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

\+ CRL.M.C. 2294/2026 & CRL.M.A. 9363/2026, CRL.M.A. 9364/2026

SWAMY NATHAN RAMALINGAM .....Petitioner
Through: Mr. Atul Kumar, Advocate

versus

CKERS FINANCE PVT. LTD .....Respondent
Through: None.

CORAM:
HON'BLE MR. JUSTICE PRATEEK JALAN

<u>O R D E R</u>

% 27.03.2026

<u>CRL.M.A. 9364/2026 (*exemption*)</u>

Exemption allowed, subject to all just exceptions.

The application stands disposed of.

<u>CRL.M.C. 2294/2026 and CRL.M.A. 9363/2026 (*stay*)</u>

1. By way of the present petition, the petitioner seeks quashing of Complaint Case No. CC NI Act 1753/2023, instituted by the respondent under Section 138 of the Negotiable Instruments Act, 1881 ["NI Act"].

2. The petitioner was a Director of a company named M/s. Greensol Renewable Power Pvt. Ltd. ["the Company"], which has been arrayed as Accused No. 1 in the aforesaid complaint case. The petitioner has been arrayed as Accused No. 4.

3. The complaint case is based upon the alleged dishonour of cheque bearing No. 143795 dated 13.12.2022 for a sum of Rs. 1,33,33,334/-, issued on the company's account in favour of the respondent herein.

4. It is stated in the complaint, that the petitioner was a Director of Accused No. 1 - Company. The complainant has alleged that it had sanctioned a Working Capital Facility of Rs. 4 crores to the company and a Working Capital Term Loan of Rs. 1 crore under a Master Loan Agreement dated 13.08.2019, as well as an Amendment Agreement dated 30.09.2019. By way of subsequent amendments, the limit was reduced to Rs. 3 crores. The allegations against the present petitioner, are as follows:

> *" 5. That the accused No.2 and 3 being one of the Directors as well as authorized signatory of the Accused No.1 company had given security cheques of Accused No.1 signed by Accused No.2 and 3, to ensure, the timely payment and with specific direction that in case there would be any default in payment, the said security cheques can presented for encashment **with consent and knowledge of Accused No.4 as well.***
>
> *6. That the accused(s) enjoyed and used the financial assistance extended by the Complainant company. However, despite acceptance of terms and conditions governing the Loan Facility, the accused's persons deliberately failed and neglected to make the payment of due amount on the stipulated due dates/tenor as per agreement besides failure in observing other terms and conditions. As such, a considerable amount became due and outstanding against accused persons."*[1]

5. Upon dishonour of the aforesaid cheque, as evidenced by a cheque return memo dated 15.12.2022, the complainant issued a legal notice dated 06.01.2023 to the accused and thereafter instituted the complaint case on 16.02.2023.

6. Mr. Atul Kumar, learned counsel for the petitioner, contends that the petitioner was designated only as Director (Projects) of the Company, and was not responsible for its financial affairs. It is further submitted that the petitioner had resigned from the directorship on 02.12.2022, prior to the dishonour of the cheque and issuance of the legal notice, although

[1] Emphasis supplied.

Form DIR-11 was uploaded by the petitioner only on 03.03.2023.

7. Having heard Mr. Kumar, I am of the view that, this is not a fit case for quashing of the complaint, at this stage. Vicarious liability of directors and officers who "*were in-charge of, and responsible to the company for the contract of its business*" is provided in Section 141 of the NI Act. This is not a case where the petitioner was a non-executive or independent director of the company, but he was an executive director, designated as Director (Projects). It is specifically averred in paragraph 5 of the complaint that the acts in question were carried out with the consent and knowledge of the present petitioner. At this stage, the veracity of that allegation cannot be addressed, which is a matter for the parties to make their cases before the learned Magistrate. This is, in my view, sufficient to proceed against the petitioner who, as noted above, was not a non-Executive or independent Director of the Company. Reference in this connection may be made to the judgment of the Supreme Court in *HDFC Bank Ltd. v. State of Maharashtra & Anr*[2], which holds, *inter alia*, that the ingredients of Section 141 of the NI Act do not have to be reproduced verbatim in the complaint, "*like a mantra or a magic incantation*"[3], that a hypertechnical reading of the complaint should be avoided[4], and that a complainant is not expected to have knowledge with regard to the particular administrative role assigned to each director[5].

8. Although Mr. Kumar relies upon the petitioner's resignation from

[2] (2025) 9 SCC 653.
[3] *Ibid*, paragraph 35.
[4] *Ibid*, paragraph 24.
[5] *Ibid*, paragraph 40.

the directorship of the company on 02.12.2022, the correspondence annexed thereto shows that, by an email dated 05.12.2022, he was requested to "*hold on for some time*". Thereafter, the petitioner wrote to the company on 23.01.2023, seeking completion of formalities to relieve him from directorship. Even thereafter, the petitioner himself filed Form DIR-11 only on 03.03.2023. Even prior to the petitioner's communication dated 23.01.2023, the cheque in question had already been dishonoured, and the legal notice dated 06.01.2023 had been issued.

9. In these facts and circumstances, I am of the view that this is not a fit case for the exercise of this Court's jurisdiction to quash the complaint at this stage.

10. The petition, alongwith the pending applications, is, therefore, dismissed, without prejudice to the rights and contentions of the parties in the proceedings before the learned Magistrate's Court.

PRATEEK JALAN, J

MARCH 27, 2026
'Sv/JM'/