent No. 2.

**22.** This Court finds that the entire substratum of the petitioners' case rests upon the alleged settlement agreement dated 12.11.2020 (Annexure P/6 Colly.). A bare perusal of the said document reveals glaring and fundamental deficiencies. Significantly, the document does not even disclose the names or identities of the parties between whom the alleged settlement is stated to have been arrived at.

**23.** On a pointed query being put to the learned counsel for the petitioners as to between whom the said settlement was executed, he was unable to furnish any satisfactory answer. This inability to clarify such a basic and foundational aspect renders the document inherently unreliable and devoid of evidentiary worth at this stage.

**24.** Further, respondent No. 2 has categorically denied execution of any such agreement and has asserted that the signatures and seal appearing thereon are forged and fabricated. In such circumstances, this Court finds considerable force in the objections raised by learned counsel for respondent No. 2. The purported settlement agreement, being vague, deficient in material particulars, and prima facie suspicious, cannot be relied upon. Consequently, the principal contention of the petitioners that the dispute is purely civil in nature on account of an alleged settlement stands completely discredited and is liable to be rejected outright.

**25.** Once the very foundation of the petitioners' case is rendered untenable, the argument that the dispute is purely civil in nature pales into insignificance. The FIR, on its face, discloses ingredients of a

cognizable offence, including deception, dishonest inducement, and failure to honour financial commitments coupled with issuance of dishonoured cheques.

**26.** The defence sought to be projected by the petitioners, including the plea that the cheques were issued as security or that there was no dishonest intention at the inception, involves disputed questions of fact requiring appreciation of evidence. It is well settled that while exercising jurisdiction under Section 482 of the CrPC (now Section 528 of the BNSS), this Court does not conduct a roving enquiry or undertake a mini-trial.

**27.** The contention that the dispute is civil in nature also does not merit acceptance. It is a settled proposition of law that the existence of a civil remedy does not bar criminal proceedings where the allegations disclose commission of a cognizable offence. In the present case, the allegations, if taken at face value, clearly warrant investigation.

**28.** This Court also finds substance in the submission of the learned State counsel that the investigation has been effectively stalled on account of the interim protection granted to the petitioners. Interference at this stage would amount to pre-empting a lawful investigation and shielding the accused from due process, which is impermissible.

**29.** The law laid down by the Hon'ble Supreme Court in **Lalita Kumari** (supra), **Neeharika Infrastructure Pvt. Ltd.** (supra), and **Habib Abdullah Jeelani** (supra) clearly mandates that where an FIR discloses a cognizable offence, Courts should refrain from interfering at

the threshold and allow the investigating agency to proceed in accordance with law. The present case does not fall within the narrow exceptions warranting such interference.

**30.** Applying the aforesaid principles, this Court is of the considered opinion that the impugned FIR discloses a prima facie case and does not warrant exercise of inherent jurisdiction for quashing. On the contrary, the dubious nature of the document relied upon by the petitioners further necessitates a thorough investigation, including into the serious allegations of forgery.

**31.** This Court is further of the view that the present petition is devoid of merit and appears to be an attempt to invoke the extraordinary jurisdiction of this Court to stifle a legitimate prosecution by placing reliance on a document which is prima facie unreliable.

**32.** Consequently, the present petition stands **dismissed**. The interim order dated 19.05.2022 stands vacated. The investigating agency is directed to proceed with the investigation expeditiously and strictly in accordance with law, including examination of the allegations regarding forgery of the document, without being influenced by any observations made herein.

**Sd/-**  
**(Ravindra Kumar Agrawal)**  
**Judge**

**Sd/-**  
**(Ramesh Sinha)**  
**Chief Justice**