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Crl.O.P.No.3380 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13.03.2026

CORAM:

THE HONOURABLE MR. JUSTICE **G.K.ILANTHIRAIYAN**

Crl.O.P.No.3380 of 2023
and Crl.M.P.Nos.2079 & 2080 of 2023

Y.Supriya

.... Petitioner

Vs

1.N.L.Lengaram

2.M/s.Dreams System (P) Ltd.,
Rep. by its Managing Director,
Y.Jayaprakash.

3.Y.Jayaprakash
Director of M/s.Dreams System (P) Ltd.,

4.M.Senthil Kumar
Director of M/s.Dreams System (P) Ltd., Respondents

PRAYER: Criminal Original Petition is filed under Section 482 of the Code of Criminal Procedure, to call for records in C.C.No.1484 of 2018 pending on the file of the learned Metropolitan Magistrate, Fast Track Court-II, Egmore at Allikulam, Chennai and quash the same against the petitioner.

For Petitioner : Mr.V.Anilkumar

For Respondents : Mr.M.Arvind Kumar for R1
No appearance for R2 & R3
Mr.K.N.Nataraj for R4



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ORDER

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This Criminal Original Petition has been filed to quash the proceedings in C.C.No.1484 of 2018 on the file of the learned Metropolitan Magistrate, Fast Track Court – II, Egmore at Allikulam, Chennai.

2. The petitioner is the third accused in the complaint lodged by the first respondent for the offence punishable under Section 138 of the Negotiable Instruments Act. The allegation in the complaint is that the accused had borrowed a sum of Rs.17,15,000/- from the year 2011 to 2016. In order to repay the said amount, the first accused issued a cheque for a sum of Rs.21,50,600/-. When the said cheque was presented for collection, the same was returned dishonoured with the endorsement “Account Closed”. After causing a statutory notice, the first respondent initiated proceedings under Section 138 of the Negotiable Instruments Act and the same has been taken cognizance by the Trial Court.

3. The learned counsel appearing for the petitioner submitted that the petitioner is arrayed as A3 in the complaint lodged by the first respondent for the offence punishable under Section 138 of the Negotiable Instruments Act. Immediately, after receipt of the statutory



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notice dated 14.07.2017, the third accused, along with the second accused, issued a reply notice dated 17.07.2017, thereby specifically denied the entire allegations and stated that the petitioner had resigned from the Directorship as early as on 14.11.2016 and that the necessary forms were duly executed and submitted before the Registrar of Companies. The learned counsel also produced Form-XII before this Court, which was filed before the Registrar of Companies. The learned counsel further submitted that the petitioner is neither a signatory to the cheque nor a Director of the first accused Company and therefore, she is not liable to be prosecuted for the alleged offence.

4. Per contra, the learned counsel appearing for the first respondent submitted that though Form-XII was filed before the Registrar of Companies, no certificate has been produced to show that Form-XII was accepted by the Registrar of Companies. These documents have to be tested with the Trial Court. The learned counsel also pointed out that the fourth accused had earlier filed a quash petition before this Court in Crl.O.P.No.2876 of 2021 and the same has been dismissed by this Court by order dated 15.06.2023 with a direction to the Trial Court to complete the trial as expeditious as possible.



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5. Heard the learned counsel appearing on either side and perused the materials available on record.

6. A perusal of the records reveals that the petitioner is arrayed as A3 in the complaint lodged by the first respondent, alleging that the accused borrowed a sum of Rs.17,15,000/- from the year 2011 to 2016. In order to repay the said amount, the accused issued a cheque for a sum of Rs.21,50,600/-. The first respondent failed to mention the specific date on which the alleged loan was borrowed. Except for the cheque, no other documents were filed in support of the complaint. The petitioner had already resigned from her Directorship and filed Form-XII before the Registrar of Companies. A perusal of the said document, which was signed by all the accused and submitted before the Registrar of Companies, reveals that it was duly accepted by the Registrar of Companies and issued Certificate of Practice No.7843. It is also recorded that the said Form has been taken on the file of the Registrar of Companies through electronic mode, based on the statement of correctness given by the filing Company. Therefore, the said document establishes that the petitioner had resigned from her Directorship as early as on 14.11.2016 from the first accused Company. The alleged cheque was issued by the first accused Company on 06.06.2017, i.e., subsequent



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to the resignation of the petitioner. Therefore, after her resignation from the Directorship of the first accused Company, the petitioner cannot be held liable for any offence. Accordingly, the proceedings initiated against the petitioner are not sustainable and are liable to be quashed insofar as the petitioner is concerned.

7. In view of the above, the proceedings in C.C.No.1484 of 2018 on the file of the learned Metropolitan Magistrate, Fast Track Court – II, Egmore at Allikulam, Chennai is hereby quashed as against the petitioner alone. The Trial Court is directed to complete the trial within a period of three months from the date of receipt of a copy of this order as against the other accused persons.

8. In the result, this Criminal Original Petition is allowed. Consequently, connected miscellaneous petitions are closed.

13.03.2026

Index : Yes/No
Neutral citation : Yes/No
Speaking/non-speaking order
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G.K.ILANTHIRAIYAN, J.

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To

The Metropolitan Magistrate,
Fast Track Court-II,
Egmore at Allikulam,
Chennai.

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