THE HON'BLE SRI JUSTICE M.SATYANARAYANA MURTHY

CRIMINAL PETITION Nos.9454, 9465, 9466 OF 2012 AND 6160, 6323 & 6324 OF 2013

COMMON ORDER:

Criminal Petition Nos.9454, 9465 and 9466 of 2012 are filed under Section 482 of the Criminal Procedure Code, 1973 (for short, 'Cr.P.C.') to quash the proceedings in Calendar Case Nos.25, 169 and 74 of 2011 on the file of the I Additional Judicial Magistrate of First Class, Proddatur, Kadapa District, respectively, whereas the Criminal Petition Nos.6160, 6323, 6324 of 2013 are filed under Section 482 Cr.P.C., to quash the proceedings in Calendar Case Nos.963 & 692 of 2011 and 1 of 2012 on the file of the Judicial Magistrate of First Class, Nandyal, Kurnool District, respectively.

2. Since the issue involved in all the Criminal Petitions is one and the same, they are being disposed of by way of this Common Order.

3. Facts of the case, in brief, are that the complainant in all the cases is the one and the same, who is the proprietor of Sri Chakra Cotton Traders, doing business in cotton. He supplied cotton bales to the accused on various dates and the accused having received the same became due towards price of cotton bales and failed to pay the amount. After repeated demands, the accused issued cheques towards discharge of amount due.

Details of the cheque are as follows:

Sl. No.	C.C.No.	Crl.P. No.	Cheque No.	Dated	Issued by	Drawn on	Amount. (Rs.)
01.	25/2011	9454/2012	490618	25.02.2010	A.2	IOB, Ramalinga Nagar Branch	13,32,643/-
02.	169/2011	9465/2012	480846	31.12.2010	A.3	-do-	14,96,715/-
03.	74/2011	9466/2012	490619	07.01.2010	A.2	-do-	15,17,506/-
04.	963/2011	6160/2013	480836	31.12.2010	A.2	-do-	19,10,662/-
05.	692/2011	6323/2013	480832	31.12.2010	A.2	-do-	16,79,474/-
06.	1/2012	6324/2012	483782 483783	15.04.2011 30.04.2011	A.2	-do-	9,00,000/- 9,00,000/-

Later, when the said cheques were presented, they were dishonoured on the ground "exceeds arrangement". Therefore, the 2nd respondent/complainant, after following necessary procedure, filed the present complaints.

4. The main ground urged in all these petitions is that the petitioners are A.5 to A.7 in all the Calendar Cases referred supra; they are no way concerned with the offences allegedly committed by them; they are not the Directors actively attending to day-to-day affairs of the 1st accused company; even the complaint is also silent as to how the petitioners herein are involved in day-to-day affairs of the company and in the absence of any allegation regarding their attendance to day-to-day affairs of the Company, they cannot be made liable for the offences punishable under Sections 138 of the Negotiable Instruments Act, 1881 (for short, 'N.I. Act') in view of Section 141 of the N.I. Act.

It is further urged that the averments in the complaints specifically show that A.2 is the Chairman of the Company, A.3 is the Managing Director of the Company, but these petitioners are only

Directors of the Company and they are not managing the Company. Therefore, the bald allegation that these petitioners are also managing the company in its day-to-day affairs is insufficient to saddle with any criminal liability and prayed to quash the proceedings pending before the I Additional Judicial Magistrate of First Class, Proddatur, Kadapa District and the Judicial Magistrate of First Class, Nandyal, Kurnool District, against these petitioners.

5. During hearing, Sri R.Raghunandan, learned counsel for the petitioners, would contend that allegation in paragraph No.1 of the complaints is not sufficient to hold them responsible criminally for the offence punishable under Section 138 of the N.I. Act and apart from that, a batch of petitions before the various Courts to quash the proceedings under Section 482 Cr.P.C., were filed and they were allowed and confirmed by the Apex Court, on the same grounds, these petitions are liable to be allowed. He placed reliance on judgment of this Court in Criminal Petition No.6330 of 2013 dated 21.02.2014 and confirmation of judgment by the Apex Court in Special Leave Petition (Crl.) – Crl.M.P.No.23554 of 2014, dated 21.01.2015, and the present petitions are almost on same footing, in such a case, the Court is bound by the judgment of a single Judge of this Court and confirmed by the Apex Court. He further drawn the attention of this Court to another judgment of the Hon'ble Supreme Court in Securities and Exchange Board of India and others v. Gaurav Varshney and others[1], and another judgment of the Apex Court in Central Bank of

[1] 2016(3) Crimes 240 (SC)

India v. Asian Global Ltd, and others[2], where the Hon'ble Supreme Court held that mere allegation in the complaint is not sufficient to made them criminally liable for the offence punishable under Section 138 of the N.I. Act.

6. In Pooja Ravinder Devidasani v. State of Maharashtra[3] the Hon'ble Supreme Court reiterated the same principle and thereby on the strength of those principles laid down in the judgments referred supra, the learned counsel for the petitioners specifically contended that unless showing how the petitioners are participated in day-to-day affairs of the company i.e., A.1, making a bald allegation in the complaints that they are participated in day-to-day affairs is not suffice to make them liable criminally and prayed to quash the proceedings.

7. Per contra, learned counsel for the 2nd respondent Sri Venkat Reddy, contends that an allegation is sufficient to proceed against the Directors of the Company and how they are liable is question of fact to be decided during trial only and at this stage, this Court cannot record fact findings or a finding on a disputed question of fact to conclude whether the petitioners are liable criminally or not, and placed reliance on the judgment of Apex Court reported in Standard Chartered Bank v. State of Maharashtra and others[4], and HMT Watches Ltd., v. M.A. Abida and another[5] in support of his contention. Basing on the principles laid down in the above judgments, coupled with the allegations made in paragraph No.1 of the complaints, he

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[2] (2010) 11 SCC 203
[3] AIR 2015 SC 675
[4] AIR 2016 SC 1750
[5] 2015(2) ALT (Crl.) 459 (SC)

contended that an allegation is sufficient and disputed question of fact cannot be gone into while deciding application under Section 482 Cr.P.C., and thereby, there are absolutely no grounds to quash the proceedings and prayed for dismissal of the petitions.

8. In view of the rival contentions, short question that falls for consideration is:

Whether the allegation made in the first paragraph of the complaints that the petitioners/A.5 to A.7 are the Directors of the Company (A.1); are managing the company; busy with the day-to-day affairs of the company; all are managing the company and also in-charge of the company and thereby, all are jointly and severally liable for the acts of A.1 company, is sufficient to proceed against the petitioners in Calendar Cases referred above?

9. Undisputedly, the 2nd accused being the Chairman of the M/s Muthu Kumara Swamy Textiles Limited (A.1) issued the cheques in dispute and they were dishonoured. So far as the petitioners are concerned, according to their contentions, they are only non-executive directors and are no way concerned with the offences allegedly committed by the Company as they are not attending to day-to-day affairs of the company and not managing the same. In such a case, the petitioners cannot be proceeded. They also produced a copy of the shareholders agreement to show that the 1st petitioner is only an ordinary Director and not managing or executive director of the Company. In the second part of the agreement, he is referred as second party to the agreement, they are Damodar Lal Shewakramani,

3rd petitioner (A.7), and Muthu Kumara Swamy Textiles Limited, a Public Limited Company, and other two petitioners are only non-executive Directors of the Company and according to Article 6 of the agreement, the management of the company shall be under the guidance and Superintendent and Board of Directors of the Company and the parties thereto mutually agreed that Mr.S.Ramanath shall be the Managing Director of the Company, who shall carry out the day-to-day management of the Company. Both parties shall have the right of equal representation of the Board. Thus, S.Ramanath, A.3, alone was the Managing Director of the Company, who is attending to day-to-day affairs of the company, and others are not Managing Directors. No doubt, as per shareholders agreement, these petitioners are not in the management of the company, but they are only Directors for the business purpose. However, at the stage of deciding an application under Section 482 Cr.P.C., this Court need not look into the defence set up by the petitioners and at best, the Court has to decide based on the allegations made in the complaint whether the petitioners can be proceeded under criminal law. Therefore, this Court, at best, has to confine whether the allegations made in the first paragraph of the complaints are sufficient to proceed against the petitioners or not.

10. For convenience and for better appreciation, the specific allegation in paragraph No.1 of C.C.No.25 of 2011 is extracted hereunder:

> "The accused No.1 is the private Limited concerned Company and registered under Companies Act. The accused No.2 is the Chairman of accused No.1. Accused No.3 is the Managing Director of accused No.1. Accused Nos.4 to 7 are

the Directors of the accused No.1 company and accused Nos.2 to 7 are managing the company and busy with day-to-day affairs of the Company and all are managing the company and also in-charge of the company and all are jointly and severally liable for the acts of accused No.1 Company."

Thus, the allegations made in the first paragraph of the complaints would show that the petitioners are participating in day-to-day affairs of the company, though they are not Managing Directors or Executive Directors of the Company. Whether such an allegation is true or not is a question of fact and such disputed question cannot be decided while deciding an application under Section 482 Cr.P.C., in view of the law declared by the Apex Court in HMT Watches Ltd., (5 supra), wherein the Apex Court specifically held that as follows:

> "Whether the cheques were given as security or not, or whether there was outstanding liability or not is a question of fact which could have been determined only by the trial Court after recording evidence of the parties. In our opinion, the High Court should not have expressed its view on the disputed questions of fact in a petition under Section 482 of the Code of Criminal Procedure, to come to a conclusion that the offence is not made out. The High Court has erred in law in going into factual aspects of the matter which were not admitted between the parties. The High Court further erred in observing that Section 138(b) of N.I. Act stood un-complied, even though the respondent No.1 (accused) had admitted that he replied the notice issued by the complainant. Also, the fact, as to whether signatory of demand notice was authorised by the complainant company or not, could not have been examined by the High Court in its jurisdiction under Section 482 of the Code of Criminal Procedure when such a plea was controverted by the complainant before it."

Thus, the jurisdiction of this Court under Section 482 Cr.P.C., is limited and this Court while deciding an application under Section 482 Cr.P.C., cannot record any finding as to disputed questions of facts, which were asserted by one party and denied by other party to the criminal proceedings, more particularly, in a complaint in respect of the offence punishable under Section 138 of the N.I. Act.

11. In the present case, a specific allegation is made about the attendance of these petitioners to the day-to-day affairs of the company in paragraph No.1 of the complaints, which is extracted in the earlier para. But, the petitioners controverted or disputed the said allegation by producing shareholders agreement and other documents to demonstrate that the petitioners are not attending to day-to-day affairs of the company. Whether they are actually attending to day-to-day affairs of the company or not is again a disputed question to be decided only after trial by the trial Court and this Court cannot express its opinion based on the alleged shareholders agreement that these petitioners are not attending day-to-day affairs of the company. Therefore, by applying the principle laid down in HMT Watches Ltd., (5 supra), it is difficult for me to conclude that the allegation in paragraph No.1 of the complaints extracted herein before are incorrect since it is a disputed question of fact.

12. Learned counsel for the petitioners made every endeavour to convince this Court that the identical question arose in batch matters and this Court in Criminal Petition No.6330 of 2013 held that allegations are not sufficient to proceed against the petitioners for the

offence punishable under Section 138 N.I. Act and drawn the attention of this Court to the judgment of a single Judge of this Court, wherein the learned Judge relying on various judgments in A.K.Singhania v. Gujarath State Fertilisers Company Limited and another (Manu/SC/1081/2013), concluded that the petitioners cannot be proceeded for the offence punishable under Section 138 N.I. Act. The allegation against the petitioners therein is that they were aware about the business transactions of the accused company, as such they are jointly and severally liable for the affairs and transactions of the company. It is further alleged that all the accused are fully aware about the issuance of cheques without any balance in the account and that the said cheques were issued with a dishonest and fraudulent intention.

13. The facts of the present case are distinguishable with the facts of the above judgment. Here, a specific allegation made against the petitioners is that they are participating in the day-to-day affairs of the company including management of the company, but in the facts in the judgment in A.K.Singhania v. Gujarath State Fertilisers Company Limited and another (Manu/SC/1081/2013), the allegation is totally different. Therefore, the principle laid down in the above judgment cannot be applied to the present facts of the case, though the judgment of this Court was confirmed by the Apex Court in Special Leave Petition. In Central Bank of India (2 supra), the Apex Court had an occasion to decide an identical question regarding liability of the Directors in a complaint filed under Section 138 N.I. Act and held as follows:

"13. We have carefully considered the submissions made on behalf of the respective parties and we are unable to persuade ourselves to differ with the judgment and order of the High Court. The judgment in S.M.S. Pharmaceuticals Ltd.'s case (supra), which was relied upon by the High Court, while interpreting the provisions of Sub-section (1) of Section 141 of the 1881 Act, made it very clear that unless a specific averment was made in the complaint that at the time when the offence was committed, the person accused was in charge of and responsible for the conduct of the business of the Company, the requirements of Section 141 would not be satisfied. It was further held that while a Managing Director or a Joint Director of the Company would be admittedly in charge of the Company, and responsible to the Company for the conduct of its business, the same yardstick would not apply to a Director. The position of a signatory to a cheque would be different in terms of Sub-section (2) of Section 141 of the 1881 Act. That, of course, is not the fact in this case.

14. The law as laid down in S.M.S. Pharmaceuticals Ltd. 's case (supra) has been consistently followed and as late as in 2007, this Court in the case of N.K. Wahi's case (supra), while considering the question of vicarious liability of a Director of a Company, reiterated the sentiments expressed in S.M.S. Pharmaceuticals Ltd.'s case (supra) that merely being a Director would not make a person liable for an offence that may have been committed by the Company. For launching a prosecution against the Directors of a Company under Section 138 read with Section 141 of the 1881 Act, there had to be a specific allegation in the complaint in regard to the part played by them in the transaction in question. It was also laid down that the allegations had to be clear and unambiguous showing that the Directors were in charge of and responsible for the business of the Company. This was done to discourage frivolous litigation and to prevent abuse of the process of Court and from embarking on a fishing expedition to try and unearth material against the Director concerned."

14. In view of the dictum laid down by the Apex Court for launching prosecution against the Directors of the Company for the offence punishable under Section 138 read with 141 N.I. Act, there must be specific allegation in the complaint in regard to the part played by them in the transaction in question and such an allegation must be clear and un-ambiguous. Pointing out that they are in charge and responsible for the business of the Company, similar view is expressed in another judgment in Pooja Ravinder Devidasani (3 supra). In the facts of the above judgment, non-executive Director was arrayed as an accused in the complaint filed under Section 138 read with 141 N.I. Act and on the basis of such allegation, the Apex Court concluded that the appellant being a non-executive director was no doubt custodian of governance of Company, but was not involved in day-to-day affairs of running its business and only monitored executive activity. Making the appellant liable for the offences committed by the Company under Section 141 of the N.I. Act, there must have been specific averments against the appellant as to how and in what manner she was responsible for conduct of business of the Company.

15. There is no quarrel about the law declared by the Apex Court in the above two judgments. But, in Pooja Ravindran's case (3 supra), an appeal was filed against the order passed by the High Court under Section 482 Cr.P.C. In the present case, the specific allegation is made in paragraph No.1 of the complaints and whether the allegation in the complaint is sufficient or not is a question to be decided during trial and the explanation as to how they are responsible as alleged in Paragraph No.1 of the complaints though not disclosing the details of

their actual participation, is sufficient or not is again another question. But, in later judgment of the Apex Court in Standard Chartered Bank (4 supra), there is a slight change in the legal position and the Apex Court held that an allegation in the complaint is sufficient that the Directors are attending to day-to-day affairs of the company. In the facts of the above judgment, a specific allegation was made against the directors of the company in paragraph No.32, which reads as follows:

> "….. I say that the accused Nos.1 to 7 were aware that the aforesaid cheque would be dishonoured for being "Account Blocked" and all the accused, in active connivance mischievously and intentionally issued the aforesaid cheques in favour of the complainant Bank."

16. On the strength of the said allegation, the proceedings were challenged before the High Court and ultimately, the matter went up to the Supreme Court, but the Supreme Court in Para Nos.33 and 34 of the judgment held as follows:

> "33. The aforesaid averments, as we find, clearly meet the requisite test. It is apt to mention here that there are seven accused persons. Accused No.1 is the Company, accused Nos.2 and 3 are the Chairman and Managing Director respectively and accused Nos.6 and 7 were signatory to the cheques. As far as the accused Nos.4 and 5 were concerned, they were whole-time Directors and the assertion is that they were in charge of day to day business of the Company and all of them had with active connivance, mischievously and intentionally issued the cheques in question.
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> 34. Thus, considering the totality of assertions made in the complaint and also taking note of the averments put forth relating to the respondent Nos.2 and 3 herein that they are whole-time Director and Executive Director and they were in charge of day to day affairs of the Company, we are of the

> considered opinion that the High Court has fallen into grave error by coming to the conclusion that there are no specific averments in the complaint for issuance of summons against the said accused persons. We unhesitatingly hold so as the asseverations made in the complaint meet the test laid down in Gunmala Sales Pvt. Ltd. (AIR 2015 SC 1072)."
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> (Emphasis supplied)

In view of the judgment in Standard Chartered Bank (4 supra), the allegation made in paragraph No.1, which I extracted above is suffice to proceed against the petitioners, but the learned counsel for the petitioners further drawn the attention of this Court to another judgment of Apex Court in Securities and Exchange Board of India and others (1 supra), where an identical question came up for consideration, but the dispute is with regard to violation of provisions of Securities and Exchange Board of India Act, 1992. But, though the requirement is identical, the same cannot be applied to the present facts of the case since the judgment in Standard Chartered Bank (4 supra), case is directly on the issue. Therefore, applying the principle laid down in Standard Chartered Bank (4 supra), I hold that the allegations made in the complaint are suffice to proceed against these petitioners for the offence punishable under Section 138 of the N.I. Act. Though this Court took a different view, but in view of the law declared by the Apex Court in Standard Chartered Bank (4 supra), I am unable to agree with the view expressed by the learned single judge in Crl.P.No.6331 of 2013.

17. Section 482 of Cr.P.C. saves the inherent powers of the High Court to make such orders as may be necessary to give effect to any order under the Code or to prevent abuse of the process of any Court

or otherwise to secure the ends of justice. It is an obvious proposition that when a court has authority to make any order, it must have also power to carry that order into effect. If an order can lawfully be made, it must be carried out; otherwise it would be useless to make it. The authority of the court exists for the advancement of justice, and if any attempt is made to abuse that authority so as to produce injustice, the court must have power to prevent that abuse. In the absence of such power the administration of law would fail to serve the purpose for which alone the court exists, namely to promote justice and to prevent injustice.

18. The essential object of the criminal law is to protect society against criminals and law breakers. For this purpose, the law holds out threats of punishments to prospective lawbreakers as well as attempts to make the actual offenders suffer with prescribed punishment they committed and at the same time, the procedure is intended to protect the innocent people from unlawful prosecutions at the threshold itself, to avoid peril of facing trial. Thus, Section 482 of Cr.P.C. vests unbridled power on the courts to exercise its jurisdiction to give effect to an order under the Code or to prevent abuse of the process of Court or to otherwise secure the ends of justice. The Code also controls and regulates the working of the machinery set up for the investigation and trial of offences. On the one hand it has to give adequately wide powers to make the investigation and adjudicatory processes strong, effective and efficient, and on the other hand, it has to take precautions against errors of judgment and human failures and to provide safeguards against probable abuse of powers by the police or

judicial officers. This often involves a "nice balancing of conflicting considerations, a delicate weighing of opposing claims clamouring for recognition and the extremely difficult task of deciding which of them should predominate". Thus, the Code obviously conferred power under Section 482 of Cr.P.C. to quash the proceedings in crime by conferring inherent power on the High Courts of all the States being higher court of the State.

19. Section 482 of Cr.P.C. makes it clear that the provisions of the Code are as intended to limit or affect the inherent powers of the High Courts. Obviously the inherent power can be exercised only for either of the three purposes specifically mentioned in the section. Such inherent power cannot naturally be invoked in respect of any matter covered by the specific provisions of the Code. It cannot also be invoked if its exercise would be inconsistent with any of the specific provisions of the Code. It is only if the matter in question is not covered by any specific provision of the Code, the power under Section 482 Cr.P.C. can come into operation, and the court can exercise subject to other limitations Therefore, the power under Section 482 of Cr.P.C. can be exercised subject to the following conditions:

1. The jurisdiction is completely discretionary. The High Court can refuse to use the power.

2. The jurisdiction is not limited to cases that are pending before the High Court. It can consider any case that comes to its notice (in appeal, revision or otherwise).

3. This power can be invoked only in an event when the aggrieved party is being unnecessarily harassed and has no other remedy open to it.

4. The High Court, under section 482 Cr.P.C., does not conduct a trial or appreciate evidence. The exercise of this power (although it has a wide scope) is limited to cases that compel it to intervene for preventing a palpable abuse of a legal process.

5. The High Court has the power to provide relief to the accused even if s/he has not filed a petition under section 482 Cr.P.C.

6. This power cannot be exercised if the trial is pending before the apex court and it has directed the session judge to issue a non- bailable warrant for arresting the petitioners.

7. The power under Section 482 Cr.P.C., is not intended to scuttle justice at the threshold but to secure justice.

8. This power has to be exercised sparingly with circumspection and in the rarest of rare cases, but cannot be held that it should be exercised in the rarest of rare cases – The expression rarest of rare case may be exercised where death penalty is to be imposed under Section 302 of IPC but this expression cannot be extended to a petition under Section 482 Cr.P.C.

9. So long as inherent power of Section 482 CrPC is in statute, the exercise of such power is not impermissible.

10. In exercise of the powers court would be justified to quash any proceeding if it finds that initiation or continuance of it amounts to abuse of the process of Court or quashing of these proceedings would otherwise serve the ends of justice.

11. Where the accused would be harassed unnecessarily if the trial is allowed to linger when prima facie it appears to Court that the trial would likely to be ended in acquittal.

12. In proceedings instituted on complaint, exercise of inherent powers under Section 482 Cr.P.C., to quash the proceedings is called for only in a case where the complaint does not disclose any offence or is frivolous, vexatious or oppressive. If the allegations set out in the complaint do not constitute the offence of which cognizance has been taken by the Magistrate, it is open to the High Court to quash the same.

13. When a complaint is sought to be quashed, it is permissible to look into the materials to assess what the complainant has alleged and whether any offence is made out even if the allegations are accepted in toto.

14. All Courts, whether civil or criminal possess, in the absence of any express provisions, as inherent in their constitution, all such powers as are necessary to do the right and to undo a wrong in course of administration of justice.

20. The law is settled on the powers as to when such inherent power under Section 482 Cr.P.C. can be exercised and cannot be exercised in various perspective pronouncements of the Apex Court. The leading case on this aspect is State of Haryana v. Bhajanlal[6], wherein the Apex Court laid down the following seven guidelines:

"1. Where the allegations made in the first information report or the complaint, even if they are taken at their face value and accepted in their entirety do not prima facie constitute any offence or make out a case against the accused.

2. Where the allegations in the first information report and other materials, if any, accompanying the FIR do not disclose a cognizable offence, justifying an investigation by police officers under Section 156(1) of the Code except under an order of a Magistrate within the purview of Section 155(2) of the Code.

3. Where the allegations made in the FIR or complaint and the evidence collected in support of the same do not disclose the commission of any offence and make out a case against the accused.

4. Where, the allegations in the FIR do not constitute a cognizable offence but constitute only a non- cognizable offence, no investigation is permitted by a police officer

6 1992 Supp.(1) SCC 335

without an order of a Magistrate as contemplated under Section 155(2) of the Code.

5. Where the allegations made in the FIR or complaint are so absurd and inherently improbable on the basis of which no prudent person can ever reach a just conclusion that there is sufficient ground for proceeding against the accused.

6. Where there is an express legal bar engrafted in any of the provisions of the Code or the concerned Act (under which a criminal proceeding is instituted) to the institution and continuance of the proceedings and/or where there is a specific provision in the Code or the concerned Act, providing efficacious redress for the grievance of the aggrieved party.

7. Where a criminal proceeding is manifestly attended with malafide and/or where the proceeding is maliciously instituted with an ulterior motive for wreaking vengeance on the accused and with a view to spite him due to private and personal grudge."

21. Earlier to the Judgment in **Bhajanlal's** case, in **R.P. Kapur v. State of Punjab**[7] the Apex Court laid down the following guidelines:

"1. Where institution/continuance of criminal proceedings against an accused may amount to the abuse of the process of the court or that the quashing of the impugned proceedings would secure the ends of justice;

2. Where it manifestly appears that there is a legal bar against the institution or continuance of the said proceeding, e.g. want of sanction;

3. Where the allegations in the First Information Report or the complaint taken at their face value and accepted in their entirety, do not constitute the offence alleged; and

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[7] AIR 1960 SC 866

4. Where the allegations constitute an offence alleged but there is either no legal evidence adduced or evidence adduced clearly or manifestly fails to prove the charge."

22. The same principle was reiterated in Padal Venkata Rama Reddy @ Ramu v. Kovvuri Satyanarayana Reddy & Others[8]. In the said Judgment, the Apex Court categorically held that inherent power can be exercised to prevent abuse of the process of court where the court finds that the ends of justice may be met by quashing the proceedings.

23. Keeping in mind the broad guidelines laid down by the Apex Court in various Judgments, the High Court is bound to decide the petitions before it filed under Section 482 Cr.P.C. exercising such power sparingly in exceptional circumstances.

24. In view of the law declared by the Apex Court in the judgments referred supra, powers of the Court are limited and this Court cannot go into to record a finding on disputed questions of fact and at best, the duty of the Court is to look into the allegations made in the complaint and find out whether those allegations are sufficient to proceed against the petitioners or not for the said offence allegedly committed by the petitioners. Here, in view of the limited powers of this Court by applying principles laid down in Securities and Exchange Board of India and others (1 supra), I am of the considered view that the allegation in paragraph No.1 of the complaints, which are extracted supra, are suffice to proceed against the petitioners, leaving it open to the petitioners to raise any objection

[8] 2011(12) SCC 437

regarding their effective participation in the affairs of the company during trial.

25. In view of the foregoing discussion, I find no ground to quash the proceedings at this stage. Hence, the petitions are liable to be dismissed.

26. In the result, all the Criminal Petitions are dismissed. Miscellaneous Petitions, if any, pending in these petitions shall stand closed.

M.SATYANARAYANA MURTHY, J

Date: .03.2017
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