**In the High Court for the States of Punjab and Haryana
At Chandigarh**

(I) CRM-M-25410-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(II) CRM-M-28120-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(III) CRM-M-28141-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(IV) CRM-M-28142-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(V) CRM-M-28145-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(VI) CRM-M-28148-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(VII) CRM-M-28157-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(VIII) CRM-M-28172-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(IX) CRM-M-28189-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(X) CRM-M-28202-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(XI) CRM-M-28205-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(XII) CRM-M-28209-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(XIII) CRM-M-28218-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(XIV) CRM-M-28220-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(XV) CRM-M-28231-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(XVI) CRM-M-28233-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(XVII) CRM-M-28242-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

(XVIII) CRM-M-28248-2023 (O&M)

Suman Lakhani … Petitioner

Versus

United Bank of India ... Respondent

Date of Decision:-4.9.2024

**CORAM: HON'BLE MR. JUSTICE GURVINDER SINGH GILL**

Present:- Mr. Kunal Dawar, Advocate and
Mr. Jagjot Singh, Advocate,
for the petitioner(s).

Mr. Sumit Batra, Advocate,
Mr. Pankaj Gupta, Advocate and
Mr. Paras Jain, Advocate,
for the respondent/Bank.

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**GURVINDER SINGH GILL, J**.

1. This order shall dispose of the above mentioned 18 petitions as common questions of facts and law are involved therein.

2. Petitioner - Suman Lakhani is a Director in various companies alongwith her husband Shri B.D. Lakhani. These companies had raised loans from the respondent/bank i.e. United Bank of India. Upon some of the cheques issued on behalf of the companies for repayment of the loans, having been dishonoured, separate complaints came to be filed against the respective companies, wherein the petitioner being Director of the companies was also arrayed as an accused apart from other directors and the authorized signatories.

3. Learned counsel representing the petitioner in all these cases have raised the following submissions:

(i) that the petitioner is not signatory to the cheques in question;

(ii) that the petitioner was a "Non-Executive" director of the companies and had no role to play in issuance of the cheques in question; and

(iii) that the petitioner was neither managing the affairs of the companies nor was responsible for day-to-day conduct of business of the companies.

4. Learned counsel representing the petitioner, in order to hammer forth his aforesaid submissions, places reliance upon judgments passed by Hon'ble the Supreme Court rendered in *Pooja Ravinder Devidasani Versus State of Maharashtra and another, 2014(16) SCC 1;* and *Sunita Palita & others Versus M/s Panchami Stone Quarry, 2022(10) SCC 152* as well as judgment passed by Hon'ble Delhi High Court in *Har Sarup Bhasin Versus M/s Origo Commodities India Pvt. Ltd., 2020(2) R.C.R. (Criminal) 843*, wherein it has been held that in the absence of any specific averment in the complaint regarding the role of an accused, such accused cannot be saddled with vicarious liability with the aid of Section 141 of Negotiable Instruments Act solely on account of the fact that the petitioner happens to be a Director of the company.

5. Opposing the petitions, learned counsel representing the respondent/bank submitted that the petitioner was a Director of the companies and, as such, cannot escape from her liability on account of dishonour of the cheques in question. It has further been submitted that the petitioner apart from being Director of the companies happens to be the wife of Shri P.D. Lakhani, who is

at the helm of affairs of the companies and is full-fledgedly managing the day-to-day affairs of the companies and, as such, the petitioner being his wife and Director of the companies cannot feign ignorance about the working and affairs of the companies. Learned counsel submitted that the complaints have been pending since the last more than a decade and that the accused have been filing multiple petitions in this Court solely with the aim of delaying the conclusion of trial and that, under these circumstances, the petitioner does not deserve any leniency and the petitions merits dismissal.

6. This Court has considered rival submissions addressed before this Court.

7. It is not in dispute that the petitioner is not signatory to the cheques in question. Although the petitioner is a Director of the companies alongwith her husband, but a perusal of the complaints would show that there is no such averment that the petitioner was either managing the affairs of the companies or was responsible for day-to-day conduct of business of the companies. In the absence of the petitioner either being a signatory or even being responsible for the day-to-day conduct of business of the companies, Section 141 of Negotiable Instruments Act would not be attracted. Rather this Court finds that in the aforesaid petitions, the petitioner has also annexed Form-32, a perusal of which would show that the petitioner had been appointed as a "Non-Executive Director".

8. The question as regards vicarious liability of a "Non-Executive Director" particularly when no specific role is attributed to such Non-Executive Director came to be considered by Hon'ble the Supreme Court in ***Pooja Ravinder Devidasani's*** case (supra). The relevant extract from the said judgment is reproduced hereinunder.

"17. There is no dispute that the appellant, who was wife of the Managing Director, was appointed as a Director of the Company-M/S Elite International Pvt. Ltd. on 1st July, 2004 and had also executed a Letter of Guarantee on 19th January, 2005. The cheques in question were issued during April, 2008 to September, 2008. So far as the dishonor of Cheques is concerned, admittedly the cheques were not signed by the appellant. There is also no dispute that the appellant was not the Managing Director but only a non-executive Director of the Company. Non-executive Director is no doubt a custodian of the governance of the Company but does not involve in the day-to-day affairs of the running of its business and only monitors the executive activity. To fasten vicarious liability under Section 141 the Act on a person, at the material time that person shall have been at the helm of affairs of the Company, one who actively looks after the day-to-day activities of the Company and particularly responsible for the conduct of its business. Simply because a person is a Director of a Company, does not make him liable under the N.I. Act. Every person connected with the Company will not fall into the ambit of the provision. Time and again, it has been asserted by this Court that only those persons who were in charge of and responsible for the conduct of the business of the Company at the time of commission of an offence will be liable for criminal action. A Director, who was not in charge of and was not responsible for the conduct of the business of the Company at the relevant time, will not be liable for an offence under Section 141 of the N.I. Act."

9. The aforesaid judgment has been relied upon by a subsequent judgment of Hon'ble the Supreme Court in *Sunita Palita's* case (supra).

10. In view of the ratio of the judgments referred to above and the fact that the petitioner is a Non-Executive Director and there is no specific averment as regards her involvement in the day-to-day affairs of the company in the complaints, the petitioner, who is not even signatory to the cheques in question, cannot be held liable for having committed any offence under

Section 138 of Negotiable Instruments Act. Consequently, all the aforesaid 18 petitions merit acceptance and are hereby accepted. The respective complaints as well as summoning orders are hereby quashed qua petitioner - Suman Lakhani.

11. A copy of this order be placed on the file of each connected case.

**4.9.2024** **( Gurvinder Singh Gill )**
Pankaj **Judge**

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| Whether speaking /reasoned | Yes / No |
| Whether Reportable | Yes / No |