IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION

CRIMINAL APPEAL Nos.5271-5273/2026

(Arising out of SLP (CRL.)Nos.21824-21826/2026)
(@Diary No(s). 25298/2025)

BHATANA ALLOYS PRIVATE LIMITED **APPELLANT(s)**

VERSUS

KULJINDER SINGH ETC. **RESPONDENT(s)**

O R D E R

1. Delay condoned.

2. The respondent no.1/ Kuljinder Singh, although served with the notice issued by this Court yet has chosen not to remain present before this Court either in person or through an advocate and oppose this petition.

3. Leave granted.

4. These appeals arise from the order passed by the High Court of Punjab & Haryana dated 15.02.2025 in CRM-M-27027/2016 by which the application preferred by the respondent no.1/accused no.2/Kuljinder Singh seeking quashing of the proceedings arising from complaint no.9117/2014 for the offence punishable under Section 138 of the Negotiable Instruments Act (for short, 'the NI Act') which came to be quashed.

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Date: 2026.01.07 11:35:45 IST
Reason:

5. The appellant before us is the original complainant. He lodged a private complaint in the Court of the Chief

Metropolitan Magistrate, Chandigarh, for the offence punishable under Section 138 of the NI Act which came to be registered as complaint case no.9117/2014. In the said complaint, the respondent no.1 before us is arrayed as accused no.2. The accused no.1 is the private limited company of which the respondent no.1/accused no.2/Kuljinder Singh is one of the Directors along with the respondent no.2/accused no.3/Yadvinder Singh and the respondent no.3/accused no.4/Ajit Singh (deceased). According to the complaint, the accused no.2/Kuljinder Singh is the signatory to the cheque in question, whereas, the accused nos.3&4 had also played key role in the subject transaction, respectively. The complaint reads thus:-

> ***"1. That the complainant is a Pvt. Ltd. Company duly incorporated under the Companies Act, 1956, having its registered office at the address aforesaid i.e. Mr. Sanjay Jain, Director of the complainant company, vide Resolution of Board of Directors of complainant company dated 30.05.2014, is duly authorized to file and sign the present complaint, pleadings, vakalatnamas, applications, etc., engage lawyers, etc. and to do all such acts necessary for the proper conduct of the present complaint.***
>
> ***2. That the accused No.1 is a Pvt. Ltd. company having its registered office at Opposite Indus Tower, IIIrd Floor, DLF IT Park, Chandigarh-160001. <u>The accused Nos.2 has signed the cheque in question</u> on behalf of accused No.1 company as its directors/authorized signatory. <u>Accused Nos.2 and 4 are also promoters of the accused No.1 company. Further, accused Nos.2 to 4 are incharge of and in active control and management of the accused No.1, company and responsible to the accused No.1 company for</u>***

conducting its business. Further, the accused Nos.2 to 4 have played full role in the transactions and in purchase of the goods/items from the complainant. Moreover, the accused Nos.2 to 4 with the common intention had taken conscious and collective decision to bear all the liabilities arising out of the goods/items supplied and also towards liabilities arising out of the cheque in question. In fact, the accused Nos.2 to 4 had assured that when the cheque in question would be presented, the same would be honoured accordingly. As such, accused Nos.2 to 4 have played full role in the commission of offences and have committed the offences.

3. That the complainant is in the business of iron and steel products. The accused persons have purchased goods/items for the complainant and the complainant has supplied goods/items to the accused persons on numerous occasions to their entire satisfaction.

4. That the complainant has maintained a mutual open running account accused persons, wherein the statement of accounts has been maintained detailing the purchase of goods/items by the accused the persons, the goods/items supplied to the accused persons, the on account payments received by the complainant against the goods/items supplied to the accused persons, interest on delayed payment, etc.

5. That as per the statement of accounts there is an outstanding amount of Rs.17,04,157/- due the against accused persons. Therefore, the accused persons were under a legal liability to pay the aforesaid sum of Rs. 17,04,157/- to the complainant.

6. That towards the aforesaid outstanding amount of Rs.17,04,157/- the accused persons (as on account part payment) issued to the complainant a post dated cheque for Rs.14,00,000/- bearing No.161702 dated 15.04.2014

drawn on Punjab National Bank, Mid Corporate Br., Sector-17B, Chandigarh, 160017.

7. That to the utter surprise of the complainant, when the aforesaid cheque bearing No.161702 for Rs.14,00,000/- was presented for encashment to its banker Axis Bank Ltd., C-75, Malviya Nagar, New Delhi-110017, the same was returned back dishonoured for the reason "Account Closed" vide return memo dated 03.05.2014.

8. That, therefore, the accused persons had issued the aforesaid cheque bearing No.161702 for Rs.14,00,000/- with dishonest, malafide and fraudulent intention of not honouring their commitment and without making sufficient arrangement of funds for honouring the aforesaid cheques. In fact, the accused persons dishonestly induced the complainant and fraudulently took supply of the aforesaid goods/items from the complainant knowing fully well that the aforesaid cheque issued by the accused persons will not be honoured on its presentation as the accused persons never had the intention to pay the amount of the aforesaid cheque.

9. That, therefore, the accused persons have committed an offence punishable under Section 138 & 141 of the Negotiable Instruments Act and/read with Section 420 of the Indian Penal Code. The accused Nos.2 has signed the cheque in question on behalf of accused No.1 company as its directors/authorized signatory. Accused Nos.2 and 4 are also promoters of accused No.1 company. Further, accused Nos.2 to 4 are incharge of and in active control and management of the accused No.1 company and responsible to the accused No.1 company for conducting its business. Further, the accused Nos.2 to 4 have played full role in the transactions and in purchase of the goods/items from the complainant. Moreover, the accused Nos.2 to 4 with the common intention had taken conscious and collective decision to bear all the liabilities arising out of the goods/items supplied and also towards

liabilities arising out of the cheque in question. In fact, the accused Nos.2 to 4 had assured that when the cheque in question would be presented, the same would be honoured accordingly. As such, accused Nos.2 to 4 are fully responsible for the aforesaid offence and have also committed the aforesaid offence.

10. That in consonance with the provisions of Section 138 & 141 of the Negotiable Instruments Act, the complainant through its counsel gave a notice in writing to the accused persons on 31.05.2014 demanding payment of the aforesaid cheques amounting to Rs.14,00,000/- within 15 days from the receipt of the notice.

11. That despite service of the aforesaid notice, the accused persons have not paid the amount of the cheque within the stipulated period of 15 days.

12. That, thus, the accused persons have committed an offence under Section 138 & 141 r/w Section 142 of the Negotiable Instruments Act.

13. That the present complaint has been filed within the period of limitation.

14. That the registered office of the complainant is in New Delhi. The cheques were returned back dishonoured for the reason "Account Closed" vide return memos of Axis Bank Ltd. C-75, Malviya Nagar, New Delhi-110017. The legal notice issued from New Delhi. Hence, this Hon'ble Court has the jurisdiction entertain the present complaint."

[Emphasis supplied]

6. Thus, on plain reading of the complaint, it appears that there was a business transaction between the appellant-complainant and the accused no. 1-company for purchase of goods/items of iron and steel. The cheque amount is to the

tune of Rs.14,00,000/-.

7. According to the complainant, the cheque in question was a post-dated cheque dated 15.04.2014 drawn on Punjab National Bank, Mid Corporate Branch, Sector 17-B, Chandigarh, duly signed by the respondent no. 1/Kuljinder Singh. The cheque in question came to be dishonoured with an endorsement "Account Closed".

8. The appellant-complainant, thereafter, issued statutory notice under Section 138 of the NI Act and called upon the accused persons to make good the payment within a period of 15 days from the date of receipt of the notice. Since the accused persons failed to make good the payment, the appellant went before the Court and lodged a private complaint.

9. It appears that cognizance was taken upon the complaint lodged by the appellant and process was issued only against accused no. 1-company and accused no. 2/Kuljinder Singh, but not against the accused no. 3/Yadvinder Singh or the accused no. 4/Ajit Singh.

10. Thereafter, the accused no.2/Kuljinder Singh preferred a petition before the High Court, praying for quashing of the proceedings, essentially on the ground that he had resigned as the Director of the company on 25.06.2012 and, therefore, on the date of the commission of the alleged offence, i.e., the date when the accused persons are alleged to have failed

to make the payment within 15 days from the date of receipt of notice, he had nothing to do with the company and, therefore, would not be liable for the alleged offence.

11. The High Court accepted this submission canvassed by the accused no.2/Kuljinder Singh and quashed the summoning order dated 21.03.2015, qua the accused no.2/Kuljinder Singh. However, with respect to accused no. 3/Yadvinder Singh and accused no. 4/Ajit Singh (deceased), the High Court set aside the summoning order dated 21.03.2015 and remanded the matter to the Trial Court, with a direction to consider the same afresh with respect to the liability of accused no.3/Yadvinder Singh and accused no.4/Ajit Singh (deceased). The appellant-complainant, being dissatisfied with the impugned order passed by the High Court is here before us.

12. The learned counsel appearing for the appellant-complainant would submit that the High Court committed an egregious error in passing the impugned order, quashing the proceedings qua the accused no.2/Kuljinder Singh on the assumption that on the date of the commission of the alleged offence under Section 138 of the NI Act, the respondent no.1/accused no.2/Kuljinder Singh had ceased to be the Director of the company and could not be held liable for the dishonour of the cheque. He would submit that there is nothing on record to indicate that the respondent no.1/accused no.2/Kuljinder Singh had resigned from the post of Director much prior to the presentation of the cheque and

the dishonour of the same.

13. In such circumstances referred to above, the learned counsel appearing for the appellant-complainant would pray that there being merit in his appeal, the same be allowed and the impugned order be set-aside with respect to its decision qua the accused no.2/Kuljinder Singh.

14. We take notice of para 6 of the impugned order. Para 6 reads thus:-

> ***"6. Having heard learned counsel for the parties and after perusing the record with their able assistance, it transpires that the disputed cheque was issued under the signature of the petitioner, who was the Director and the Authorised Signatory at the time. However, the petitioner had resigned from the said post on 25.06.2012 and Yadvinder Singh was appointed as his successor."***

15. According to the High Court, as reflected from para 6 referred to above, the cheque in question was issued under the signature of the accused no.2/Kuljinder Singh. This fact is not disputed even by the respondent no.1/accused no.2/Kuljinder Singh.

16. The High Court proceeds on the footing that the accused no.2/Kuljinder Singh had signed the cheque. The High Court also proceeds on the footing that the accused no.2/Kuljinder Singh was the Director and Authorized Signatory. However, according to the High Court, since the accused no.2/Kuljinder Singh had resigned from the said post on 25.06.2012 and the accused no.3/Yadvinder Singh was appointed as his successor,

putting the accused no.2/Kuljinder Singh to trial would be an abuse of the process of law.

17. We are not in agreement with the line of reasoning adopted by the High Court for the purpose of quashing the criminal proceedings against the accused no.2/Kuljinder Singh.

18. In this regard, it would be apposite to refer to the principles enunciated by this Court in *S.P. Mani & Mohan Dairy v. Snehalatha Elangovan*, (2023) 10 SCC 685:

> **"47. At this stage, we should look into the decision of this Court in *K.K. Ahuja* v. *V.K. Vora* [*K.K. Ahuja* v. *V.K. Vora*, (2009) 10 SCC 48 : (2009) 4 SCC (Civ) 1 : (2010) 2 SCC (Cri) 1181] , wherein this Court discussed the principles of vicarious liability of the officers of a company in respect of dishonour of a cheque and held : (SCC pp. 61-62, para 27)**
>
> > ***"27*. The position under Section 141 of the Act can be summarised thus:**
> >
> > > **(*i*) If the accused is the Managing Director or a Joint Managing Director, it is not necessary to make an averment in the complaint that he is in charge of, and is responsible to the company, for the conduct of the business of the company. It is sufficient if an averment is made that the accused was the Managing Director or Joint Managing Director at the relevant time. This is because the prefix "Managing" to the word "Director" makes it clear that they were in-charge of and are responsible to the company, for the conduct of the business of the**

company.

(*ii*) In the case of a Director or an officer of the company who signed the cheque on behalf of the company, there is no need to make a specific averment that he was in charge of and was responsible to the company, for the conduct of the business of the company or make any specific allegation about consent, connivance or negligence. The very fact that the dishonoured cheque was signed by him on behalf of the company, would give rise to responsibility under sub-section (2) of Section 141.

(*iii*) *In the case of a Director, Secretary or Manager [as defined in Section 2(24) of the Companies Act] or a person referred to in clauses (e) and (f) of Section 5 of the Companies Act, an averment in the complaint that he was in charge of, and was responsible to the company, for the conduct of the business of the company is necessary to bring the case under Section 141(1) of the Act. No further averment would be necessary in the complaint, though some particulars will be desirable. They can also be made liable under Section 141(2) by making necessary averments relating to consent and connivance or negligence, in the complaint, to bring the matter under that sub-section*.

(*iv*) Other Officers of a company cannot be made liable under sub-section (1) of Section 141. Other officers of a company can be made liable only under sub-section (2) of Section 141, by averring in the complaint their position and duties in the company and their role in regard to the issue and dishonour of the cheque, disclosing consent, connivance or negligence."

(emphasis supplied)

48. In a very recent pronouncement in *Sunita Palita* v. *Panchami Stone Quarry* [*Sunita Palita* v. *Panchami Stone Quarry*, (2022) 10 SCC 152 : (2023) 1 SCC (Civ) 612 : (2023) 1 SCC (Cri) 91] , this Court, after referring to *K.K. Ahuja* [*K.K. Ahuja* v. *V.K. Vora*, (2009) 10 SCC 48 : (2009) 4 SCC (Civ) 1 : (2010) 2 SCC (Cri) 1181] referred to above, observed as under : (*Sunita Palita case* [*Sunita Palita* v. *Panchami Stone Quarry*, (2022) 10 SCC 152 : (2023) 1 SCC (Civ) 612 : (2023) 1 SCC (Cri) 91] , SCC pp. 164-65, para 29)

> **"*29*. … when the accused is the Managing Director or a Joint Managing Director of a company, it is not necessary to make an averment in the complaint that he is in charge of, and is responsible to the company for the conduct of the business of the company. This is because the prefix "Managing" to the word "Director" makes it clear that the Director was in charge of and responsible to the company, for the conduct of the business of the company. A Director or an officer of the company who signed the cheque renders himself liable in case of dishonour. Other officers of a company can be made liable only under sub-section (2) of Section 141 of the NI Act by averring in the complaint, their position and duties, in the company, and their role in regard to the issue and dishonour of the cheque, disclosing consent, connivance or negligence."**

49. In yet one another recent pronouncement in *Ashutosh Ashok Parasrampuriya* v. *Gharrkul Industries (P) Ltd.* [*Ashutosh Ashok*

Parasrampuriya **v. *Gharrkul Industries (P) Ltd.*, (2023) 14 SCC 770 : 2021 SCC OnLine SC 915] , this Court after due consideration of the decisions in *S.M.S. Pharmaceuticals* [*S.M.S. Pharmaceuticals Ltd.* v. *Neeta Bhalla*, (2005) 8 SCC 89 : 2005 SCC (Cri) 1975] ; *S.K. Alagh* v. *State of U.P.* [*S.K. Alagh* v. *State of U.P.*, (2008) 5 SCC 662 : (2008) 2 SCC (Cri) 686] ; *Maharashtra State Electricity Distribution Co. Ltd.* v. *Datar Switchgear Ltd.* [*Maharashtra State Electricity Distribution Co. Ltd.* v. *Datar Switchgear Ltd.*, (2010) 10 SCC 479 : (2011) 1 SCC (Cri) 68] , and *GHCL Employees Stock Option Trust* v. *India Infoline Ltd.* [*GHCL Employees Stock Option Trust* v. *India Infoline Ltd.*, (2013) 4 SCC 505 : (2013) 2 SCC (Cri) 414] , observed as under : (*Ashutosh Ashok Parasrampuriya case* [*Ashutosh Ashok Parasrampuriya* v. *Gharrkul Industries (P) Ltd.*, (2023) 14 SCC 770 : 2021 SCC OnLine SC 915] , SCC para 24)**

> ***"24. In the light of the ratio in*** **S.M.S. Pharmaceuticals [*S.M.S. Pharmaceuticals Ltd.* v. *Neeta Bhalla*, (2005) 8 SCC 89 : 2005 SCC (Cri) 1975] *and later judgments of which a reference has been made what is to be looked into is whether in the complaint, in addition to asserting that the appellants are the Directors of the Company and they are in-charge of and responsible to the Company for the conduct of the business of the Company and if statutory compliance of Section 141 of the NI Act has been made, it may not be open for the High Court to interfere under Section 482CrPC unless it comes across some unimpeachable, incontrovertible evidence which is beyond***

suspicion or doubt or totally acceptable circumstances which may clearly indicate that the Director could not have been concerned with the issuance of cheques and asking him to stand the trial would be abused of process of court. Despite the presence of basic averment, it may come to a conclusion that no case is made out against the particular Director for which there could be various reasons.”

(emphasis supplied)

50. The principles discernible from the aforesaid decision of this Court in *Ashutosh Ashok Parasrampuriya* [*Ashutosh Ashok Parasrampuriya* v. *Gharrkul Industries (P) Ltd.*, (2023) 14 SCC 770 : 2021 SCC OnLine SC 915] are that the High Court should not interfere under Section 482 of the Code at the instance of an accused unless it comes across some unimpeachable and incontrovertible evidence to indicate that the Director/partner of a firm could not have been concerned with the issuance of cheques. This Court clarified that in a given case despite the presence of basic averments, the High Court may conclude that no case is made out against the particular Director/partner provided the Director/partner is able to adduce some *unimpeachable and incontrovertible evidence beyond suspicion and doubt*."

19. In the present case, the accused no.2/Kuljinder Singh's involvement in the issuance of the cheque is not founded merely upon his designation as a Director or upon a general averment made in the complaint. His signature on the cheque, which is not disputed, constitutes a specific and material circumstance attracting the aforesaid principles. The High Court, however, proceeded to quash the proceedings essentially on the ground that the accused no.2/Kuljinder Singh had resigned from the directorship on 25.06.2012 and that another person had thereafter been appointed in his place. In our considered view, an assertion that the accused no.2/Kuljinder Singh had resigned prior to the incidence of dishonour of the cheque, would not, by itself, be a sufficient basis for quashing the proceedings, particularly when the cheque had admittedly been signed by him during the subsistence of his directorship.

20. It is in this context that the observations made by this Court in *S.P. Mani* (*Supra*) assume significance. This Court has clarified that, even where the requisite averments are present, the High Court may exercise its jurisdiction under Section 482 of the Code only if the accused is able to place on record unimpeachable and incontrovertible material, beyond suspicion or doubt, demonstrating that he could not have been concerned with the issuance of the cheque and that requiring him to face trial would amount to an abuse of the process of the Court. In the present case, however, the High Court does

not appear to have found any such material warranting the exercise of its inherent jurisdiction. On the contrary, particularly when the factum of the accused no.2/Kuljinder Singh's signature on the cheque remains undisputed, the mere assertion of resignation cannot be treated as sufficient to conclusively absolve him of the consequences flowing from the issuance of the cheque at the stage of quashing under Section 482.

21. Thus, the merits of the case, including questions of fact with respect to issuance of the cheque, resignation by the accused no.2/Kuljinder Singh, the subsequent dishonour of the cheque, and any liability arising thereof, are questions best left to be adjudicated at the stage of trial.

22. The liability of the accused no.2/Kuljinder Singh for the offence punishable under Section 138 could have been determined only after the complainant would have been permitted to lead adequate evidence in the course of the trial.

23. The accused no.2/Kuljinder Singh would, of course, be at liberty to establish his defence by placing the relevant material before the competent Court. However, in the absence of unimpeachable and incontrovertible material which would justify termination of the proceedings at the threshold, the High Court ought not to have undertaken an examination of the accused no.2/Kuljinder Singh's defence so as to pre-empt the

trial. The correctness of the accused no.2/Kuljinder Singh's defence, as also the ultimate question of his liability, ought to have been left open for determination on the basis of the evidence led by the parties at trial.

24. In view of the aforesaid, these appeals succeed and are hereby allowed. The impugned order passed by the High Court is set-aside to the limited extent that it quashes the summoning order dated 21.03.2015. The concerned Trial Court shall now proceed further with the matter, in accordance with law.

25. Pending application(s), if any, shall stand disposed of.

……J.
[J.B. PARDIWALA]

……J.
[MANMOHAN]

NEW DELHI;
05th NOVEMBER, 2026

ITEM NO.30 COURT NO.6 SECTION II-B

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (Crl.) No(s).8747/2025

[Arising out of impugned final judgment and order dated 15-02-2025 in CRR No. 1081/2023 passed by the High Court of Punjab & Haryana at Chandigarh]

YADVINDER SINGH **Petitioner(s)**

VERSUS

BHATANA ALLOYS PVT LTD **Respondent(s)**

WITH
Diary No(s). 25298/2025 (II-B)
FOR CONDONATION OF DELAY IN REFILING / CURING THE DEFECTS ON IA 192122/2025
IA No. 192122/2025 - CONDONATION OF DELAY IN REFILING / CURING THE DEFECTS

Date : 05-11-2026 This petition was called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE J.B. PARDIWALA
HON'BLE MR. JUSTICE MANMOHAN

For Petitioner(s) :Mr. Munawwar Naseem- 1906, AOR
Mr. Nitin Jaspal, Adv.
Ms. Malati Paul, Adv.
Ms. Tokali K Chishi, Adv.

Mr. Ajay Bansal, Adv.
Mr. Kuldip Singh- 1389, AOR
Ms. Veena Bansal, Adv.
Mr. Gaurav Yadava, Adv.
Mr. Sourav Jindal, Adv.
Mr. Aditya Gupta, Adv.

For Respondent(s) :Mr. Ajay Bansal, Adv.
Mr. Kuldip Singh- 1389, AOR
Ms. Veena Bansal, Adv.
Mr. Gaurav Yadava, Adv.
Mr. Sourav Jindal, Adv.
Mr. Aditya Gupta, Adv.

Mr. Munawwar Naseem- 1906, AOR
Mr. Nitin Jaspal, Adv.
Ms. Malati Paul, Adv.
Ms. Tokali K Chishi, Adv.

UPON hearing the counsel the Court made the following

O R D E R

SLP (Crl.) No.8747/2025

1. Having heard the learned counsel appearing for the parties and having gone through the materials on record, we are not inclined to interfere with the impugned order passed by the High Court with respect to its decision qua the petitioner/accused no.3/Yadvinder Singh.

2. The Special Leave Petition is, accordingly, dismissed.

3. Pending application(s), if any, shall stand disposed of.

Diary No. 25298/2025

1. Delay condoned.

2. Leave granted.

3. The appeals are allowed in terms of the signed order which is placed on the file.

4. Pending application(s), if any, shall stand disposed of.

(HARPREET KAUR)
COURT MASTER (SH)

(POOJA SHARMA)
COURT MASTER (NSH)