



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

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Reserved on: 25th July, 2025

Pronounced on: 1st December, 2025

+ **CRL.M.C. 1785/2017, CRL.M.A. 7304/2017, 28190/2023 and 28213/2023**

1. ALOK NANDA

Director, M/s International Public School Ltd.
R/o 71H, Shakti Nagar,
Bhopal, M.P. 462024

.....Petitioner No. 1

2. MS. JYOTI SINGH MASANI

Director, M/s International Public School Ltd.
R/o 33 Amrapali Enclave,
Chuna Bhatti Kolar Road,
Bhopal, M.P. 462016

.....Petitioner No. 2

3. JASBIR SINGH

Director, M/s International Public School Ltd.
R/o 71H, Shakti Nagar,
Bhopal, M.P. 462024

.....Petitioner No. 3

4. ANIL KUMAR SETH

Director, M/s International Public School Ltd.
R/o E-318, Ram Vihar, Sector 30,
Noida, Uttar Pradesh 201301

.....Petitioner No. 4

Through: Mr. Nidhesh Gupta, Sr. Advocate
with Mr. Sanjeev Kumar Baliyan,
Mr. Ashwani K. Dubey, Mr. Nirbhay
Sharma and Mr. Bikram Dwivedi,
Advocates.

Versus

FIIT JEE LTD.

FITJEE House, 29A,
Kalu Sarai, Sarvapriya Vihar



New Delhi-110016

Through Mr. Ajay Kaul

.....Respondent

Through: Mr. Pramod Kumar Dubey, Senior Advocate with Mr. Raaj Malhotra, Mr. Rahul Goyal, Ms. Amrita Vatsa, Mr. Rupraj Banerjee and Mr. Satyam Sharma, Advocates.

+ **CRL.M.C. 4195/2017, CRL.M.A. 16817/2017, 1173/2018, 28223/2023 and 28278/2023.**

1. INTERNATIONAL PUBLIC SCHOOL LTD.

Reg. Off. 29, Housing Board Complex
Gautam Nagar
Bhopal-426 023
Madhya Pradesh

Also at
Hoshangabad Road, Misrod
Bhopal (M.P.)-462 026

.....Petitioner No. 1

2. MR. ASHOK NANDA

Chairman and Managing Director
International Public School
Resident of A-5, Kasturba Nagar
Bhopal, Madhya Pradesh - 462 023

.....Petitioner No. 2

Through: Mr. Nidhesh Gupta, Sr. Advocate with Mr. Sanjeev Kumar Baliyan, Mr. Ashwani K. Dubey, Mr. Nirbhay Sharma and Mr. Bikram Dwivedi, Advocates.

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..... Respondent No. 5

Through: Mr. Pramod Kumar Dubey, Senior Advocate with Mr. Raaj Malhotra, Mr. Rahul Goyal, Ms. Amrita Vatsa, Mr. Rupraj Banerjee and Mr. Satyam Sharma, Advocates.

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. The aforesaid two Petitions under Section 482 of the Code of Criminal Procedure, 1973 (Cr.P.C.) have been filed for quashing of Criminal



Complaint No. 1276/2016 (New C.C. No. 185/2017), filed by the Respondent, M/s FIITJEE Limited, for an offence under Section 138 read with Section 141 Negotiable Instruments Act, 1881 (hereinafter referred to as the “NI Act”), and also for the quashing of the *Summoning Order dated 20.10.2016* of the learned Metropolitan Magistrate, New Delhi and all consequential proceedings emanating therefrom.

2. **Briefly stated**, the dispute centers around two primary Agreements between the Petitioner/Claimant, International Public School Ltd. & Ors. (**IPS Ltd.**), and the Respondent/Counter-Claimant, **FIITJEE Ltd. & Ors.** pertaining to the establishment and development of a school in Bhopal, Madhya Pradesh.

3. A **Joint Venture Agreement (JVA)** was initially signed on **19.10.2010**, between **International Public School Ltd.** (Petitioner No. 1 in Crl. M.C. 4195/2017) and **FIITJEE Foundation for Education, Research & Training** (referred to as the ‘FIITJEE’).

4. The JVA was for the establishment of a “FIITJEE World School” on approximately **17 acres of land** earmarked for an educational Institute at **Kaushalpura**, near the Kerva Dam in Bhopal. The Agreement stipulated that IPS Ltd. would be responsible for securing all necessary **permissions and approvals**, including **Change of Land Use (CLU)**. Clause 6(r) of the JVA provided that the FIITJEE Society *would advance Rs. 10 crores to IPS Ltd. in two phases for construction*. The parties subsequently had verbal discussions for the establishment of a **Junior School at Govindpura** as well.



5. Two payments, i.e. Rs. 1 crore on or about **29.11.2011** and Rs. 1.5 crores on or about **31.12.2011/ 03.01.2012**, totaling to Rs. **2.5 crores** was made by the **FIITJEE Foundation Society**, to the Petitioner.
6. The Petitioner contends that this amount was paid for the construction of the Junior School at *Govindpura* and alleged initial investment in the Koshal Pura project. The Petitioner also claims that they purchased furniture worth approximately Rs. 1 crore for the Junior School at Govindpura, following a joint visit to China with FIITJEE representatives.
7. The JVA eventually faced difficulty as the land conversion/CLU for the Koshal Pura site could not be obtained due to a subsequent Master Plan for Bhopal. The JVA was deemed **frustrated** and as an alternative, the parties eventually agreed for IPS Ltd. to take over the **Mayoor School at Bishenkheri, Bhopal**.
8. A fresh **Loan Agreement** was executed on **20.11.2012**, between **International Public School Ltd.** and **FIITJEE Ltd**, under which the loan facility was for Rs. 15 crores, in two phases. The first phase was for **Rs. 10 crores**, and the second for Rs. 5 crores.
9. The earlier Rs. 2.5 crores advanced under the JVA was incorporated and treated as a part of the first phase of the loan of Rs. 10 crores. The balance Rs. 7.5 crores of the first installment was stipulated to be paid “*at the time of registration of lease deed between the Lender’s associate Society/Trust and the Borrower*”.
10. IPS Ltd. provided **seven post-dated cheques** totaling Rs. 13.25 crores (Rs. 10 crores principal + Rs. 3.25 crores maximum interest) to FIITJEE Ltd. as security for the first phase loan. ***The first scheduled repayment*** cheque was for Rs. 1 crore (Cheque No. 532243) due on **02.04.2015**.



11. IPS Ltd. purchased **5 acres** of the Mayoor School land *via* two Sale Deeds on **19.03.2013**. It also claimed to have also constructed approximately 76,500 sq. ft. of built-up area.
12. IPS Ltd. asserted that the balance Rs. 7.5 crores was never released by FIITJEE Ltd. On **30.03.2015**, IPS Ltd. sent a letter/reminder Notice asserting that FIITJEE Ltd. had failed to fulfill its obligations and thus, no liability stood against them, and instructed their Bankers to “**stop payment**” of the *Security Cheques*.
13. FIITJEE Ltd. then presented the first cheque for Rs. 1 crore on **02.04.2015**, and it was **dishonoured** on **07.04.2015**, with the remark “*payment stopped by drawer*”.
14. On **08.04.2015**, FIITJEE Ltd. formally **recalled the Loan Agreement** under *Clauses 6 & 7*, which stipulated refund of granted loan with 18% interest, if the Project failed and demanded the immediate return of the Rs. 2.5 crores which were already paid.
15. FIITJEE Ltd. subsequently initiated a **Criminal Complaint (CC No. 1276/2016)** under **Section 138 NI Act**, before the Ld. MM, Saket Court, New Delhi, regarding the dishonored cheque.
16. The Ld. MM Court took cognizance and directed summons to be issued against IPS Ltd. vide Order dated **20.10.2016**.
17. The Petitioner (IPS Ltd.) subsequently filed *CRL.M.C. 4195/2017* before this Court for **quashing of the criminal proceedings**.
18. FIITJEE Ltd., in the meanwhile, presented the second security cheque No. 532244 for Rs. 1.5 crores, which was encashed on **19.04.2016**. IPS Ltd. claims this was permitted as an “*effort for settlement*”.



19. IPS Ltd. invoked the *Arbitration Clause* of the Loan Agreement, on **08.06.2015**.

20. The matter proceeded to arbitration, and the Arbitral Tribunal was set up which rendered its **Award on 24.05.2025**. The Tribunal concluded that the original JVA was **frustrated**. The liability for the disbursed Rs. 2.5 crores under the Loan Agreement was to be governed by **Clause 6 and 9(c)** pertaining to partial disbursement/breach. The Tribunal held IPS Ltd. was liable to repay the remaining Rs. 1 crore (Rs. 2.5 Cr received minus Rs. 1.5 Cr subsequently encashed) with **18% interest** from **08.04.2015 i.e.** the date of recall the loan, until payment.

21. *IPS Ltd.'s claim for loss of Rs. 1,07,00,000/- on the sale of Mayoor School was rejected by the Majority Award.*

22. The Petitioner (IPS Ltd.) has sought the quashing of the Complaint **on the ground** that the seven post-dated cheques, including the impugned Cheque No. 532243 for Rs. 1 crore which is the subject matter of this Complaint, were provided as **security** against the principal loan amount of Rs. 10 crores under the Loan Agreement dated 20.11.2012. Since the cheque was for security and on the date of dishonour of Cheque, there was no *“legally enforceable debt/legal subsisting liability”* existing, the Complaint was not maintainable.

23. **It is contended by the Petitioner that** the Loan Agreement provided for Rs. 15 crores to be disbursed in two phases, with Rs. 10 crores in the first phase, where the balance Rs. 7.5 crores (after adjusting the initial Rs. 2.5 crores) was contingent upon the **registration of the lease deed**, upon completion of the first phase of construction. The required conditions were



never fully met due to the Respondent's alleged failure to release the balance Rs. 7.5 crores.

24. The Petitioners contend that under the law, if there is a material change in circumstance of the kind that the sum does not represent a *legally enforceable debt at the time of maturity or encashment*, the offence is not made out. It is asserted that the second Cheque No. 532244 for Rs. 1.5 crores was honored as an effort toward settlement/repayment. The liability for the remaining amount is disputed.

25. The Petitioners claim that they suffered heavy losses, including approximately Rs. 1 crore spent on furniture for the Junior School at Govindpura and over Rs. 1 crore on the Mayoer School land/construction that had to be sold at a loss due to the Respondent's failure to meet its obligations. This claimed loss, which arguably exhausted the Rs. 2.5 crores paid by the Respondent, negates any subsisting liability.

26. It is submitted that the cheque was dishonored due to **“payment stopped by drawer,”** not **“insufficiency of funds”**, which **rebutts the statutory presumption** under Section 139 of the Negotiable Instruments Act, by showing a **valid reason** i.e. non-existence of a legally enforceable debt, for the *stop payment*.

27. It is submitted that the underlying dispute concerning the breach of the Loan Agreement, the interpretation of its clauses, the determination of outstanding liability and the alleged non-fulfillment of reciprocal obligations, is **purely civil in nature**.

28. It is claimed that the Respondent misused the criminal process under Section 138 NI Act with an **ulterior motive** to harass the Petitioners and extort money, and the Complaint is a *“blatant abuse of process”*.



29. The Respondent/Complainant allegedly approached the Trial Court with unclean hands by **suppressing** their Letter dated 26.3.2013, in which they demanded new post-dated Cheques for the months of April and May 2013 for the Rs. 2.5 crores loan, contradicting the plea that the already-held Cheques, were for repayment of the same amount. It is thus, submitted that the Criminal Complaint under S.138 NI Act be quashed.

30. The *Respondent in its Reply to the Petition* contends that the Petitioners' liability is an **admitted and undisputed fact**. The **Loan Agreement dated 20.11.2012** clearly acknowledged the receipt of **Rs. 2.5 crores** by the Petitioners from the Lender which was part of the total Rs. 10 crores loan facility. The Cheque was issued in pursuance of the debt and liability arising from the Loan Agreement, not merely as security. The repayment schedule was stated in the Loan Agreement, with the Rs. 1 crore Cheque being specifically due for repayment on April 2, 2015. The Respondent claims the presumption under Section 139 of the Negotiable Instruments Act is attracted when a Cheque is dishonored, and the Petitioners have failed to rebut this presumption.

31. *Clause 6 of the Loan Agreement* explicitly stated that if the Project is delayed or does not happen as per specifications, the loan facility **already granted becomes due and payable immediately on demand** with **18% interest per annum**. The Project failed largely due to the Petitioners' breaches i.e. non-acquisition of 15 acres of land and non-completion of construction by the stipulated date of March 2013, thereby justifying the recall and demand for immediate repayment.



32. The Respondent asserted that the instruction to “*stop payment*” was a **mischievous** and **malicious** act by the Petitioners, to usurp the hard-earned money and was not due to the non-existence of a legally enforceable debt.

33. The defense raised by the Petitioners that the Cheque was for *security or that a debt did not exist*, is purely a **factual defence** that must be decided at the stage of **trial** by the Learned Trial Court after recording evidence, and cannot be a ground for invoking the inherent jurisdiction of the High Court under Section 482 Cr.P.C.

34. The Respondent states that the entire relationship, from the JVA to the Loan Agreement, was a **deep-rooted criminal conspiracy** by the Petitioners and their directors to fraudulently and dishonestly extract money from the Respondent. The Petitioners continually induced the Respondent with **false assurances** and misrepresentations regarding CLU permissions for the Koshalpura land and later regarding the takeover and development of the Mayoor School.

35. The Petitioners caused wrongful loss to the Respondent by unilaterally selling the Mayoor School land for Rs. 9 crores, on 24.03.2015, despite the Loan Agreement creating a **first right/charge** over the property in favor of the Respondent, until the principal and interest were repaid. The Respondent asserted that the Petitioners thereby, made a **huge profit of Rs. 4.25 crores** and enriched themselves.

36. The Respondent thus, claims that the matter was not merely a civil dispute, but a criminal offense involving cheating and misappropriation, which required investigation and trial.

37. Regarding the *liability of the Directors*, FIITJEE maintains that the Complaint contains specific averments that *all Directors were in charge of*



and responsible for the conduct of the business of the Company. The authorized representative, Mr. Ashok Nanda, acted pursuant to a Board Resolution, thereby making the entire Board liable for the transaction and the consequent offence.

38. *Thus, the Petitions are liable to be dismissed.*

Submissions Heard and Record Perused.

39. The dispute hinges on the commercial relationship between the parties, which is governed by two successive and distinct Agreements - the Joint Venture Agreement (JVA) which was recalled and the subsequent Loan Agreement dated **20.11.2012**, acknowledged and incorporated the initial payment of Rs.2.5 Crores under the JVA, was incorporated into the Loan Agreement.

I. Legally Enforceable Debt:

40. The offence under Section 138 of the NI Act assumes the existence of a “legally enforceable debt or other liability.” The Cheque must have been issued for the discharge, in whole or in part, of such a debt. Section 139 of the NI Act raises a presumption in favor of the holder of the Cheque. However, presumptions provided under Sections 118 and 139 N.I. Act, are rebuttable in nature.

41. It is not in dispute that the initial Joint Venture Agreement was entered into between the parties for establishment of a FIITJEE World School on approximately 17 acres of land for an educational institute at Kaushalpura in Bhopal.

42. It is not in dispute that under this Loan Agreement, Rs.2.5 crores were given as a loan under the said JVC. It is further not in dispute that this joint venture failed as no permission for change of land user for the aforesaid



property could not be obtained. This led to the substitution of JVC by the second Loan Agreement dated 20.11.2012 wherein the loan amount was agreed to be Rs.15 crores to be paid in two phases, first being of Rs.10 crores and second of Rs.5 crores.

43. There is no dispute about the dishonored Cheque No. 532243 for Rs. 1 crore was issued by FIITJEE/Complainant as Loan under initial JVA Agreement dated 19.10.2010, which was substituted by a new Loan Agreement dated 20.11.2012 was entered and the Loan of Rs.2.5 Crores already paid under JVA, was carried forward to the new Loan Agreement.

44. To appreciate this aspect, it would be pertinent to refer to *Clause 1(a) of the Loan Agreement* where Rs.2.5 crores loan which was given under the JVC, was carried forward to the Loan Agreement. This clause read as under:

“NOW THIS AGREEMENT WITNESSETH AS UNDER:

(1) That the Lender hereby agree to grant the loan facility of Rs.15 (Fifteen) Crores (“Loan Facility”/ “Loan”) linked to phase of construction in the following manner and subject to terms and conditions of this Agreement:-

(a) During the first phase of construction:- The amount of loan is Rs.10 (Ten) Crores in this phase. That as part of the grant of the Loan Facility of Rs.10 Crores, the Lender has already granted Rs.2.50 (Two and Half) crores through:

- (i) Cheque No.014425 dated 29th November, 2011 drawn on Kotak Mahindra Bank, M043. A.M. Block Market, Greater Kailash-II, New Delhi (into Borrower’s RTGS A/c No.50038712344. Allahabad Bank, Misrod, Bhopal) for an amount of Rs.1 (One) Crore) and*
- (ii) Cheque No.965512 dated 31st December, 2011 (into Borrower’s A/c No.50038712344, Allahabad Bank, Misrod Bhopal, for an amount*



of Rs.1.50 (One and Half) Crore, drawn on Indian Bank, Hauz Khas Branch 106 & 107, Aurobindo Road DDA Commercial Complex, Delhi-1100016.

*And the **Borrower** hereby acknowledges the receipt of Rs.2.50 (Two and Half) Crores and detailed above.”*

45. From the bare perusal of the expressed terms of the Loan Agreement, it is evident that Rs.2.5 crores that was paid under the JVC was acknowledged as a part loan payment for the first phase of Rs.10 crores.

46. As per **Clause 6** of the Loan Agreement, if the Project “*is delayed or do not happen as per the specifications/satisfaction of the lender or for any reason whatsoever,*” the loan facility **already granted** becomes “*due and payable immediately on demand*” with interest at **18% per annum**.

47. According to the Complainant, the Petitioner/Borrower IPS LTD. had to repay the first installment of loan, which was not forthcoming and consequently, the cheque in question for Rs. 1 Lac was presented by Respondent/FIITJEE, which got dishonored.

48. The defense set up by the Accused is that *the impugned Cheque was a security Cheque* for first phase of full Rs. 10 crores, which was never fully paid. Thus, on **30.03.2015**, IPS Ltd. sent a letter/reminder Notice asserting that FIITJEE Ltd. had failed to fulfill its obligations and instructed their Bankers to “**stop payment**” of the impugned *Security Cheque*.

49. From the submissions made by the Petitioner, it emerges that the Loan Agreement, was subsisting till then. The Petitioner/IPS Ltd. may have been disgruntled by the conduct of the respondent, and may have got the Payment stopped against the First Cheque, but the second cheque of Rs.1.5 Crores dated 02.04.2016, which was presented subsequently, got honored. The



petitioners have asserted that the second cheque was honored as an endeavor for settlement.

50. The Complainant asserts that the Loan Agreement was subsequently terminated by it vide its Letter dated 08.04.2015. Further, the cheque may have been dishonoured for the reason *stopped by the drawer*, but whether it was on account of insufficiency of funds or there were valid defences available with the Petitioners to stop the payment or that there was breach of obligation under the Loan Agreement, are a matter of trial and cannot be considered at this stage.

51. *Prima facie*, it is evident that the Cheque, which was initially towards Security, got fructified towards the existing liability, in terms of Loan Agreement; rest is all the defense of the Petitioner, liable to be considered during the trial and not at the initial stage of Summons.

52. The *second defence* set up by the Petitioners, to assert that there was no legally enforceable debt, is that the loan of Rs.1 crore which was given under JVC was utilized by them for purchase of furniture for the Kaushalpura School Project. However, this was not the part of the JVC. The Petitioners in an endeavour to establish the Primary School in Govindpura, may have purchased the furniture, but that was not the part of the terms of the subsequent Loan Agreement.

53. Therefore, even if it is accepted that both the parties had together gone to China to purchase the furniture, but that was not a part of execution of the Loan Agreement and therefore, the Petitioners cannot claim that Rs.1 crore which was given under JVC, got utilized under it. Had it been so, this amount of Rs.2.5 crores would not have found mention in the second Loan



Agreement. *Prima facie* this contention of the Petitioners that there existed no legally enforceable liability is not tenable.

54. *In this context, it is also significant to refer to the Arbitration proceedings which were initiated and an Arbitration Award dated 24.05.2025, was made.*

55. The fact that the loan of Rs.2.5 crores became the subject matter of the second Loan Agreement, stands established by the findings of the learned Arbitral Tribunal, which by the **Majority Award** held the Petitioner liable to pay the remaining amount along with interest, under the Loan Agreement.

56. It is, therefore, concluded that *prima facie* it cannot be said that the cheque in dispute, was not issued for a legally enforceable liability and the Complaint under S.138 NI Act, is not liable to be quashed on this ground.

II. Liability of the Directors:

57. The *second ground of challenge* is that no criminal liability can be attributed to the Petitioners/Directors, namely Mr. Alok Nanda, Ms. Jyoti Singh Masani, Mr. Jasbir Singh, and Mr. Anil Kumar Seth, in the absence of any averment that they were responsible or In-charge of the day to day functioning of the Accused Company and they are entitled to be discharged.

58. The liability of the Directors and officers of the Petitioner Company, International Public School Ltd. /Accused No. 1, arises from the principle of vicarious liability, as stipulated in Section 141 of the Negotiable Instruments Act, 1881.



59. The general principle for corporate offenses under Section 138 NI Act is that the Company is primarily liable. However, Section 141 extends this liability to include individuals within the Company *who were responsible for its conduct* and business of the Company at the time of commission of the offense.

60. To attract vicarious liability under S.141 NI Act, the prosecution must essentially prove that the person sought to be held liable was either:

- (i) A person who was in charge of, and was responsible to the company for the conduct of the business of the company; or
- (ii) A Director, Manager, Secretary, or other officer of the company who acted with the consent or connivance of the commission of the offence; or
- (iii) An officer whose negligence contributed to the commission of the offence.

61. The Respondent/Complainant explicitly impleaded all directors and officers, including: *Mr. Ashok Nanda*, Chairman & Managing Director (Accused No. 2); *Mr. Alok Nanda*, Director (Accused No. 3); *Mr. Jasbir Nanda*, Director, (Accused No. 4); *Ms. Jyoti Singh Masani*, Director (Accused No. 5) and *Mr. Anil Kumar Seth*, Director (Accused No. 6).

62. The Complaint alleges that these individuals were the Directors & officers, in charge of day-to-day affairs, and responsible for the decisions of the Petitioner Company and that these Directors were not passive players but were actively involved in the alleged fraudulent scheme and subsequent default.



63. The Complaint alleges that all the accused persons (Accused No. 1-6) hatched a criminal conspiracy from the inception of the JVA and continued it by making false representations regarding CLU and inducing the Loan Agreement.

64. The allegations against **Mr. Ashok Nanda/Accused No. 2 as the Chairman & Managing Director**, is that he fraudulently and dishonestly induced the Complainant to release the initial amount. He signed the initial JVA and subsequently the Loan Agreement. He was the key individual making representations throughout the contractual negotiations. Moreover, the ultimate action leading to dishonor of Cheque due to the *stop payment instruction*, was given to the accused Company and acknowledged by the Chairman/MD. *Prima facie*, his involvement in the day to day affairs of the Company is writ large from the role in the affairs of the Company.

65. The Apex Court in the case of National Small Industries Corporation Limited vs. Harmeet Singh Paintal and Another, (2010) 3 SCC 330, laid down certain principles including *qua* the Managing Director. The same is as under:

“... 39. From the above discussion, the following principles emerge:

...

(v) ***If the accused is a Managing Director or a Joint Managing Director then it is not necessary to make specific averment in the complaint and by virtue of their position they are liable to be proceeded with. ...***”

66. The same has also been recently recognised by the Apex Court in Kamalkishor Shrigopal Taparia vs. India Ener-gen Private Limited & Anr., 2025 INSC 223.



67. Likewise, *all other Petitioners are the Directors to whom the Notice of the dishonor and demand for repayment was given separately. They are all Directors, who by their designation are* responsible for its financial and legal affairs. The Complainant cannot be expected to plead more than what is in the public domain. It is for the Petitioners to prove in their defense that they had no role to play, despite being the Directors.

68. In this regard, it would be pertinent to refer to the decision of the Apex Court in HDFC Bank Ltd. vs. State of Maharashtra and Anr., 2025 INSC 759, the Apex Court has held that criminal proceedings under Section 138 N.I Act against a Company Director cannot be dismissed solely because the Complaint does not precisely replicate the wording of Section 141.

69. The Court underscored that the essence of the allegations is more important than their form. If the Complaint sufficiently indicates that the Director was actively involved in the Company's day-to-day operations and played a role in the transactions in question, this is enough to meet the threshold for vicarious liability under Section 141(1) NI Act, even if the statutory expression "in charge of and responsible for the conduct of the business" is not quoted verbatim.

70. In this case, the Complaint satisfies the legal requirement by naming all accused Directors/officers, with specific averments that they were all "*in charge of day to day affairs and responsible for the decisions*" of the Company.

71. Therefore, the Trial Court correctly found sufficient grounds to issue the Summons to all the Directors/petitioners.



Conclusion:

72. In view of the aforesaid discussion, there is no merit in the Petitions seeking to quash the **Complaints under S.138 NI Act or to set aside the Summoning Order** dated 20.10.2016 passed by the Ld M.M.

73. The Petitions are accordingly, dismissed. The pending Applications are also disposed of.

**(NEENA BANSAL KRISHNA)
JUDGE**

DECEMBER 01, 2025/N