

**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

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2026.PHHC.078131



**CRM-M-23374-2026 (O&M)
Date of decision: 18.05.2026**

Eshaan Singh Takkar**...Petitioner****Versus****J. C. Flowers Asset Reconstruction Pvt. Ltd. Company****...Respondent****CORAM: HON'BLE MRS. JUSTICE MANISHA BATRA**

Present: Mr. Kshitij Sharma, Senior Advocate with
Mr. Shobhit Sharma, Advocate
for the petitioner.

MANISHA BATRA, J. (Oral)

1. The present petition has been filed under Section 528 of BNSS, 2023 seeking quashing of complaint No. NACT-745-2025 dated 28.07.2025, titled as ***J. C. Flowers Asset Reconstruction Pvt. Ltd. v. Kartarz Alloys Private Limited and others***, filed under Sections 138, 141 and 142 of the Negotiable Instruments Act, 1881 (*for short 'N. I. Act'*) along with all consequential proceedings arising therefrom, including summoning order dated 12.01.2026 passed by the learned trial Court.

2. Brief facts of the case relevant for the purpose of disposal of this petition are that Kartarz Alloys Private Limited had availed certain credit facilities from ICICI Bank Ltd. and the loan account was subsequently declared Non-Performing Asset. Thereafter, proceedings under the SARFAESI Act were initiated. During the course of negotiations for One Time Settlement

(OTS), cheque bearing No.301731 dated 21.05.2025 amounting to Rs.2.05 Crores came to be issued towards part payment of the proposed settlement amount. The said cheque upon presentation was dishonoured, leading to issuance of statutory legal notice and thereafter filing of complaint under Sections 138 and 141 of the N. I. Act by respondent-company, being assignee of the debt. Pursuant to preliminary evidence led by the complainant, the learned trial Court vide order dated 12.01.2026 summoned the petitioner along with other accused to face trial under the aforesaid offences. Aggrieved against the complaint and summoning order, the petitioner has approached this Court by way of present petition.

3. It is argued by learned counsel for the petitioner that the impugned complaint and the summoning order are not sustainable in the eyes of law as while entertaining the complaint and passing the summoning order, the learned trial Magistrate ignored the fact that he has been falsely implicated in the complaint merely on account of being a Director of the Company, despite having no role in its day-to-day affairs or financial transactions. It is submitted that all dealings with ICICI Bank Ltd., including OTS negotiations, issuance of cheque and correspondence with the Bank, were exclusively conducted by Sh. Harpreet Singh, Managing Director of the Company and father of the petitioner. Even the documents appended with the complaint demonstrate that all communications were exchanged only with Sh. Harpreet Singh and the cheque in question bears his signatures alone. The cheque in question was handed over merely as an undated conditional security cheque along with the OTS proposal dated 21.04.2025 and it was specifically agreed that the cheque could be encashed only upon approval of the OTS proposal. However, the OTS

proposal was admittedly rejected by the Bank on 09.05.2025, yet the cheque was fraudulently presented for encashment. It is argued that the cheque was never issued in discharge of any legally enforceable debt or liability and therefore the essential ingredients of Section 138 of the N. I. Act are not satisfied.

4. It is further argued that the impugned complaint contains only vague and omnibus allegations against the petitioner and fails to disclose as to how and in what manner the petitioner was responsible for the conduct of business of the Company at the relevant time. Learned counsel submits that mere designation as a Director is insufficient to attract vicarious liability under Section 141 of the Negotiable Instruments Act. Reliance has been placed upon *N.K. Wahi vs. Shekhar Singh and others*, (2007) 9 SCC 481, *S.M.S. Pharmaceuticals Ltd. v. Neeta Bhalla and another*, (2005) 8 SCC 89, *Gunmala Sales Private Limited v. Anu Mehta and others*, (2015) 1 SCC 103, *Pooja Ravinder Devidasani v. State of Maharashtra and another*, (2014) 16 SCC 1 and *Ashoke Mal Bafna v. Upper India Steel Manufacturing and Engineering Company Limited*, (2018) 14 SCC 202 to contend that specific averments regarding the role of the Director are mandatory before criminal liability can be fastened under Section 141 of the N. I. Act. It is also argued that the respondent-Company and ICICI Bank Ltd. have acted in collusion and in bad faith to pressurize the petitioner and the Company by initiating multiple coercive proceedings, despite the fact that even the SARFAESI proceedings initiated by the Bank were subsequently quashed by the learned Debt Recovery Tribunal vide order dated 08.08.2025. On the strength of the aforesaid submissions, it is urged that the impugned complaint, summoning order and all

consequential proceedings arising therefrom deserve to be quashed qua the petitioner.

5. This Court has heard the submissions made by learned counsel for the petitioner.

6. The primary contention raised on behalf of the petitioner is that he has been falsely implicated in the present complaint merely on account of his designation as a Director of the accused-company despite having no role in its day-to-day affairs or financial dealings. It has further been argued that the cheque in question neither bears the signatures of the petitioner nor was it issued by him and all transactions with ICICI Bank Ltd., including negotiations regarding the One Time Settlement (OTS), issuance of the cheque and correspondence with the Bank, were exclusively conducted by Sh. Harpreet Singh, Managing Director of the Company and father of the petitioner. It has also been contended that the cheque in question was handed over merely as a conditional security cheque along with the OTS proposal and the same could not have been presented for encashment once the OTS proposal stood rejected by the Bank. However, this Court is unable to accept the aforesaid submissions at this stage. A perusal of the complaint reveals that specific allegations have been levelled against the petitioner to the effect that he was responsible for the conduct and affairs of the accused-company at the relevant time. The complaint further alleges that the cheque in question had been issued on behalf of the accused-company towards discharge of liability arising out of the loan transaction. Whether the petitioner was actually involved in the affairs of the company or whether the cheque was issued merely as a conditional security cheque are disputed questions of fact which cannot be conclusively adjudicated

upon in proceedings under Section 528 of BNSS. The law is well settled that while exercising inherent jurisdiction, this Court is not expected to conduct a mini-trial or meticulously examine the defence sought to be raised by the accused. Such jurisdiction is to be exercised sparingly and only in cases where continuation of proceedings would amount to abuse of process of law or where no offence is disclosed even if the allegations contained in the complaint are taken at their face value.

7. In the present case, the complaint contains the foundational averments necessary to proceed against the petitioner under Section 141 of the N. I. Act. Merely because the petitioner alleges that he was not responsible for day-to-day affairs of the company would not *ipso facto* entitle him to quashing of the complaint, particularly when the complainant has specifically alleged that the petitioner was controlling the affairs of the company and had actively participated in the transaction in question. Reference can be made to the observations made by the Hon'ble Supreme Court in ***S.P. Mani and Mohan Dairy vs. Dr. Snehalatha Elangovan, (2023) 10 SCC 685***, wherein it has been held that the High Court should not interfere under Section 482 Cr.P.C. at the instance of the accused unless the accused is able to place on record unimpeachable and incontrovertible evidence completely ruling out his involvement in the transaction. It was further held that when basic averments exist in the complaint, the proceedings ought not to be scuttled at the threshold merely because the accused raises a probable defence. Similarly, the Hon'ble Supreme Court in ***Rathish Babu Unnikrishnan vs. State (Govt. of NCT of Delhi), 2022 SCC Online SC 513***, has observed that quashing proceedings at a preliminary stage results in finality without the parties having an opportunity

to adduce evidence and that disputed questions of fact ought to be left for adjudication before the trial Court. Reference may also be made to the judgment of the Hon'ble Supreme Court in *HMT Watches Ltd. vs. M.A. Abida, (2015) 11 SCC 776*, wherein it was held that issues such as existence of liability, nature of transaction and defence of the accused are matters requiring evidence and cannot ordinarily be adjudicated in a petition under Section 482 Cr.P.C.

8. In the case at hand, the pleas raised by the petitioner are essentially a defence which requires appreciation of evidence. The authenticity, effect and legal consequences of the resignation documents relied upon by the petitioner can appropriately be examined only during trial after the parties lead their respective evidence. At this stage, this Court cannot record a definitive finding that the petitioner had absolutely no role in the affairs of the company or in the transaction in question. The learned trial Court, upon consideration of the preliminary evidence led by the complainant, found sufficient grounds to summon the petitioner to face trial. No patent illegality, perversity or jurisdictional error has been pointed out in the impugned summoning order warranting interference by this Court in exercise of its inherent jurisdiction. Accordingly, in view of the aforesaid facts and circumstances, this Court finds no ground to invoke the extraordinary jurisdiction. Consequently, the present petition being devoid of merit is hereby dismissed.

9. Pending miscellaneous applications, if any, shall also stand disposed of.

(MANISHA BATRA)
JUDGE

18.05.2026

Waseem Ansari

1. Whether speaking/ reasoned	:	Yes/No
2. Whether reportable	:	Yes/No