



2026:DHC:4003



* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 04th MAY, 2026

IN THE MATTER OF:

CRL.M.A. 14926/2023

IN

+ **CS(OS) 190/2022**

MANIPAL BUSINESS SOLUTIONS PRIVATE LIMITED

.....Plaintiff

Through: Ms. Malvika Trivedi, Senior Advocate with Mr. Atanu Mukherjee, Ms. Sujal Gupta and Mr. Shailendra Slaria, Advocates

versus

AURIGAIN CONSULANTS PRIVATE LIMITED AND ORS

.....Defendants

Through: Ms. Shantha Devi Raman, Mr. Arihant Jain and Ms. Tanisha Gopal, Advs along with Mr. RK Singh, Defendant No.3

CORAM:

HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

JUDGMENT

CRL.M.A. 14926/2023

1. The instant Application is filed under Section 340 read with Section 195(1)(b) of the Criminal Procedure Code, 1973 (*hereinafter referred to as "CrPC"*) against the Plaintiff Company and its authorized signatories.
2. The present Suit is one for permanent and mandatory injunction and for damages. It has been filed with the following prayers:



2026:DHC:4003



“a. A decree for permanent and mandatory injunction restraining the Defendants, its associates, business partners, legal heirs or any person involved with Defendant No. 1 from carrying on any business in contravention of the terms of the non-disclosure agreements;

b. A decree for damages in excess of Rs.10,00,00,000/- (Rupees Ten Crore) or more may be passed in favour of the Plaintiff and against the Defendant. The Plaintiff reserves its right to pay additional court fee in case damages are awarded in excess of Rupees Ten Crore;

c. An order for costs in the proceedings;

d. Any further order as this Hon'ble Court deems fit and proper in the facts and circumstances of this case may also be passed.”

3. Shorn of unnecessary details, the facts of the case, as mentioned in the Plaintiff, are as follows:

- a) The Plaintiff is a Private Limited Company incorporated under the provisions of the Companies Act, 1956. It is stated that the Plaintiff is engaged in the business of providing integrated outsourced technology solutions and field services to Banks and other financial institutions to facilitate the financial inclusion initiative in India. It is stated that the Plaintiff has developed a unique in-house technology in rural banking services by providing a fully functional and certified end-to-end system for enabling authentication/e-KYC and payments on UIDAI-Aadhaar Enabled Payments System (“AEPS”) platform to financial institutions as well as providing Gold Loan sourcing.
- b) It is stated that in 2012, the Defendant Nos.2 and 3 approached the



2026:DHC:4003



Plaintiff seeking employment. Pursuant thereto, the Plaintiff appointed the Defendant No.2 as Group Area Manager (Level B-10) at Badola Bazar (Chahattisgarh) and the Defendant No.3 as Head Delivery (Level B-4) at Gurgaon *vide* Offer Letters dated 15.10.2012 and 04.10.2014 respectively.

- c) Thereafter, Defendant No.4 approached the Plaintiff for employment. It is stated that pursuant to his interview, the Defendant No.4 was appointed as the Project Manager (Level B-8) at Gurgaon *vide* Offer Letter dated 16.10.2025. It is stated that the Plaintiff further employed Defendant Nos.5-20 for various positions between 2015 and 2021.
- d) It is stated that in the course of employment of Defendant Nos.2-20, it was necessary for the Plaintiff to disclose, and consequently Defendant Nos.2-20 obtained access to, *inter alia* confidential information, trade secrets and business connections of the Plaintiff, to enable them to effectively discharge their duties and responsibilities. It is stated that for the protection of the Plaintiff's interests, Defendant Nos.2-20 executed identical Non-Disclosure Agreements as a precondition to their appointment (*hereinafter collectively referred to as "Non-Disclosure Agreements"*). It is stated that Clause 11 of the Non-Disclosure Agreements sets out that they could not disclose such information to anybody for a period of two years from the date of their resignation.
- e) It is stated that in December 2020, Defendant Nos.2-4 abruptly tendered their resignations in close succession and the Plaintiff, acting in good faith, accepted the said resignations and duly completed all exit formalities.



2026:DHC:4003



- f) Subsequently, in or around March 2021, the Plaintiff became aware that a certain bank had been approached by Defendant No.1 with a business proposal through Defendant Nos.2-4, who purported to represent Defendant No.1. It is stated that upon further enquiry, the Plaintiff discovered, that Defendant Nos.2-4 were actively engaged in various capacities within Defendant No.1, a company operating in the same line of business as the Plaintiff, as evident from its Memorandum of Association.
- g) It is stated that a perusal of the Master Data of Defendant No.1 reveals that it was incorporated on 02.02.2021, barely one month after the resignation of Defendant Nos.2-4. Further, the said records also reveal that Defendant No.4 is a Director of Defendant No.1, while Defendant No.2 is employed therein as a Zonal Manager and that the Defendant No.3 holds 4,000 equity shares in one M/s Calance Software Pvt. Ltd., which is, in fact, the holding company of Defendant No.1.
- h) Thereafter, on 18.08.2021, the Plaintiff issued a Legal Notice to the Defendant No.1 demanding them to stop carrying on any business in completion with the Plaintiff. The said Legal Notice was not replied to by the Defendant No.1.
- i) It is further stated that Defendant Nos.2-4, in collusion with Defendant No.1 have been inducing key employees and managerial personnel of the Plaintiff to breach their employment contracts and join Defendant No.1. Further, Defendant Nos.2-4 have solicited and procured the resignation of Defendant Nos.5-20 from the Plaintiff's employment, all of whom have since joined Defendant No.1.
- j) It is stated that on lifting the corporate veil of the Defendant No.1, it



2026:DHC:4003



becomes evident that the said entity is merely a façade for Defendant Nos.2-4, who are carrying on a competing business by unlawfully utilising confidential information obtained in trust from the Plaintiff. Therefore, the Plaintiff has filed the instant Suit on account of breach of the Non-Disclosure Agreements by the Defendant Nos.2-20, and their unauthorized usage of the Plaintiff's confidential information, seeking, *inter alia*, to restrain them from continuing such lawful acts.

4. The instant Suit was listed on 04.04.2022, on which date summons were issued. The Application under Order XXXIX Rules 1 and 2 of the Code of Civil Procedure, 1908 ("CPC"), being I.A. No.5188/2022, was allowed on the same day. Thereafter, an Application under Order XXXIX Rule 4 of the CPC, being I.A. No.6453/2022, was filed and subsequently allowed *vide* judgment dated 17.08.2022. The Plaintiff thereafter withdrew the instant Suit on 20.03.2023.

5. Subsequently, the present Application, being CRL.M.A. No.14926/2023, has been filed by the Defendant No.1 company stating that the Plaintiff has committed an act of perjury by intentionally raising false pleas and by furnishing false information during the judicial proceedings before this Court and that an inquiry under Section 340 read with Section 195(1)(b) CrPC be initiated against the Plaintiff. Notice on the said Application was issued to the Plaintiff on 29.05.2023.

6. Learned Counsel appearing for the Defendant No.1 submitted that Defendant No.1 had independently approached ICICI Bank through its directors for business purposes, and through Defendant Nos.2-20. It was further asserted that the Service Provider Agreement between the Defendant No.1 and ICICI Bank has not impacted the Plaintiff's relationship with the



2026:DHC:4003



said bank, which continues to avail services from the Plaintiff.

7. Learned Counsel for the Defendant No.1 also submitted that Defendant Nos.5-20 were not solicited or induced, but had voluntarily joined Defendant No.1. Further, Defendant No.1 was unaware of any prior employment obligations of such employees, as its policy does not mandate verification thereof, and it had only relied upon resignation certificates indicating a one-year restriction on disclosure of sensitive information. In the absence of any use of the Plaintiff's clientele or contacts, it was argued that no breach of the Non-Disclosure Agreements has occurred.

8. It was further argued that there exists no privity of contract between the Plaintiff and Defendant No.1, and therefore, no cause of action lies against Defendant No.1 for any alleged breach by former employees. Defendant No.1, not being a party to the Non-Disclosure Agreements, is not bound by their terms, and any remedy of the Plaintiff lies only against its ex-employees. Consequently, restraining Defendant No.1 from carrying on its business would be legally untenable and would cause irreparable harm.

9. Learned Counsel for the Defendant No.1 further pointed out that the Plaintiff had obtained the ad-interim injunction Order dated 04.04.2022 by misrepresenting material facts, particularly by asserting that all Defendant Nos. 2-20 had executed Non-Disclosure Agreements and had breached the same. It was further contended that the Non-Disclosure Agreements relied upon by the Plaintiff were not signed by a majority of the defendants, including Defendant Nos.5, 6, 7, 12, 13, 14, 15, 16, 17, 18, 19, and 20, which was apparent even from the unsigned copies of the Non-Disclosure Agreements filed by the Plaintiff along with the plaint. The said contention was recorded in the Order dated 17.08.2022, wherein the Court noted, that



2026:DHC:4003



(i) the NDAs forming the basis of the Plaintiff's case were not executed by several defendants; (ii) certain defendants such as Defendant Nos.14 and 18 were, in fact, serving with the Plaintiff; and (iii) multiple defendants who had not signed the NDAs could not be bound by their terms.

10. It was further submitted that Defendant Nos.5, 7, 12, 13, 15, and 20 had filed applications under Order VII Rule 11 of the CPC seeking rejection of the plaint qua them on the ground that no cause of action arose against them, particularly as the Non-Disclosure Agreements placed on record did not bear their signatures. Thereafter, Defendant No.1 had also preferred an application being I.A. No. 19248/2022 under Section 30 and Order XI Rules 12 and 14 read with Section 151 of CPC, seeking discovery and production of the original Non-Disclosure Agreements and Employment Agreements allegedly executed by Defendant Nos.2-20, as well as details regarding the re-joining of Defendant Nos.14 and 18 with the Plaintiff and its group companies. Furthermore, the Plaintiff was fully aware that Defendant Nos.14 and 18 had been reappointed with it and its group companies in April 2022, yet this fact was deliberately withheld from the Court, and the said Defendants were not even deleted from the array of parties until the withdrawal of the instant Suit.

11. It was further submitted that the conduct of the Plaintiff clearly indicates that it had played a fraud upon both the Defendants, in as much as: (i) it avoided producing original documents such as the Non-Disclosure Agreements and employment records despite specific directions; (ii) it failed to file a reply to the Application under Order VII Rule 11 of CPC; (iii) even in the replies filed, the Plaintiff failed to produce the original Non-Disclosure Agreements; and (iv) the documents annexed to the plaint were



2026:DHC:4003



mere photocopies, many of which did not bear signatures of the concerned Defendants.

12. It was also contended that, upon realising that the pending Applications would expose the falsity of its claims, the Plaintiff withdrew the suit on 20.03.2023 to avoid adverse consequences. It was further alleged that the Plaintiff had obtained and enjoyed an ad-interim injunction for over four months (from 04.04.2022 to 17.08.2022) on the basis of false pleadings.

13. The mala fide intent of the Plaintiff was further demonstrated by its act of communicating the interim order dated 04.04.2022 to ICICI Bank *vide* email dated 26.04.2022, which led to the suspension of the Service Provider Agreement dated 23.02.2021 between the Defendant No.1 and ICICI Bank. It was submitted that, under the guise of restraining Defendant Nos.2-20, the Plaintiff effectively paralysed the entire business operations of Defendant No.1, despite there being no privity of contract between them. At the relevant time, Defendant No.1 had an exclusive business arrangement with ICICI Bank and employed approximately 125 individuals, whose livelihoods were adversely affected by the Plaintiff's actions. It was also contended that the Plaintiff's act of informing ICICI Bank was contrary to the spirit of the interim order dated 04.04.2022 and resulted in severe disruption to Defendant No.1's business, including its inability to engage the services of numerous employees unconnected with the Plaintiff.

14. It was further submitted that in these circumstances, the Plaintiff has made false claims within the meaning of Section 209 of the Indian Penal Code, 1860 ("IPC") and has committed offences warranting action under Section 340 read with Section 195 CrPC in order to preserve the sanctity of judicial proceedings. It was submitted that a reading of the relevant



paragraphs of the plaint, in conjunction with the documents filed by the Plaintiff, would clearly establish that false and misleading averments were made before this Court.

15. *Per contra*, learned Counsel for the Plaintiff vehemently denies each and every submission advanced by the Defendants as being false, misconceived and devoid of merit. She objected to the present Application, thereby stating that the Application is frivolous in nature.

16. She further submits that not every incorrect or allegedly false statement made in the course of judicial proceedings warrants initiation of action under Section 340 CrPC. Thereafter, she submits that the scope and intent of Section 340 CrPC is to safeguard the broader administration of justice, and not to redress individual grievances or perceived personal injury.

17. Learned Counsel for the Plaintiff also contended that proceedings under Section 340 CrPC cannot be permitted to be invoked as a tool for retaliation, being driven by motives of personal vendetta or revenge, but must be exercised with circumspection and only in cases where the interests of justice so demand.

18. Heard learned Counsel for the parties and perused the material on record.

19. The Defendant No.1 has alleged that the Plaintiff has made false submissions and has deliberately misled this Court. In this regard, Defendant No. 1 has drawn the attention of this Court to various paragraphs of the plaint wherein, according to it, the Plaintiff has made misleading and incorrect averments. Defendant No. 1 has further alleged that the Plaintiff made false and misleading submissions during the pendency of the proceedings and in the course of arguments before this Court.



2026:DHC:4003



20. Written Statement on behalf of the Defendant No.1 was filed on 27.05.2022. It is pointed out that *vide* Order dated 30.05.2022, learned Counsel appearing for the Defendant No.1 on instructions stated that the Written Statement filed by the Defendant No.1 be treated as Written Statement on behalf of Defendant Nos.2-20, except for Defendant Nos.14 and 18. Written Statement on behalf of Defendant No.18 was filed on 25.05.2022.

21. It is observed that in order to controvert the submissions of the Plaintiff that the Non-Disclosure Agreements had been executed by all the concerned Defendant Nos.2-20, the Defendant Nos.1, 5, 6, 7, 15, 16, 18, 19, 20, in support of their contention, have placed on record Affidavits, wherein some deponents have admitted to having executed the Non-Disclosure Agreements, while others have denied the same. The relevant extracts of the said Affidavits are reproduced hereinbelow for the sake of convenience and ready reference:

Defendant No.1

“12. That the Defendant No.1 realizing that the Plaintiff were creating forged documents and producing the same before this Hon’ble Court without any fear or respect for Hon’ble Courts, decided to get the signatures of Vikash Kumar Soni allegedly present on those documents verified and seek an expert opinion from forensic laboratory as permissible u/s 39 of The Bhartiya Sakshya Adhinyam, 2023.

13. That the Defendant No.1 approached Sherlock Institute of Forensic Science India (SJFS) and submitted all documents in respect of employment of Vikash Kumar Soni filed by Plaintiff at Page 245 to 262 with an affidavit dated 10.01.2025. The SIFS has



handed over a report dated 01 .04.2025 with the following observation:

"After doing in-depth analysis of the provided documents and by cumulative considerations of the above mentioned reasons it is concluded that the sign of computerized transplantation of the signatures are observed on the provided documents with the help of some snipping tools from the same source. As no human write two signatures with same mathematical similarities which raise question on authenticity of the signatures. All the described similarities proves that there is strong possibility that the electronic transplantation has been done. With the help of transparency sheet I have observed that the all the signatures marked as (A-1 to A-5) are superimposing with each other and transplanted from same model signature. "

XXX

Defendant No.5

"3. That Mr. Sourabh Jha said that he would send an affidavit and asked me to sign it and said that if I sign the said affidavit my name would be deleted from the Aurigain case and I would be free from the case.

4. That Mr. Sourabh Jha even offered a job in Sahi Bandhu Fintech Services Pvt. Ltd. for signing the affidavit. Thereafter, I replied to him that I would let him know and the call was disconnected."

XXX

Defendant No.6

"7. Therefore, I am swearing the present affidavit to confirm that at the time joining the employment, I signed the appointment letter, NDA and joined the



company after completion of all joining formalities. I say that the facts states herein above are true and correct to my knowledge.”

XXX

Defendant No.7

“7. Therefore, I am swearing the present affidavit to confirm that at the time joining the employment, I signed the appointment letter, NDA and joined the company after completion of all joining formalities. I say that the facts states herein above are true and correct to my knowledge.”

XXX

Defendant No.15

“3. That Mr. Sourabh Jha said that he would send an affidavit and asked me to sign it and said that if I sign the said affidavit my name would be deleted from the Aurigain case and I would be free from the case.

4. That Mr. Sourabh Jha even offered a job in Sahi Bandhu Fintech Services Pvt. Ltd. for signing the affidavit.”

XXX

Defendant No.16

“7. Therefore, I am swearing the present affidavit to confirm that at the time joining the employment, I signed the appointment letter, NDA and joined the company after completion of all joining formalities. I say that the facts states herein above are true and correct to my knowledge.”

xxx



Defendant No.18

“7. Therefore, I am swearing the present affidavit to confirm that at the time joining the employment, I signed the appointment letter, NDA and joined the company after completion of all joining formalities. I say that the facts states herein above are true and correct to my knowledge.”

xxx

Defendant No.19

“6. I state that on perusal of these documents and my alleged signatures present on these documents, it is clear that the same are not my original signatures. I further state that I had never signed any appointment letter or any NDA during my employment with Plaintiff. Copy of appointment letter and a copy of NDA handed over to Aurigain Consultants Private Limited by the Plaintiff allegedly bearing my signatures are annexed as Annexure A-1 (Colly).”

xxx

Defendant No.20

“3. That Mr. Sourabh Jha asked me to come for an interview for a job but before that there was a condition that I have to sign an affidavit/agreement.”

(Emphasis Supplied)

22. The Plaintiff in order to deal with the Affidavits of Defendant Nos.5, 15 and 20 dated 27.08.2024, has also filed replies thereto, seeking to substantiate its stand.

23. It is pertinent to mention that *vide* Order dated 27.08.2024, learned Counsel for the Plaintiff submitted before this Court that 7 Non-Disclosure Agreements had been filed on record (comprising 3 originals and 4



2026:DHC:4003



photocopies of originals). It was further recorded that Mr. Hari Om Sharma, Defendant No.5, who was present in Court, stated he had signed the Non-Disclosure Agreement, and his statement to that effect was duly recorded. The said Order is reproduced hereinbelow for ready reference:

“1. Learned senior counsel for the plaintiff has handed over for perusal of this Court the original Non-Disclosure Agreements (NDAs) executed by Mr. Mukesh, Mr. Rajesh Kumar Singh, Mr. Vikram Singh and Mr. Vivek Sood. There are four (4) in number.

2. She has also separately handed over for perusal of this Court photocopies of the NDAs signed in original by Mr. Rajender Kumar Patel, Mr. Pawan Yadav and Mr. Khalid Khan. These are three (3) in number.

3. In this manner, the plaintiff has handed over in all $4+3=7$ NDAs.

4. The Court Master is directed to have the said seven (7) NDAs sent to the registry for placing them in a file cover so as to enable inspection of the said documents by the defendants.

Defendant nos. 1, 5, 15 and 20

5. Learned counsel for the defendant nos.1, 5, 15 and 20 has handed over affidavits of defendant nos. 5, 15 and 20, which are directed to be taken on record. The counsel for the defendant shall take appropriate steps in this regard. The said defendant nos. 5, 15 and 20 are present in Court and confirm the contents of the said affidavits.

6. Learned senior counsel for the plaintiff states on instructions that defendant no. 5, Mr. Hari Om Sharma had executed an NDA and the plaintiff is in possession of photocopy of the said NDA, which was executed in



2026:DHC:4003



original on 31.08.2021.

7. Mr. Hariom Sharma, who is present in Court has been examined and he states that in 2021 after he had left the employment of the plaintiff and had joined another Company, he had received a phone call from the plaintiff to execute some papers including the NDA so as to enable release of his pending dues.

8. Mr. Hariom Sharma states that documents were received by him on email and he had signed this agreement i.e., the NDA subsequently in 2021. He states that the copy of the e-mail through which the NDA was sent to him for signatures is available with him and he will file the same within two (2) weeks. He states that however, this NDA was not signed by him during the course of employment with the plaintiff.

9. At request, list on 13.01.2025. ”

24. It is further pointed out that Defendant No.1, upon apprehending that the Plaintiff was fabricating and placing forged documents on record before this Court, undertook steps to have the signatures of Defendant No.19, as appearing on the alleged Non-Disclosure Agreement, independently verified by seeking an expert opinion from a forensic laboratory. In this regard, Defendant No.1 approached Sherlock Institute of Forensic Science (“SIFS”) and submitted all relevant documents pertaining to Defendant No.19, which had been filed by the Plaintiff along with an Affidavit dated 10.01.2025. The relevant portion of the Forensic Report which was furnished on 01.04.2025, which has already been reproduced in the foregoing paragraph.

25. At the outset, it is pertinent to refer to the provisions of Section 340 CrPC read with Section 195 CrPC, which govern the procedure and



conditions for initiating prosecution in respect offences affecting the administration of justice, and which read as under:

“340. Procedure in cases mentioned in section 195.—*(1) When, upon an application made to it in this behalf or otherwise, any Court is of opinion that it is expedient in the interests of Justice that an inquiry should be made into any offence referred to in clause (b) of sub-section (1) of section 195, which appears to have been committed in or in relation to a proceeding in that Court or, as the case may be, in respect of a document produced or given in evidence in a proceeding in that Court, such Court may, after such preliminary inquiry, if any, as it thinks necessary,—*

(a) record a finding to that effect;

(b) make a complaint thereof in writing;

(c) send it to a Magistrate of the first class having jurisdiction;

(d) take sufficient security for the appearance of the accused before such Magistrate, or if the alleged offence is non-bailable and the Court thinks it necessary so to do, send the accused in custody to such Magistrate; and

(e) bind over any person to appear and give evidence before such Magistrate.

(2) The power conferred on a Court by sub-section (1) in respect of an offence may, in any case where that Court has neither made a complaint under sub-section (1) in respect of that offence nor rejected an application for the making of such complaint, be exercised by the Court to which such former Court is



subordinate within the meaning of sub-section (4) of section 195.

(3) A complaint made under this section shall be signed,—

(a) where the Court making the complaint is a High Court, by such officer of the Court as the Court may appoint;

[(b) in any other case, by the presiding officer of the Court or by such officer of the Court as the Court may authorise in writing in this behalf.]

(4) In this section, “Court” has the same meaning as in section 195.”

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“195. Prosecution for contempt of lawful authority of public servants, for offences against public justice and for offences relating to documents given in evidence.—(1) No Court shall take cognizance—

(a) (i) of any offence punishable under sections 172 to 188 (both inclusive) of the Indian Penal Code, (45 of 1860), or

(ii) of any abetment of, or attempt to commit, such offence, or

(iii) of any criminal conspiracy to commit such offence,

except on the complaint in writing of the public servant concerned or of some other public servant to whom he is administratively subordinate;

(b) (i) of any offence punishable under any of the



following sections of the Indian Penal Code (45 of 1860), namely, sections 193 to 196 (both inclusive), 199, 200, 205 to 211 (both inclusive) and 228, when such offence is alleged to have been committed in, or in relation to, any proceeding in any Court, or

(ii) of any offence described in section 463, or punishable under section 471, section 475 or section 476, of the said Code, when such offence is alleged to have been committed in respect of a document produced or given in evidence in a proceeding in any Court, or

(iii) of any criminal conspiracy to commit, or attempt to commit, or the abetment of, any offence specified in sub-clause (i) or sub-clause (ii),

[except on the complaint in writing of that Court or by such officer of the Court as that Court may authorise in writing in this behalf, or of some other Court to which that Court is subordinate.]

(2) Where a complaint has been made by a public servant under clause (a) of sub-section (1) any authority to which he is administratively subordinate may order the withdrawal of the complaint and send a copy of such order to the Court; and upon its receipt by the Court, no further proceedings shall be taken on the complaint:

Provided that no such withdrawal shall be ordered if the trial in the Court of first instance has been concluded.

(3) In clause (b) of sub-section (1), the term "Court" means a Civil, Revenue or Criminal Court, and includes a tribunal constituted by or under a Central, Provincial or State Act if declared by that Act to be a Court for the purposes of this section.



(4) For the purposes of clause (b) of sub-section (1), a Court shall be deemed to be subordinate to the Court to which appeals ordinarily lie from the appealable decrees or sentences of such former Court, or in the case of a Civil Court from whose decrees no appeal ordinarily lies, to the Principal Court having ordinary original civil jurisdiction within whose local jurisdiction such Civil Court is situate:

Provided that—

(a) where appeals lie to more than one Court, the Appellate Court of inferior jurisdiction shall be the Court to which such Court shall be deemed to be subordinate;

(b) where appeals lie to a Civil and also to a Revenue Court, such Court shall be deemed to be subordinate to the Civil or Revenue Court according to the nature of the case or proceeding in connection with which the offence is alleged to have been committed.”

26. A perusal of the Section 340 CrPC, would show that before any action under Section 195 CrPC is taken, the Court must form an opinion that it is expedient in the interest of justice that an inquiry should be made into an offence referred to in Clause (b) of subsection (1) of Section 195 CrPC, which appears to have been committed in or in relation to a proceeding before the Court in respect of a document produced or given in evidence. Therefore, firstly, the Court, must form an opinion as to whether, it is expedient in the interest of justice that an inquiry must be held before proceeding under Section 195(1)(b)(i)&(ii) and after holding preliminary inquiry, the Court can give a finding to that effect or can make a complaint



2026:DHC:4003



thereafter in writing or send the matter to the Magistrate of First Class having the jurisdiction or take sufficient security for the appearance of the person before the Magistrate.

27. For the purposes of the present case, this Court is to consider as to whether the allegations made in the Application under Section 340 CrPC comes within the ambit of the said provision. It is to point out that Section 340(1) refers back to Section 195 CrPC, a reference to the same is necessary.

28. Section 195(1)(b) is to be considered in the present case. Clause (b) thereof comprises three sub-clauses. Sub-clause (i) pertains to offences under Sections 193 to 196, 199, 200, 205 to 211 and 228 of the IPC, primarily relating to the giving of false evidence and allied offences. In contrast, Sub-clause (ii) addresses offences involving forgery, namely those described under Section 463 of IPC or punishable under Sections 471, 475 or 476 of IPC, when such offences are alleged in respect of documents produced or relied upon in judicial proceedings. Sub-clause (iii) relates to criminal conspiracy to commit or attempt to commit or abatement of any offences.

29. Chapter XI of the IPC is titled as “Of false evidence and offences against public justice system”. The scheme of the IPC makes it clear that “false evidence” is defined under Section 191 of IPC, which encompasses statements made under oath or legal obligation that are knowingly false or not believed to be true. Section 193 of IPC prescribes punishment for intentionally giving or fabricating false evidence at any stage of a judicial proceeding, and its scope extends beyond formal evidence to include false statements made on oath before a court. Sections 194 to 196 and 199 to 200



2026:DHC:4003



of IPC similarly deal with varying forms of false declarations and their use in evidence.

30. In the present case, the focus lies on Sub-clause (i) of Section 195(1)(b) CrPC, which concerns to offences committed during judicial proceedings. Section 209 of IPC relates to penalizing dishonestly or fraudulently making a false claim/averments in pleadings to a Court with intent to injure or annoy. Whereas, Sub-clause (ii) of Section 195(1)(b) CrPC, which concerns forgery related offences. Section 463 of IPC being the foundational provision, defines forgery as the making of false documents with an intent to cause damage, support a claim or title, or commit fraud. Section 471 of IPC further criminalises the fraudulent or dishonest use of a forged document as genuine, with knowledge or reason to believe its falsity.

31. It is settled law that for attracting the provisions of Section 195(1)(b)(i) CrPC there must be an intention on part of the alleged offender to directly mislead the Court into forming a certain opinion on a point material to the result of the proceedings and subsequently should have a direct nexus with the Court proceedings. Whereas, for attracting the provisions of 195(1)(b)(ii) CrPC, it is necessary to examine whether the documents in question are *prima facie* forged and whether they were created with the intent to support a claim or title. Additionally, it must be established that such documents were knowingly used as genuine in judicial proceedings. The determinative factors, therefore, are the existence of a false document, the requisite intent behind its creation, and its subsequent use with knowledge of its falsity.

32. The Apex Court in Iqbal Singh Marwah v. Meenakshi Marwah, (2005) 4 SCC 370 has elaborately considered the scope and ambit of



2026:DHC:4003



Section 340 read with Section 195 CrPC and delineated the circumstances under the said provision must be construed strictly and are intended to apply only where the offence has a direct nexus with the administration of justice and has been committed in relation to proceeding in a Court. The relevant paragraphs are reproduced hereunder:

“23. In view of the language used in Section 340 CrPC the court is not bound to make a complaint regarding commission of an offence referred to in Section 195(1)(b), as the section is conditioned by the words “court is of opinion that it is expedient in the interests of justice”. This shows that such a course will be adopted only if the interest of justice requires and not in every case. Before filing of the complaint, the court may hold a preliminary enquiry and record a finding to the effect that it is expedient in the interests of justice that enquiry should be made into any of the offences referred to in Section 195(1)(b). This expediency will normally be judged by the court by weighing not the magnitude of injury suffered by the person affected by such forgery or forged document, but having regard to the effect or impact, such commission of offence has upon administration of justice. It is possible that such forged document or forgery may cause a very serious or substantial injury to a person in the sense that it may deprive him of a very valuable property or status or the like, but such document may be just a piece of evidence produced or given in evidence in court, where voluminous evidence may have been adduced and the effect of such piece of evidence on the broad concept of administration of justice may be minimal. In such circumstances, the court may not consider it expedient in the interest of justice to make a complaint. The broad view of clause (b)(ii), as canvassed by learned counsel for the appellants, would render the victim of such forgery or forged



document remediless. Any interpretation which leads to a situation where a victim of a crime is rendered remediless, has to be discarded.” (Emphasis Supplied)

33. In the instant case, it was observed that the pleadings in the Plaint asserted that Defendant Nos.2-20 had executed the Non-Disclosure Agreements and were bound not to disclose confidential information, formed the very basis on which the Plaintiff sought and obtained an *ad-interim injunction* Order dated 04.04.2022. However, it subsequently transpired that such pleadings were not supported by the material placed on record. Accordingly, this Court, upon consideration of the matter, vacated the interim Order *vide* Order dated 17.08.2022, observing, that there was lack of evidentiary value and sufficient material on record, and that the Plaintiff had failed to substantiate its case in terms of the averments made in the Plaint.

34. A *prima facie* case is, therefore, made out that false averments have been made in the Plaint. The pleadings are found to be inconsistent with the documents placed on record by the Plaintiff itself. The documentary record revealed that Defendant Nos.5-7 and 12-20 had not signed the Non-Disclosure Agreements relied upon by the Plaintiff.

35. Subsequently, certain Defendants, namely Defendant Nos.6, 7, 16 and 18 filed Affidavits in Court stating that they had executed the Non-Disclosure Agreements, while Defendant No.5, in his statement recorded before the Court on 27.08.2024, admitted to having signed the same. In contrast, Defendant No.19, Mr. Vikash Kumar Soni specifically alleged that his signatures had been forged and that he had never executed any such document. Further, Defendant No.15 stated that he had been contacted by



2026:DHC:4003



the Plaintiff to sign the Non-Disclosure Agreement as a precondition for deletion of his name from the 'Aurigain case' and the Defendant No.20 stated that he had been contacted by the Plaintiff to sign the Non-Disclosure Agreement as a precondition for employment, but their Affidavits did not unequivocally clarify whether they had, in fact, executed the same. The remaining Defendants, whose signatures were not found on the Non-Disclosure Agreements filed by the Plaintiff, did not file any Affidavits clarifying their position.

36. Further inconsistencies arise in relation to Defendant Nos.14 and 18, in respect of whom the Plaintiff had alleged execution of the Non-Disclosure Agreements and misuse of confidential information in association with Defendant No.1, whereas both these Defendants had re-joined the Plaintiff company. Further, Defendant No.3 resigned from the Plaintiff company on 29.09.2021 and joined the Defendant No.1 only on 08.02.2022, therefore, the Defendant No.3 is restricted only for a period of 1 year, which period had since expired.

37. Accordingly, this Court is of the opinion that the ingredients of Section 195(1)(b)(i) CrPC are attracted, as the alleged false statements form part of the judicial record and have a direct bearing on the administration of justice. The test is not merely whether the Plaintiff entered the witness box, but whether false statements, knowingly made and verified, were placed before this Court with the intent to secure favourable orders, thereby impacting the sanctity of judicial proceedings.

38. In the present case, averments have been made in the Plaint by the Plaintiff knowing fully well that they are false. Defendant No.19 has categorically stated that in the Non-Disclosure Statement filed by the



2026:DHC:4003



Plaintiff, that the signatures have been forged.

39. On the basis of the false statement, the Plaintiff was the beneficiary of stay and thereafter, in order to cover up its lapses, the Plaintiff has resorted to filing certain documents, which, in the opinion of this Court, are *prima facie* fabricated.

40. It is made clear that this Court is not making any observations on the same and it will be for the Trial Court to take a decision on this aspect. Any conclusive opinion from this Court would be detrimental to the Plaintiff. The opinion has been arrived at after giving sufficient opportunity to the Respondent.

41. In view of the aforesaid observations, this Court finds that the instant case is one wherein *it is expedient or in the interest of justice for the Court*, to initiate the proceedings under Section 340 CrPC.

42. Therefore, this Court directs the Registrar General of this Court to prepare a complaint in terms of Section 195 of CrPC read with Section 340 CrPC and file it before the competent Court for action.

43. Resultantly, the instant Application is allowed.

SUBRAMONIUM PRASAD, J

MAY 04, 2026

JR