



IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

263-1

CRM-M-36986-2019 (O&M)
Date of decision: 10.12.2025

Aman Gupta ...Petitioner(s)

VERSUS

State of Haryana and another ...Respondent(s)

263-2

CRM-M-36989-2019 (O&M)
Date of decision: 10.12.2025

Aman Gupta ...Petitioner(s)

VERSUS

State of Haryana and another ...Respondent(s)

263-3

CRM-M-37465-2019 (O&M)
Date of decision: 10.12.2025

Aman Gupta ...Petitioner(s)

VERSUS

State of Haryana and another ...Respondent(s)

263-4

CRM-M-37129-2019 (O&M)
Date of decision: 10.12.2025

Aman Gupta ...Petitioner(s)

VERSUS

State of Haryana and another ...Respondent(s)



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263-5

CRM-M-37150-2019 (O&M)

Date of decision: 10.12.2025

Aman Gupta

...Petitioner(s)

VERSUS

State of Haryana and another

...Respondent(s)

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CRM-M-37152-2019 (O&M)

Date of decision: 10.12.2025

Aman Gupta

...Petitioner(s)

VERSUS

State of Haryana and another

...Respondent(s)

CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

Present :- Mr. Sehajbir Singh, Advocate (through V.C.) and
Mr. Dhurv Khosla, Advocate for the petitioner(s)

Mr. Vivek Chauhan, Addl. A.G. Haryana.

Ms. Priyanka Sud, Advocate for respondent No.2
(through V.C.).

VINOD S. BHARDWAJ, J. (Oral)

1. These six petitions are being adjudicated by a common order since they arise out of separate complaints instituted under Section 138 of the Negotiable Instruments Act, 1881 amongst the same parties for the same liability. For clarity and convenience of reference, the details of the respective complaints are tabulated as under:



Sr. No.	Petition	Complaint Case No.	Titled as
1	CRM-M-36986-2019	NACT/109/2019	Sunit Bansal Vs. M/s. RG Residency and others
2	CRM-M-36989-2019	NACT/93/2019	Smt. Parul Bansal Vs. M/s. RG Residency and others
3	CRM-M-37465-2019	NACT/110/2019	Sunit Bansal Vs. M/s. RG Residency and others
4	CRM-M-37129-2019	NACT/94/2019	Smt. Parul Bansal Vs. M/s. RG Residency and others
5	CRM-M-37150-2019	NACT/149/2019	Prem Bansal Vs. M/s. RG Residency and others
6	CRM-M-37152-2019	NACT/151/2019	Prem Bansal Vs. M/s. RG Residency and others

2. Brief facts necessary for decision are however being extracted from CRM-M-36986-2019 titled as ‘*Aman Gupta Vs. State of Haryana and another*’.
3. Challenge in these petitions is directed against the complaints instituted under Section 138 of the Negotiable Instruments Act, 1881, along with all consequential proceedings arising therefrom.
4. Learned counsel for the petitioner(s) contends that respondent-complainant No. 2 had purchased a flat to be constructed by the drawer-company, M/s RG Residency Pvt. Ltd., for a total sale consideration of ₹45,00,000/-, pursuant to an agreement to sell dated 22.10.2015 executed between the parties.
5. As per the agreement, the vacant possession of the flats was to



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be delivered on or before 30.09.2018, but the needful was not done. The petitioners thus issued appreciation cheques and cheques against the principal amount, to the respondent-complainant. Besides, personal guarantee cheque was also issued. These cheques, for different denomination, had been issued against a legally enforceable debt, as per the respondent-complainant. The cheque in question, when presented by the complainant-respondent No. 2 before Yes Bank, was dishonoured with the remarks "Insufficient Funds," leading to issuance of a legal notice and initiation of proceedings under Section 138 of the Negotiable Instruments Act, 1881 and the complaint thereafter.

6. It is submitted that the petitioner(s) have been falsely implicated on the allegation of being an active Director of M/s RG Residency Pvt. Ltd. at the time of issuance of the cheque. Counsel submits that the cheque was issued on 30.09.2018, whereas the petitioner ceased to be a Director of the company on 15.07.2017. Reliance is placed on documents annexed with the petition as Annexures P-5 to P-7 to substantiate this contention.

7. Counsel contends that since the offence in question would be deemed to be committed on the date of dishonour of the cheque and not on the date of its issuance, hence, proceedings ought not to have been initiated against him as he was no longer a Director of the company. Reliance is placed by him on the judgment dated 14.02.2024 passed by the Supreme Court in SLP (CrI.) 6905 & 7050 of 2022 titled as '**Rajesh Viren Shah Vs. Redington (India) Limited**'. The relevant extract thereof reads thus:-



“7. We also notice this Court to have observed, in regards to the exercise of the inherent powers under Section 482, CrPC, in cases involving negotiable instruments that interference would not be called for, in the absence of “some unimpeachable, incontrovertible evidence which is beyond suspicion or doubt or totally acceptable circumstances which may clearly indicate that the Director could not have been concerned with the issuance of cheques and asking him to stand the trial would be abuse of process of Court.” This principle as held in *S.M.S Pharmaceuticals (supra)* was followed in ***Ashutosh Ashok Parasrampuriya and Anr. v. Gharrkul Industries Pvt. Ltd. and Others.***

8. We find the High Court, in the impugned order to have elaborately discussed the principles of law in regard to the quashing of such proceedings but, however, not dealt with the factual matrix. *Ex facie*, we find that the complainant has not placed any materials on record indicating complicity of the present appellant(s) in the alleged crime. Particularly, when the appellant(s) had no role in the issuance of the instrument, which is evident from Form 32 (Exh.P.59) issued much prior to the date on which the cheque was drawn and presented for realisation.

9. The veracity of Form-32 has neither been disputed by the Respondent nor has the act of resignation simpliciter



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been questioned. As such, the basis on which liability is sought to be fastened upon the instant appellant(s) is rendered questionable.

10. The record reveals the resignations to have taken place on 9th December 2013 and 12th March 2014. Equally, we find the cheques regarding which the dispute has travelled up the courts to have been issued on 22nd March 2014. The latter is clearly, after the appellant(s) have severed their ties with the Respondent-Company and, therefore, can in no way be responsible for the conduct of business at the relevant time. Therefore, we have no hesitation in holding that they ought to be then entitled to be discharged from prosecution.

11. In this view of the matter, the judgments captioned above of the High Court of Judicature at Madras, deserve to be set aside. Accordingly, all criminal proceedings pertaining to the instant appellant(s) arising out of the complaints filed by the respondent herein are quashed.”

8. Counsel for respondent No.2-complainant, however, submits that the petitioner cannot run-away from taking responsibility against the cheques on the ground that he had ceased to be a Director, as he is closely related to the principal Director, Rajesh Goyal. He contends that Director Rajesh Goyal had also furnished an affidavit undertaking that, in the event of any dispute, discrepancy, or claim arising out of the transaction, the complainant would be at liberty to initiate proceedings against the petitioner



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herein. She also contends that the post-dated cheque was originally handed over in the year 2015 pursuant to the agreement to sell dated 22.10.2015. The petitioner was a director at the time of the initial issuance of the cheque.

9. Responding to the above, counsel for the petitioner(s) contends that any affidavit executed by the Directors of M/s R.G. Residency Pvt. Ltd. can neither create a binding obligation upon the petitioner, nor can it fasten vicarious liability upon him for the commission of an offence under Section 138 of the Negotiable Instruments Act, 1881. He further contends that it is not in dispute that at the time when the cheque in question was presented on 30.09.2018 and dishonoured on 28.11.2018, the petitioner had already ceased to be a Director of the Company with effect from 15.07.2017. Accordingly, on neither of the material dates was the petitioner in charge of or responsible for the conduct of the business of the drawer-Company.

10. I have heard the learned counsel appearing on behalf of the respective parties and have gone through the documents appended with the petitions with their able assistance.

11. The undisputed facts that emerge from the documents are that the cheques in question are not signed by the petitioner(s) and that as on the date mentioned on the cheque(s), its presentation for encashment or its dishonour, the petitioner(s) was not a Director of the Company. The only argument for impleadment of the petitioner(s) are:

- (i) The cheques are post dated, hence, when the Agreement to Sell was executed in the year 2015 and the cheques issued, petitioner was a Director; and



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(ii) The main Director viz. Rajesh Goyal had sworn an affidavit that in the event of any dispute, the buyer may claim the dispute against the petitioner.

12. It however remain undisputed that the petitioner has not acknowledged, countersigned or admitted any such liability.

13. Notwithstanding the fact that at the time of execution of the agreement to sell the petitioner was indeed one of the Directors of the Company and that certain post-dated cheques were issued during his tenure, it remains undisputed that on the date when the said post-dated cheque(s) dated 30.09.2018 were presented before the Bank for encashment and were ultimately dishonoured, the petitioner was no longer a Director nor was he in charge of the conduct of the affairs of the Company.

14. A legally enforceable liability, as per legal fiction, becomes due on the date mentioned in the instrument. Prior thereto it may not partake the character of an instrument in discharge of a legally enforceable debt. The right of presentation ensued, as per the respondent-complainant, for presentation of the cheque, only on failure to deliver possession of the property as per the scheduled date which was in 2018. Thus, the said date becomes material for determining any criminal liability under Section 138 of Negotiable Instruments Act, 1881.

15. I am of the opinion that in these circumstances, any act undertaken by the petitioner during the period when he was on the Board of Directors, including the issuance of post-dated cheques (to which he is not a signatory), cannot be stretched to fasten a criminal liability upon him at any



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later stage when the cheque was dishonoured even if he had demitted office and ceased to have any control over the functioning of the Company. The mere expectation that his successors would honour past commitments does not create continuing criminal responsibility under Section 138 of the Negotiable Instruments Act, 1881.

16. I draw support from the judgment of the Hon’ble Supreme Court in *Rajesh Viren Shah v. Redington (India) Limited (supra)*, wherein the Court held that that, in proceedings under Section 138 of the Negotiable Instruments Act, interference under Section 482 CrPC is justified where unimpeachable and incontrovertible material establishes that the accused Director could not have been involved in, or is responsible for the affairs of the Company and its affairs. The Supreme Court held that once the appellants had severed their relationship with the company, they could not, in any manner, be held vicariously liable for acts of the company undertaken at a time when they were no longer in charge of its affairs and that compelling such persons to stand trial would amount to an abuse of the process of law.

17. Consequently, the present petitions are allowed. Complaint cases tabulated below alongwith consequential proceedings are quashed against the petitioner(s):-

S#	Petition	Complaint Case No.	Titled as
1	CRM-M-36986-2019	NACT/109/2019	Sunit Bansal Vs. M/s. RG Residency and others
2	CRM-M-36989-2019	NACT/93/2019	Smt. Parul Bansal Vs. M/s. RG Residency and others



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18. Pending misc. application(s), if any, stand disposed of.

(VINOD S. BHARDWAJ)
JUDGE

10.12.2025

Mangal Singh

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No