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

\+ CRL.M.C. 1671/2019, CRL.M.A. 6709/2019 & CRL.M.A. 7111/2024

RAHUL SOOD .....Petitioner

Through: Mr. Ruchin Midha, Adv.

versus

GOVT OF NCT OF DELHI & ANR .....Respondents

Through: Mr. Hitesh Vali, APP for the State.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

O R D E R

% **20.12.2025**

1. This petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (corresponding to Section 482 of the Code of Criminal Procedure, 1973) seeks quashing of Criminal Complaint No. 3687/2016, titled "***M/s Shree Jain Rice Pvt. Ltd. v. Amira Pure Foods & Ors***.", under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881,[1] qua the Petitioner and all proceedings emanating therefrom. The Petitioner has been arrayed as Accused No. 6 in the above-mentioned case instituted by Respondent No. 2, Shree Jain Rice Pvt. Ltd. (Complainant).

2. The complaint proceeds on the premise that Accused No. 1, Amira Pure Foods Pvt. Ltd., issued four cheques in favour of the complainant, which were returned unpaid for insufficiency of funds. The complaint itself

[1] "NI Act"

attributes the signatures on the cheques to a co-accused (Ms. Anita Dang). The Petitioner is not concededly a signatory to the cheques.

3. The Petitioner states that he is a practising advocate. He asserts that he was requested to join the Board of Accused No. 1 as a non-executive independent director, and served in that capacity from 1st March, 2011 to 16th October, 2015, and was thereafter re-inducted as an independent director for a short stint from 1st July, 2016 to 30th September, 2016.

4. The four cheques which form the subject matter of the complaint are dated 23rd February, 2016, 25th February, 2016, 26th February, 2016 and 27th February, 2016. The Petitioner's central submission is that, on the dates of issuance of the cheques, he was not on the Board of Directors of Accused No. 1. He further contends that, in any event, his position was non-executive and independent, without involvement in the day-to-day affairs or financial decision-making of the company. To demonstrate the above fact, Petitioner relies upon statutory filings (DIR-12 forms) placed on record, reflecting his appointment and cessation in the above capacities. Counsel for the Petitioner has further submitted that in other complaints arising out of similar allegations against the same company, proceedings against the Petitioner have already been quashed by this Court and by the Punjab and Haryana High Court.

5. Despite service, there is no appearance on behalf of the complainant to controvert these documents or to dispute the Petitioner's tenure. Even so, the Court has examined the complaint on its own terms. The allegations against the Petitioner are confined to broad and formulaic assertions that all directors were "looking after" and "responsible for" the affairs of the company. The complaint does not disclose what role the Petitioner allegedly

played, how he was concerned with the issuance of the cheques, or in what manner he was in charge of, and responsible for, the conduct of the business of the company at the relevant time.

6. The legal position on fastening criminal liability on a director who is neither the signatory to the cheque nor shown to be in charge of the company's day-to-day affairs is no longer res integra. Vicarious liability under Section 141 of the NI Act is attracted only upon clear, specific, and role-based averments that, at the time of commission of the offence, the person sought to be prosecuted was in charge of, and responsible for, the conduct of the business of the company. Bald recitals that a director was "looking after day-to-day affairs" do not meet that threshold, particularly in the case of a non-executive or independent director whose role, by design, is supervisory and not managerial.[2] The criminal process cannot be permitted to continue against such directors in the absence of foundational pleadings and material connecting them to the transaction in question.

7. That requirement assumes sharper contours where the person arrayed is a non-executive or independent director. The Supreme Court has repeatedly cautioned that non-executive directors, whose role is not operational, cannot be dragged into prosecution in the absence of specific material indicating active participation, and a direct nexus with the transaction or the company's financial affairs.[3] On the issue of the liability of the independent non-executive director, the Supreme Court has reiterated this caution in ***K.S. Mehta and Anr. vs. M/s Morgan Securities and Credits***

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[2] ***S.M.S. Pharmaceuticals Ltd vs Neeta Bhalla & Anr***, 2005 8 SCC 89
[3] ***Pooja Ravinder Devidasani v. State of Maharashtra***, (2014) 16 SCC 1

Private Limited[4] and ***Kamalkishore Shrigopal Taparia vs. India Ener-Gen Private Limited & Anr.***[5]

8. Tested on those principles, the complaint, as it stands, does not disclose the necessary ingredients to prosecute the Petitioner. First, the Petitioner is not the signatory to the cheques. Second, the dates on the cheques precede the Petitioner's asserted re-induction on 1st July, 2016. Third, the complaint contains no particulars that would bring the Petitioner within the fold of Section 141, either under sub-section (1) (being in charge and responsible at the relevant time) or under sub-section (2) (consent, connivance, or attributable neglect).

9. This Court is conscious that petitions of the present nature are not to be decided on a roving enquiry into disputed facts. However, it must also be noted that the complainant has chosen not to appear, despite service, to contest the Petitioner's documentary case or to point to any material suggesting that the Petitioner exercised control over the company's financial decisions or the issuance of the cheques. The present decision, thus rests on the complaint before this Court, the uncontroverted statutory filings placed on record, and the settled principles governing Section 141 NI Act.

10. It may also be recorded that the Petitioner has earlier faced prosecutions of a similar genre arising from cheque dishonour complaints allegedly issued by the accused company, where the gravamen against him was again confined to omnibus assertions of responsibility by virtue of directorship. In those matters, the proceedings were quashed qua the Petitioner. These instances are not treated as conclusive in the present case,

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[4] 2025 INSC 315
[5] 2025 INSC 223

but they reinforce the infirmity that the complaint, even here, does not travel beyond generalised imputations and does not spell out any specific role or act attributable to the Petitioner in relation to the issuance of the cheques or the conduct of the company's business at the relevant time.

11. In view of the foregoing, continuance of the complaint and the proceedings emanating therefrom against the Petitioner would amount to an abuse of process. The petition is, accordingly, allowed. The complaint case and all consequential proceedings are quashed qua the present Petitioner alone.

12. It is clarified that nothing stated herein shall be construed as an expression on the merits of the allegations against the remaining accused, which shall be adjudicated in accordance with law.

13. The petition is disposed of along with pending application(s), if any.

SANJEEV NARULA, J

DECEMBER 20, 2025/*ng*