



CRM-M-41872-2019 (O&M)

1

**IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH****CRM-M-41872-2019 (O&M)****Reserved on : 03.11.2025****Decided on : 09.12.2025**

M/s Narmada Business Links Pvt. Ltd. & Anr.

..... Petitioners

VERSUS

M/s H&R Johnson (India)

..... Respondent

CORAM: HON'BLE MR. JUSTICE SURYA PARTAP SINGH

Argued by : Mr. D.N. Ganeriwala, Advocate for the petitioners.

Mr. Aditya Jain, Advocate and
Mr. Rahul Vohra, Advocate for the respondent.

SURYA PARTAP SINGH, J.

1. By invoking the extraordinary jurisdiction vested in this Court by virtue of Section 482 of Criminal Procedure Code, hereinafter being referred to as 'CrPC' only, the present petition has been filed for quashing of order dated 07.08.2019, passed by the learned Additional Sessions Judge Gurugram, hereinafter being referred to as 'revisional Court' only, (Annexure P-9) and order dated 24.09.2018, passed by the learned Judicial Magistrate First Class Gurugram, hereinafter being referred to as 'trial Court' only, (Annexure P-8).

**CRM-M-41872-2019 (O&M)**

2

2. The abovementioned orders have been passed with regard to summoning of petitioners as accused in a complaint, filed by the respondent/complainant under Section 138 of Negotiable Instruments Act, hereinafter being referred to as 'NI Act'.

3. The pith and substance of the complaint filed by the respondent/complainant, hereinafter being referred to as 'respondent' only, is that the respondent is a 'Private Limited Company' incorporated under the 'Companies Act, 1956', and carrying the business of integrated building material across the country, and abroad. According to respondent, 'M/s Narmada Business Links Pvt. Ltd.', i.e. accused No.1, had a business dealing with the respondent, and that the petitioners being Directors and 'Mr. Jayachandran Ramchandran' being Managing Director, had issued a cheque in favour of respondent in the discharge of liability of accused Company, namely 'M/s Narmada Business Links Pvt. Ltd.'. According to respondent, the abovementioned cheque for a sum of Rs.64,47,416/- was issued under the assurance that if presented before the banker, it will be encashed, but the same was dishonoured by the banker of accused Company, and thus, 'Mr. Jayachandran Ramchandran' being Managing Director and the petitioners being Directors of the Company, who had signed the cheques, are responsible for the commission of abovementioned offence.

4. It has also been alleged by the respondent that before filing of company, a legal notice was also served upon the petitioners and other



Directors of the Company, but the payment was not made. Hence, the complaint under Section 138 of NI Act.

5. It has also contended by the petitioners that when a legal notice was served by the respondent through its counsel, it was brought into the knowledge of the respondent that petitioners have nothing to do with the day-to-day business of the Company, and therefore, any criminal liability with regard to payment of any dues cannot be fastened upon the petitioners. The petitioners have alleged that the order dated 24.09.2018 passed by the learned trial Court is an outcome of total non-application of judicial mind, and that neither reply notice has been discussed in the order, nor the role attributed to the petitioners in the commission of crime.

7. In addition to above, it has also been contended by the petitioners that the learned trial Court has also failed to look into the fact that the complaint has been filed by an unnatural person, i.e. the Private Limited Company, and that it has been filed through a person, who is not duly authorised to file the instant complaint, and thus, cognizance on the abovementioned complaint should not have been taken.

8. Heard.

9. The learned counsel for the petitioners, while assailing the impugned orders passed by the learned revisional Court, vis-à-vis by the learned trial Court, has contended that the complaint itself is not sustainable in view of the fact that complainant is a 'Private Limited Company' and the



person, who signed the complaint on behalf of the Company, and filed the same, was not appointed by the Board of Directors of respondent-Company, and therefore, the complaint has been filed through an unauthorised person and the same is not maintainable. In this regard, the observations made by the Hon'ble Supreme Court of India in the case of 'A.C. Narayanan & Ors. V/s State of Maharashtra & Ors.' AIR 2014 SC 630 have been relied upon, wherein it has been observed that a Power of Attorney holder can file a complaint, but there must be a statement asserting the personal knowledge of the Power of Attorney holder in the complaint. According to Hon'ble Supreme Court of India, a Power of Attorney holder, who has no knowledge regarding the transactions, cannot be examined as a witness in the case.

10. The learned counsel for the petitioners has also referred to the observations made by the Delhi High Court in Criminal M.C. 7534/2023 'M/s Krishan Lal Gulati & Anr. V/s State of NCT of Delhi & Anr.', wherein it has been held that a complaint under Section 138 of NI Act filed on behalf of a non-existent entity through unauthorised person is not maintainable.

11. In addition to above, the learned counsel for the petitioners has also contended that in a mechanical manner without looking into the preliminary evidence, i.e. the cheque in question, and the reply notice submitted by the petitioners, the impugned order has been passed by the learned trial Court in a mechanical manner without specifying the roles



played by the petitioners in the commission of offence punishable under Section 138 of NI Act.

12. It has been further contended on behalf of petitioners that the impugned order passed by the learned trial Court, whereby the petitioners have been summoned as accused, duly affirmed by the learned revisional Court, is illegal, perverse and deserves to be quashed on the following grounds:-

- (a) that the complaint on behalf of respondent-Company has been filed by a person, who has not been duly authorised to file a complaint; and
- (b) that the cheque was never issued by the petitioners in discharge of their existing liability, as it was a security cheque only.

13. The learned counsel for the respondent has controverted the abovementioned arguments. According to learned counsel for the respondent, the present petition has been filed with *mala fide* intentions, firstly to delay the prosecution under Section 138 of NI Act, and secondly, to wriggle out of the legal responsibility fastened upon the petitioners being Directors of the Company. The learned counsel for the respondents has contended that in the present petition, there is no denial of the fact, by the petitioners that they are Directors of the Company and therefore, for any legal debt to be discharged by the Company, being Directors who shares the profit of the business, the petitioners are liable to face prosecution.



14. It has been further contended by learned counsel for the respondent that a proper complaint after complying with the necessary steps was filed before the learned trial Court, and that the learned trial Court called upon the respondent to lead preliminary evidence, and after appreciation of complaint and the preliminary evidence vide a detailed order the cognisance against the petitioners, vis-à-vis other accused, has been taken and the summoning order dated 24.09.2018 passed by the learned trial Court.

15. While defending the abovementioned summoning order, it has been contended by learned counsel for the respondent that the learned trial Court has duly exercised the discretion vested in it for taking cognizance of an offence. As per learned counsel for the respondent, once the discretion has been exercised by the learned trial Court, the same cannot be interfered with. It has also been contended by learned counsel for the respondent that the same questions were raised by the present petitioners before the learned revisional Court also, and that after giving an opportunity of being heard to both the parties, by virtue of detailed order dated 07.08.2019, the learned revisional Court has rightly concluded that at this preliminary stage, when evidence of the parties is yet to be recorded, this conclusion is not possible to draw that the objections raised by the petitioners are correct. According to learned counsel for the respondent since the petitioners will be having the responsibility to prove the allegations contained in the complaint, while denying the abovementioned opportunity to the petitioners it cannot be held



that the allegations of the respondent with regard to involvement of petitioners in the commission of offence under Section 138 of NI Act are false.

16. With regard to objection raised by the petitioners qua the competence of Mr. Gopal Krishan Ahuja for filing of complaint on behalf of respondent-Company, it has been contended by learned counsel for the respondent that Mr. Gopal Krishan Ahuja is a person, who has been duly authorised to file a complaint on behalf of the Company, and that without proving the document, whereby Mr. Gopal Krishan Ahuja has been authorised to file a complaint on behalf of respondent-Company, in a quashing petition this question cannot be determined whether the petition has been filed by an authorised person or not.

17. The learned counsel for the respondent, while referring to the principles of law laid down by the Hon'ble Supreme Court of India in the case of 'Sripati Singh V/s The State of Jharkhand & Anr.' 2021 SCC Online SC 1002, and 'S.M.S. Pharmaceuticals Ltd. V/s Neeta Bhalla' 2005(8) SCC 89, has contended that there is no illegality or perversity in the impugned order, and that there is no scope for indulgence or interference in the verdicts rendered by the learned trial Court and the learned revisional Court. While claiming that the instant petition filed by the petitioners is devoid of merit and deserves dismissal, the learned counsel for the respondent has urged for dismissal of present revision petition.

**CRM-M-41872-2019 (O&M)**

8

18. The record has been perused carefully.

19. The factual matrix of the present case shows that that in the present petition there are two points, which need to be determined:-

(a) whether the summoning order the petitioners is illegal in view of grounds taken in the petition; and

(b) whether the complaint has been filed by an authorised person.

20. With regard to abovementioned two points of determination, it is relevant to mention here that it is the allegations of the petitioners, who are facing prosecution under Section 138 of NI Act, that Mr. Gopal Krishan Ahuja was not authorised to file a complaint on behalf of respondent-Company by the authorized body of the respondent No.1, i.e. Board of Directors. In addition to above, the another objection raised by the petitioners is that the cheque was never issued in the discharge of existing liability, rather it was a security cheque.

21. As far as the abovementioned contention, raised on behalf of petitioners are concerned, qua them it is relevant to mention here that the nature of both the abovementioned points is such that without appreciation of evidence, it cannot be determined as to whether Mr. Gopal Krishan Ahuja is legally authorised to file a complaint on behalf of respondent-Company, and secondly, whether cheque was issued in discharge of existing liability or not.



22. If the abovementioned two points of determination are adjudicated upon in this petition, this Court will have to call upon the parties to lead evidence, which will virtually amount to conducting trial in a petition under Section 482 of CrPC.

23. With regard to scope and indulgence of this Court for exercising extraordinary jurisdiction, the guiding principles, wherein extraordinary jurisdiction for quashing of FIR can be exercised, has been laid down by the Hon'ble Supreme Court of India in the case of Neeharika Infrastructure Pvt. Ltd. vs. State of Maharashtra and others 2021 SCC Online SC 315. Those guidelines prescribe that:

- “a) Police has the statutory right and duty under the relevant provisions of the Code of Criminal Procedure contained in Chapter XIV of the Code to investigate into a cognizable offence;
- b) Courts would not thwart any investigation into the cognizable offences;
- c) It is only in cases where no cognizable offence or offence of any kind is disclosed in the first information report that the Court will not permit an investigation to go on;
- d) The power of quashing should be exercised sparingly with circumspection, as it has been observed, in the ‘rarest of rare cases (not to be confused with the formation in the context of death penalty).
- e) While examining an FIR/complaint, quashing of which is sought, the court cannot embark upon an enquiry as to the reliability or genuineness or otherwise of the allegations made in the FIR/complaint;



- f) Criminal proceedings ought not to be scuttled at the initial stage;
- g) Quashing of a complaint/FIR should be an exception rather than an ordinary rule;
- h) Ordinarily, the courts are barred from usurping the jurisdiction of the police, since the two organs of the State operate in two specific spheres of activities and one ought not to tread over the other sphere;
- i) The functions of the judiciary and the police are complementary, not overlapping;
- j) Save in exceptional cases where non-interference would result in miscarriage of justice, the Court and the judicial process should not interfere at the stage of investigation of offences;
- k) Extraordinary and inherent powers of the Court do not confer an arbitrary jurisdiction on the Court to act according to its whims or caprice;
- l) The first information report is not an encyclopedia which must disclose all facts and details relating to the offence reported. Therefore, when the investigation by the police is in progress, the court should not go into the merits of the allegations in the FIR. Police must be permitted to complete the investigation. It would be premature to pronounce the conclusion based on hazy facts that the complaint/FIR does not deserve to be investigated or that it amounts to abuse of process of law. After investigation, if the investigating officer finds that there is no substance in the application made by the complainant, the investigating officer may file an appropriate report/summary before the learned Magistrate which may be considered by the learned Magistrate in accordance with the known procedure;



- m) The power under Section 482 Cr.P.C. is very wide, but conferment of wide power requires the court to be more cautious. It casts an onerous and more diligent duty on the court;
- n) However, at the same time, the court, if it thinks fit, regard being had to the parameters of quashing and the self-restraint imposed by law, more particularly the parameters laid down by this Court in the cases of R.P. Kapur and Bhajan Lal, has the jurisdiction to quash the FIR/complaint;
- o) When a prayer for quashing the FIR is made by the alleged accused and the court when it exercises the power under Section 482 Cr.P.C., only has to consider whether the allegations in the FIR disclose commission of a cognizable offence or not. The court is not required to consider on merits whether or not the merits of the allegations make out a cognizable offence and the court has to permit the investigating agency/police to investigate the allegations in the FIR;
- p) The aforesaid parameters would be applicable and/or the aforesaid aspects are required to be considered by the High Court while passing an interim order in a quashing petition in exercise of powers under Section 482 Cr.P.C. and/or under Article 226 of the Constitution of India. However, an interim order of stay of investigation during the pendency of the quashing petition can be passed with circumspection. Such an interim order should not require to be passed routinely, casually and/or mechanically. Normally, when the investigation is in progress and the facts are hazy and the entire evidence/material is not before the High Court, the High Court should restrain itself from passing the interim



order of not to arrest or “no coercive steps to be adopted” and the accused should be relegated to apply for anticipatory bail under Section 438 Cr.P.C. before the competent court. The High Court shall not and as such is not justified in passing the order of not to arrest and/or “no coercive steps” either during the investigation or till the investigation is completed and/or till the final report/chargesheet is filed under Section 173 Cr.P.C., while dismissing/disposing of the quashing petition under Section 482 Cr.P.C. and/or under Article 226 of the Constitution of India;

- q) Even in a case where the High Court is prima facie of the opinion that an exceptional case is made out for grant of interim stay of further investigation, after considering the broad parameters while exercising the powers under Section 482 Cr.P.C. and/or under Article 226 of the Constitution of India referred to hereinabove, the High Court has to give brief reasons why such an interim order is warranted and/or is required to be passed so that it can demonstrate the application of mind by the Court and the higher forum can consider what was weighed with the High Court while passing such an interim order.
- r) Whenever an interim order is passed by the High Court of “no coercive steps to be adopted” within the aforesaid parameters, the High Court must clarify what does it mean by “no coercive steps to be adopted” as the term “no coercive steps to be adopted” can be said to be too vague and/or broad which can be misunderstood and/or misapplied.”

24. In addition to above, in the case of ‘State of Haryana Vs. Ch.



Bhajan Lal', 1991(1) RCR 383, the Hon'ble Supreme Court of India after reviewing large number of cases on the question of quashing of FIR has laid down that the FIR can be quashed in the following circumstances:-

- a) 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.
- b) Where the allegations in the First Information Report and other materials, if any, accompanying the F.I.R. 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.
- c) Where the uncontroverted 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.
- d) Where, the allegations in the F.I.R. do not constitute a cognizable offence but constitute only a non-cognizable offence, no investigation is permitted by a police officer without an order of a Magistrate as contemplated under Section 155(2) of the Code.
- e) Where the allegations made in the F.I.R. 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.
- f) 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.

- g) Where a criminal proceeding is manifestly attended with mala fide 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.

25. Similarly in the case of ‘Sadiq B. Hanchinmani Vs. State of Karnataka’, Criminal Appeal No.4728 of 2025, the Hon’ble Supreme Court of India has ruled that police investigation should be allowed to proceed unless exceptional circumstances warrant intervention. According to Hon’ble Supreme Court of India the High Court should not interfere with the investigation when allegations in FIR disclose cognizable offences.

26. In the case of ‘M/s Balaji Traders Vs. The State of U.P. & Anr.’ 2025(3) RCR (Criminal) 175, the Hon’ble Supreme Court of India has ruled that jurisdiction of quashing of FIR should be exercised sparingly in the ‘rarest of rare cases’. As per Hon’ble Supreme Court of India allegations in FIR or complaint must be taken at face value and accepted in their entirety to assess whether they disclose a cognizable offence.

27. In the case of ‘Muskan Vs. Ishaan Khan (Sataniya)’, Criminal Appeal No.4752 of 2025, the Hon’ble Supreme Court of India held that the Court should not conduct a mini-trial at the stage of quashing and that



quashing of FIR should be an exception and exercised sparingly in rarest of rare cases. The Hon'ble Supreme Court of India has further held that Courts cannot embark upon an enquiry as to the reliability or genuineness of allegations made in the FIR/complaint.

28. Taking into consideration the factual matrix of the case, the issues involved in the present petition and the relevant laws, it is hereby held that at this stage, this question cannot be determined that the complaint has not been filed by an authorized person, and secondly, that the cheque in question was not issued by the petitioner No.2 in discharge of existing liability, and that it was a security cheque only.

29. As a sequel to abovementioned observations, it is hereby held that at this stage there is no scope for indulgence or interference in the impugned orders, and the present petition being devoid of merit deserves dismissal. Hence, without any opinion on the abovementioned two points, the present petition is hereby *dismissed*, accordingly.

30. Pending miscellaneous application(s), if any, stand(s) disposed of, accordingly.

(SURYA PARTAP SINGH)
JUDGE

09.12.2025

Gaurav Thakur

Whether speaking / reasoned
Whether Reportable

Yes/No
Yes/No