**IN THE HIGH COURT AT CALCUTTA**
**CRIMINAL REVISIONAL JURISDICTION**
**APPELLATE SIDE**

**PRESENT:**
**THE HON'BLE JUSTICE UDAY KUMAR**

**CRR 3463 of 2017**

**SYSTEM DOMAIN PVT. LTD. & ORS.**
**-VS-**
**SERVICE DIAL TALENT MANAGEMENT PVT. LTD.**

For the Petitioners : Mr. Sandeep Joshi,
Mr. Kajal Kr. Dutta,
Ms. Rupa Brahmachari.

Reserved on : 17.09.2026

Pronounced on : 25.09.2026

***UDAY KUMAR, J.: –***

**1.** By this instant criminal revisional application filed under Section 482 of the Code of Criminal Procedure, 1973, the petitioners namely, System Domain Pvt. Ltd., a corporate entity running a computer training institute in Bangalore, along with its directors and employees have invoked the inherent jurisdiction of this Court seeking the quashing of the criminal proceedings arising out of Complaint Case No. CS/47392/17 corresponding to T.R. No. 7431/17 dated 31.07.2017, pending before the Learned Metropolitan Magistrate, 3rd Court, Calcutta, under Sections 420/406/417/418/427/120B of the Indian Penal Code, 1860, together with all consequential orders passed therein.

**2.** The foundational facts, as culled out from the pleadings and documents on record, are that the opposite party, Service Dial Talent Management Pvt.

Ltd., is a placement and talent management agency. On 31.01.2017, a formal commercial contract captioned as a "Talent Search Agreement" was executed between the petitioner company and the opposite party. Under the terms of this agreement, the opposite party was tasked with sourcing, assessing, and referring suitable candidates for various employment openings at the petitioners' computer training institute in Bangalore.

**3.** Pursuant to this agreement, the opposite party referred several candidates between January and February 2017. Specific candidates namely Kavya, Nandani S., Ashmita Mondal Roy, and Rekha Pai G—were subsequently evaluated and utilized by the petitioners. The crux of the grievance lodged by the opposite party through its Director, Bikram Roy, is that despite the successful placement and utilization of these candidates, the petitioners failed to clear the service charges and professional dues amounting to an aggregate principal sum of Rs. 1,40,000/- calculated on the basis of expected annual salaries.

**4.** Acting upon a petition of complaint filed under Section 200 Cr.P.C., the Learned Chief Metropolitan Magistrate, Calcutta, took cognizance of the offences punishable under Sections 420/406/417/418/427/120B IPC on 31.07.2017 and transferred the matter to the Learned 3rd Metropolitan Magistrate, Calcutta, for trial and disposal. Subsequent to the examination of the complainant on solemn affirmation, summons was issued, leading to the petitioners surrendering and obtaining bail. Feeling aggrieved by the initiation and continuation of the criminal process, the petitioners have moved this Court for quashing.

**5.** Learned counsel appearing for the petitioners has forcefully contended that the entire dispute between the parties is purely civil and commercial in nature, arising exclusively out of an alleged breach of a written service contract dated 31.01.2017. In the present case, the parties entered into a structured, long-term commercial agreement in good faith, and the subsequent non-payment of service charges, even if assumed to be true, amounts solely to a civil breach of a contract where the proper legal remedy would be a civil suit for recovery of money and not by way of a criminal trial.

**6.** Learned counsel further contended that to constitute an offence of cheating punishable under Section 420 IPC, there must be a dishonest or fraudulent intention *ab initio*—that is, at the very inception of the transaction, mere subsequent failure to make payment in lieu of services enjoyed under a contract does not *ipso facto* establish dishonest intention *ab initio*. Moreover, he further contends that the ingredients of criminal breach of trust punishable under Section 406 IPC are entirely absent, as referral leads and candidate profiles do not constitute "entrustment of property" under criminal law. Furthermore, it is argued that the inclusion of petitioners Nos. 3 to 6 who are merely employees or operational staff of the petitioner-company without any active control over day-to-day management—through vague and omnibus allegations of criminal conspiracy under Section 120B IPC demonstrates a clear abuse of the judicial process to exert coercive pressure for the recovery of civil dues.

**7.** The distinction between a civil dispute arising from a breach of contract and a criminal offence of cheating or criminal breach of trust has been elaborately considered by the Hon'ble Supreme Court in a catena of decisions. In the landmark case of *Indian Oil Corpn. v. NEPC India Ltd. & Ors. [(2006) 6 SCC 736]*, the Supreme Court sounded a note of caution:

> *"13. .... there is a growing tendency in business circles to convert purely civil disputes into criminal cases. .....Any effort to settle civil disputes and claims, which do not involve any criminal offence, by applying pressure through criminal prosecution should be deprecated and discouraged....."*

**8.** Similarly, in *G. Sagar Suri v. State of U.P. [(2000) 2 SCC 636]*, the Hon'ble Apex Court held that where the matter is essentially of a civil nature, driving the accused to face criminal trial constitutes an abuse of the process of the court, warranting interference under Section 482 Cr.P.C.

**9.** To bring home a charge under Section 420 IPC, it is imperative that the person who deceived must have had a fraudulent or dishonest intention at the time of making the promise. In the absence of any material showing pre-meditated deception or dishonest intent from the very inception, a subsequent commercial default cannot be clothed with the cloak of a criminal offence. Moreover, the expression "entrustment" under Section 405 IPC pre-supposes a fiduciary relationship where the person handing over property continues to be its owner—a concept entirely inapplicable to a service provider furnishing recruitment leads under a commercial contract.

**10.** On an independent evaluation of the complaint petition, the agreement dated 31.01.2017, and the accompanying email correspondences, this Court finds that the transaction between the parties is a standard commercial placement arrangement. The correspondence relied upon by the complainant consists of routine follow-ups regarding candidate interviews, offer letters, and payment reminders typical incidents of a commercial relationship gone sour.

**11.** I find substance in the submission of the petitioners that there is a complete absence of any specific averment or cogent material in the complaint demonstrating that the petitioners harboured a dishonest intention at the time of executing the agreement on 31.01.2017. The opposite party's own pleadings and invoices reveal that the dispute centres entirely around the recovery of unpaid professional fees and service charges amounting to Rs. 1,40,000/-.

**12.** Furthermore, roping in multiple employees and staff members (petitioners Nos. 3 to 6) without attributing specific individual overt acts or prior meeting of minds to establish the charge under Section 120B IPC indicates an attempt to pressurize the corporate management through the machinery of criminal law. It is trite law that criminal proceedings cannot be utilized as a short-cut for the recovery of civil debts or as an instrument of oppression.

**13.** In light of the aforesaid discussions, settled legal principles, and the facts and circumstances of this case, this Court is of the considered view that the essential ingredients of the offences under Sections 420, 406, 417, 418, 427, and 120B IPC are not *prima facie* disclosed against the petitioners. Allowing the criminal proceedings to continue would result in a travesty of justice and a clear abuse of the process of the court.

**14.** The revisional application being C.R.R. No. 3463 of 2017 is accordingly allowed.

**15.** Consequently, the criminal proceedings arising out of Complaint Case No. CS/47392/17 corresponding to T.R. No. 7431/17 dated 31.07.2017, pending before the Learned Metropolitan Magistrate, 3rd Court, Calcutta, along with all orders passed therein, are hereby quashed and set aside *qua* the petitioners.

**16.** Interim order, if any, stands vacated.

**17.** Pending connected application(s), if any, is also disposed of accordingly.

**18.** There shall be no order as to costs.

**19.** Let a copy of the judgment along with the Trial Court records be transmitted to the learned Trial Court for necessary information and compliance.

**20.** Case diary, be returned to the Learned Counsel for the State.

**21.** Urgent photostat certified copy of this judgment, if applied for, be supplied to the parties upon compliance with all requisite formalities.

***(Uday Kumar, J.)***