

IN THE HIGH COURT OF PUNJAB & HARYANA  
AT CHANDIGARH

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2026.PHHC.076499



CRM-M-37031-2023 (O&M)  
Date of decision: 19.05.2026

Nanak Chand Tayal and another

...Petitioners

Versus

Chet Ram @ Chet Ram Gupta

...Respondent

CORAM: HON'BLE MRS. JUSTICE MANISHA BATRA

Present: Mr. Randeep S. Dhull, Advocate and  
Mr. Hemant Kumar, Advocate  
for the petitioner.

Mr. Reshabh Bajaj, Advocate  
for the respondent.

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**MANISHA BATRA, J. (Oral)**

1. The present petition has been filed under Section 482 Cr.P.C. *(which corresponds to Section 528 of BNSS, 2023)* seeking quashing of complaint No. NACT/84/2019 dated 03.01.2019, titled as ***Chet Ram @ Chet Ram Gupta v. M/s S.R.S. Buildmart Pvt. Ltd. and others***, filed under Sections 138 and 141 of the Negotiable Instruments Act, 1881 *(for short 'N. I. Act')* along with all consequential proceedings arising therefrom, including summoning order dated 25.04.2022 passed by the learned trial Court.
2. Brief facts of the case relevant for the purpose of disposal of this petition are that accused No.1-company namely M/s S.R.S. Buildmart Pvt.

Ltd. through its Directors and persons, allegedly managing its affairs, approached the respondent/complainant and induced him to advance an amount of Rs.4,00,000/- for the benefit and functioning of the company. It was alleged that the petitioners herein, namely Nanak Chand Tayal and Bishan Bansal, were promoters/organisers/persons in-charge of the affairs of the company and had negotiated the transaction with the complainant. In discharge of the alleged liability, cheque bearing No.420782 dated 16.08.2018 for an amount of Rs.5,20,000/- drawn on Oriental Bank of Commerce, NIT Faridabad, was issued in favour of the complainant. Upon presentation, the cheque was dishonoured vide memo dated 08.11.2018 with the remarks "Funds Insufficient". Thereafter, legal notice was issued to the accused persons and upon failure to make payment within the stipulated period, the impugned complaint was filed.

3. Pursuant to the preliminary evidence led by the complainant, the learned trial Magistrate, vide order dated 25.04.2022, summoned the accused including the present petitioners to face trial under Sections 138 and 141 of the N. I. Act. Aggrieved against the complaint and the summoning order, the petitioners have approached this Court by way of the present petition.

4. It is argued by learned counsel for the petitioners that the impugned complaint and the summoning order are not sustainable in the eyes of law as the petitioners had already resigned from the accused-company on 01.06.2017 i.e. much prior to the issuance and dishonour of the cheque in question. It has been argued that the cheque in question was issued in March, 2018 and dishonoured on 08.11.2018, whereas the resignation of the petitioners had already been accepted and duly reflected in Form DIR-12

uploaded before the office of Registrar of Companies on 24.06.2017. It is further contended that the said documents being public documents within the meaning of Section 74 of the Indian Evidence Act are unimpeachable in nature and conclusively establish that the petitioners were neither Directors nor persons responsible for the conduct of business of the company at the time of commission of the alleged offence.

5. It is further argued by learned counsel for the petitioners that admittedly the cheque in question bears the signatures of accused Devender Adhana alone and the petitioners are neither signatories to the cheque nor beneficiaries of the transaction. It has also been submitted that except for making bald and omnibus allegations, there is no specific averment in the complaint as to how and in what manner the petitioners were in-charge of or responsible for the conduct of the business of the company at the relevant time, which is a mandatory requirement under Section 141 of the N. I. Act. Hence, it is urged that the petition deserves to be allowed. In support of his submissions, learned counsel has placed reliance upon the judgments of the Hon'ble Supreme Court in *National Small Industries Corporation Ltd. vs. Harmeet Singh Paintal and another*, (2010) 3 SCC 330; *SMS Pharmaceuticals Ltd. vs. Neeta Bhalla*, (2005) 8 SCC 89; *K.K. Ahuja vs. V.K. Vora*, (2009) 10 SCC 48; *Pooja Ravinder Devidasani vs. State of Maharashtra*, (2014) 16 SCC 1 and *DCM Financial Services Ltd. vs. J.N. Sareen*, (2008) 8 SCC 1, to contend that a Director who had resigned prior to the date of dishonour of the cheque cannot be prosecuted merely on account of his earlier association with the company. It has further been argued that vicarious liability under Section 141 of the N. I. Act being penal in nature

must be strictly construed and cannot be inferred in the absence of specific pleadings regarding the role of the accused in the conduct of the business of the company.

6. *Per contra*, learned counsel appearing on behalf of the respondent-complainant has opposed the petition and argued that the petitioners were actively involved in the affairs of the accused-company and had personally negotiated the financial transaction with the complainant. It has been contended that merely because the petitioners subsequently resigned from the company would not absolve them of their criminal liability arising out of the transaction in question. It has further been submitted that the complaint specifically alleges that the petitioners were promoters/organisers/persons controlling the affairs of the company and, therefore, disputed questions of fact are involved which cannot be adjudicated in proceedings under Section 482 Cr.P.C. It is, thus, stressed that the petition is liable to be dismissed.

7. This Court has heard the rival submissions.

8. The primary contention raised on behalf of the petitioners is that they had resigned from the accused-company on 01.06.2017 and, therefore, cannot be prosecuted for the offences under Sections 138 and 141 of the N. I. Act as the cheque in question was dishonoured subsequently on 08.11.2018. It has further been argued that the petitioners were neither signatories to the cheque nor responsible for the day-to-day affairs of the company at the relevant time. 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 petitioners to the effect that they

were promoters/organisers/persons controlling the affairs of the accused-company and it was upon their inducement and negotiations that the complainant had advanced the amount in question. The complaint further alleges that the petitioners were actively involved in the management and affairs of the company and were instrumental in the transaction which ultimately culminated into issuance of the cheque in question. Whether the petitioners had actually ceased to have any concern with the affairs of the company or whether they continued to control and manage the affairs of the company despite the alleged resignation are disputed questions of fact which cannot be conclusively adjudicated upon in proceedings under Section 482 Cr.P.C. The law is well settled that while exercising jurisdiction under Section 482 Cr.P.C., this Court is not expected to conduct a mini-trial or examine the defence of the accused in detail. The inherent jurisdiction is to be exercised sparingly and only in cases where continuation of proceedings would amount to abuse of the process of law or where no offence is made out even if the allegations are taken on their face value.

9. In the present case, the complaint contains the foundational averments necessary to proceed against the petitioners under Section 141 of the N. I. Act. Merely because the petitioners rely upon Form DIR-12 and resignation documents would not *ipso facto* entitle them to quashing of the complaint, particularly when the complainant has specifically alleged that the petitioners were 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.

10. In the case at hand, the plea raised by the petitioners regarding their resignation and alleged non-involvement in the affairs of the company is essentially a defence which requires appreciation of evidence. The authenticity, effect and legal consequences of the resignation documents relied upon by the petitioners 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 petitioners 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 petitioners 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.

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

(MANISHA BATRA)  
JUDGE

19.05.2026  
*Waseem Ansari*

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