2026:DHC:6479

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

Reserved on: 27.07.2026
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\+ **CRL.M.C. 4786/2023 & CRL.M.A. 18269/2023**

SEEMA OBEROI .....Petitioner
Through: Mr. Gautam Panjwani, Adv.

versus

AXIS BANK LIMITED & ORS. .....Respondents
Through: Mr. Sanjay Kumar, Adv.

\+ **CRL.M.C. 6152/2023 & CRL.M.A. 23072/2023**

SEEMA OBEROI .....Petitioner
Through: Mr. Gautam Panjwani, Adv.

versus

AXIS BANK LIMITED & ORS. .....Respondents
Through: Mr. Sanjay Kumar, Adv.

\+ **CRL.M.C. 8053/2023 & CRL.M.A. 30004/2023**

SEEMA OBEROI .....Petitioner
Through: Ms. Latika Malhotra and Mr. Mridul Bakshi, Advs.

versus

AXIS BANK LIMITED & ORS. .....Respondents
Through: Mr. Sanjay Kumar, Adv.

CORAM:
HON'BLE MS. JUSTICE MADHU JAIN

JUDGMENT

MADHU JAIN, J.

1. The present batch of petitions has been preferred under Section 482 of Code of Criminal Procedure, 1973 (hereinafter referred to as

'*Cr.P.C.*') seeking quashing of the summoning orders dated 10.08.2017 passed by the learned Metropolitan Magistrate, South-West District, Dwarka Courts, Delhi in separate complaints instituted by Axis Bank Ltd. under Sections 138 and 141 of the Negotiable Instruments Act, 1881 against M/s Dev Bhoomi Automobiles Private Limited and its Directors. Consequential quashing of the criminal proceedings arising therefrom has also been sought.

2. Since the factual matrix, legal issues and grounds raised in all the petitions are substantially identical, the petitions are being decided by this common judgment.

BRIEF FACTS

3. The petitioners are Directors of M/s Dev Bhoomi Automobiles Private Limited (hereinafter, "the Company"), which had availed various loan facilities from Axis Bank Ltd. For repayment of the outstanding liabilities, separate cheques were issued on behalf of the Company in favour of the respondent-bank. The three complaint cases which form the subject matter of the present petitions are as under:

Complaint Cases No.	Cheque No.	Date	Amount
Ct. Case No. 15757/2017	797372	05.06.2017	Rs.5,50,000/-
Ct. Case No. 15760/2017	797363	05.06.2017	Rs.3,80,000/-
Ct. Case No. 15766/2017	797359	05.06.2017	Rs.4,91,667/-

4. Insofar as Complaint Case No. 15760/2017 is concerned, the complaint records that the Company had availed an Auto Loan facility of Rs.11,40,000/- under Loan Account No. AUR009300684518 from the respondent-bank. Towards discharge of the said liability, cheque bearing No. 797363 dated 05.06.2017 for an amount of Rs.3,80,000/- was issued in favour of Axis Bank Ltd. The cheque, upon presentation, was dishonoured with the remarks "Account Blocked". Similar complaints were instituted in respect of other dishonoured cheques issued by the Company forming the subject matter of the connected petitions.

5. Following dishonour of the respective cheques, statutory demand notices under Section 138 of the Negotiable Instruments Act were issued by the respondent-bank. Upon failure of the accused persons to make payment within the statutory period, separate complaints came to be filed before the learned Metropolitan Magistrate against the Company and its Directors, including the present petitioners.

6. The learned Metropolitan Magistrate recorded the pre-summoning evidence by way of affidavit, considered the complaints and the documents placed on record and, vide summoning orders dated 10.08.2017, observed that a prima facie case under Section 138 of the Negotiable Instruments Act was made out. Consequently, summons were directed to be issued against the accused persons, including the present petitioners.

7. Aggrieved by the aforesaid summoning orders and the continuation of the complaint proceedings, the petitioners have approached this Court contending, *inter alia*, that they were neither signatories to the dishonoured cheques nor involved in the day-to-day

affairs of the Company.

SUBMISSIONS MADE ON BEHALF OF THE PETITONERS:

8. Learned counsel for the Petitioner submits that the Petitioner has been arrayed as an accused solely on account of her designation as a Director of the borrower company and that neither the complaints nor the pre-summoning evidence discloses any specific role attributable to her in the transaction in question. Learned counsel submitted that the cheques forming the subject matter of the complaints were admittedly issued and signed by Respondent No. 3 and the Petitioner was not a signatory to any of the cheques.

9. It is further submitted that the complaints do not contain any specific averment demonstrating that the Petitioner was in charge of and responsible for the day-to-day affairs or conduct of the business of the Company at the relevant time. According to the Petitioner, the complaints merely reproduce the language of Section 141 of the Negotiable Instruments Act without disclosing any factual foundation for fastening vicarious liability upon her.

10. Learned counsel argued that the loan documents relied upon by the complainant bank do not bear the signatures of the Petitioner and there is no material to indicate her involvement in the sanction, availing or operation of the loan facilities extended to the Company.

11. It was further contended that the statutory demand notices were never served upon the Petitioner and, therefore, the mandatory requirements under Section 138 of the Negotiable Instruments Act have not been complied with qua her.

12. The learned counsel submits that that mere designation as a

Director of a company cannot automatically attract criminal liability under Section 141 of the Negotiable Instruments Act. Learned counsel submitted that in the absence of specific allegations showing active participation in the affairs of the Company, continuation of criminal proceedings against the Petitioner would amount to abuse of the process of law.

13. Placing reliance upon the decisions of the Supreme Court in ***Himanshu v. B Shivamurthy,*** *AIR 2019 SC 3052* and ***Sunita Palita v. Panchami Stone Quarry***, *(AIR 2022 SC 3548)*, it was argued that vicarious liability under Section 141 of the Negotiable Instruments Act can arise only where the complaint contains clear and specific averments regarding the role of the Director concerned. Since no such averments exist in the present complaints, it was submitted that the summoning orders and all consequential proceedings deserve to be quashed qua the Petitioner.

SUBMISSION MADE ON BEHALF OF THE RESPONDENTS:

14. *Per contra*, learned counsel appearing for Respondent No.1–Axis Bank Ltd. opposed the present petitions and submitted that the impugned summoning orders do not suffer from any illegality warranting interference under Section 482 Cr.P.C. It is contended that the complaints, pre-summoning evidence and documents placed on record disclose all the essential ingredients of the offence under Sections 138 and 141 of the Negotiable Instruments Act, 1881 and, therefore, the learned Metropolitan Magistrate rightly proceeded to summon the accused persons.

15. It is submitted that the petitioner was admittedly a Director of

accused company, namely M/s Dev Bhoomi Automobiles Pvt. Ltd., at the relevant time when the loan facilities were availed, the cheques in question were issued and the alleged offence came to be committed. Reliance was placed upon the records available with the Ministry of Corporate Affairs (MCA), which reflect the petitioner as one of the Directors of the company during the relevant period.

16. Learned counsel further submitted that the complaints contain specific averments that all the accused persons, including the petitioner, were in charge of and responsible for the conduct of the business and affairs of the company at the time of commission of the offence. At the stage of issuance of summons, such averments are sufficient to attract Section 141 of the NI Act and no further detailed examination of the role of the petitioner is required.

17. It was argued that the contention of the petitioner that she was not a signatory to the cheques is of no consequence at the threshold stage. Liability under Section 141 of the NI Act is not confined only to the signatory of the cheque and extends to every person who was in charge of and responsible for the conduct of the business of the company at the relevant time. Whether the petitioner was actively involved in the day-to-day affairs of the company, whether she exercised control over its business, and whether she can ultimately be held vicariously liable are all matters requiring evidence and can only be adjudicated during trial.

18. It was further submitted that the loan documents, the transaction between the parties, the status of the petitioner within the company, and the extent of her involvement in the affairs of the company are disputed questions of fact which cannot be conclusively determined in

proceedings under Section 482 Cr.P.C. The petitioner seeks an appreciation of evidence and a determination of factual issues, which is impermissible at the stage of quashing.

19. Learned counsel contended that the summoning orders were passed after consideration of the complaints, affidavits of evidence and supporting documents and upon the learned Magistrate being satisfied that a prima facie case was made out. The orders, therefore, cannot be characterized as mechanical or without application of mind.

20. It was lastly submitted that the pleas raised by the petitioner constitute matters of defence and give rise to triable issues which can only be examined by the Trial Court upon appreciation of evidence. Consequently, no case for exercise of inherent jurisdiction is made out and the present petitions deserve to be dismissed.

<u>FINDINGS AND ANLYSIS:</u>

21. Examining the relevant legal landscape, in ***Sunil Todi vs. State of Gujarat,*** *(2022) SCC 762.* the Supreme Court has *inter-alia* observed as follows:

> *"41. In Birla Corpn. Ltd. v. Adventz Investments & Holdings Ltd. [Birla Corpn. Ltd. v. Adventz Investments & Holdings Ltd., (2019) 16 SCC 610 : (2020) 2 SCC (Civ) 713 : (2020) 2 SCC (Cri) 828], the earlier decisions which have been referred to above were cited in the course of the judgment. The Court noted : (SCC p. 628, para 26)*
>
> *"26.* ***<u>The scope of enquiry under this section is extremely restricted only to finding out the truth or otherwise of the allegations made in the complaint in order to determine whether process should be issued</u>***

__or not under Section 204 CrPC or whether the complaint should be dismissed by resorting to Section 203 CrPC on the footing that there is no sufficient ground for proceeding on the basis of the statements of the complainant and of his witnesses, if any.__ At the stage of enquiry under Section 202 CrPC, the Magistrate is only concerned with the allegations made in the complaint or the evidence in support of the averments in the complaint to satisfy himself that there is sufficient ground for proceeding against the accused."

* * * * *

"46. In the present case, the Magistrate has adverted to: (i) The complaint; (ii) The affidavit filed by the complainant; (iii) The evidence as per evidence list and; and (iv) The submissions of the complainant.

*"47. The order passed by the Magistrate cannot be held to be invalid as betraying a non-application of mind. In Chief Controller of Imports & Exports v. Roshanlal Agarwal [Chief Controller of Imports & Exports v. Roshanlal Agarwal, (2003) 4 SCC 139 : 2003 SCC (Cri) 788], this Court has held __that in determining the question as to whether process is to be issued, the Magistrate has to be satisfied whether there is sufficient ground for proceeding and not whether there is sufficient ground for__ **conviction**. Whether the evidence is adequate for supporting the conviction can only be determined at the trial. [See also in this context the decision in Bhushan Kumar v. State (NCT of Delhi) [Bhushan Kumar v. State (NCT of Delhi), (2012) 5 SCC 424 : (2012) 2 SCC (Cri) 872]."*

(emphasis supplied)

22. The principal submission advanced on behalf of the petitioner is that she was neither the signatory to the cheques in question nor was she responsible for the day-to-day affairs of M/s Dev Bhoomi Automobiles

Pvt. Ltd. It has been contended that the complaints do not disclose any specific role attributable to the petitioner and merely reproduce the language of Section 141 of the Negotiable Instruments Act, 1881. It has further been urged that the loan documents do not bear the signatures of the petitioner and, therefore, no vicarious liability can be fastened upon her.

23. It is relevant to note that the present petitions arise from three complaints instituted by Respondent No.1-Bank under Sections 138 and 141 of the Negotiable Instruments Act in respect of separate loan facilities extended to Respondent No.2-Company. The complaints allege that the cheques issued towards discharge of the outstanding liabilities of the Company were dishonoured upon presentation, resulting in initiation of proceedings under the Negotiable Instruments Act.

24. A perusal of the complaints demonstrates that the petitioner has been arrayed as an accused in her capacity as a Director of the borrower Company. The complaints contain averments to the effect that the Directors of the Company were responsible for and in charge of its affairs and business at the relevant point of time. The record further reveals that the petitioner admittedly continued to be reflected as a Director of the Company in the records maintained by the Ministry of Corporate Affairs during the period when the transactions in question were undertaken and the cheques came to be issued.

25. The contention that the petitioner was not a signatory to the dishonoured cheques also does not persuade this Court to exercise its inherent jurisdiction. It is settled law that liability under Section 141 of the Negotiable Instruments Act is not confined only to the signatory of

the cheque. A person who was in charge of and responsible for the conduct of the business of the Company at the time when the offence was committed can also be proceeded against. Whether the petitioner was actually involved in the management and affairs of the Company, whether she exercised control over its business, and whether she was responsible for the conduct of its affairs are all questions which necessarily require appreciation of evidence and cannot be conclusively adjudicated in proceedings under Section 482 Cr.P.C.

26. The petitioner has repeatedly emphasised that the complaints do not contain sufficient particulars regarding her role in the affairs of the Company. However, this Court cannot lose sight of the fact that the present challenge is directed against a summoning order. At the stage of issuance of process, the Magistrate is only required to ascertain whether the complaint and material placed on record disclose a prima facie case warranting the accused being called upon to face trial. A meticulous examination of the probable defence of the accused is not contemplated at such stage.

27. The contention of the petitioner that the complaint does not contain sufficient averments to attract Section 141 of the Negotiable Instruments Act is also liable to be rejected. The Supreme Court in ***HDFC Bank Ltd. v. State of Maharashtra & Anr***., *2025 INSC 759*, has reiterated that proceedings against a Director cannot be quashed merely because the complaint does not reproduce the language of Section 141 of the Negotiable Instruments Act verbatim. What is required is a meaningful reading of the complaint to ascertain whether the allegations, taken as a whole, indicate the involvement of the

Director in the affairs of the Company and the transaction in question. The Court emphasised that substance must prevail over form and that hyper-technical scrutiny of pleadings at the threshold is impermissible.

28. In the present case, the complaints specifically proceed on the basis that the petitioner was a Director of Respondent No.2-Company at the relevant time. The petitioner is also reflected as a Director in the records maintained by the Ministry of Corporate Affairs. The complaints, read as a whole, disclose the role attributed to the Directors of the Company in relation to the transactions giving rise to the dishonoured cheques. Whether the petitioner was actually responsible for the conduct of the affairs of the Company is a matter which can only be examined upon evidence being led before the learned Trial Court. At this stage, the complaints cannot be said to be lacking the foundational averments necessary to maintain proceedings under Sections 138 and 141 of the Negotiable Instruments Act.

29. The summoning order dated 10.08.2017 records that the learned Metropolitan Magistrate examined the complaint, affidavit of evidence and documents placed on record and, upon such examination, found sufficient grounds to proceed against the accused persons under Section 138 of the Negotiable Instruments Act. This Court does not find the said order to be suffering from any patent illegality, perversity or non-application of mind so as to warrant interference in exercise of inherent powers.

<u>CONCLUSION:</u>

30. In the present case, the complaints, the accompanying documents and the material considered by the learned Metropolitan Magistrate

disclose a *prima facie* case for proceeding against the accused persons. The defences sought to be raised by the petitioner, including her alleged non-involvement in the affairs of the Company and absence of liability under Section 141 of the Negotiable Instruments Act, are matters which can appropriately be urged before the Trial Court during the course of proceedings.

31. This Court is, therefore, of the view that no exceptional circumstance has been shown which would justify quashing of the complaints or the summoning order at this nascent stage.

32. Accordingly, finding no merit in the present petitions, the same are dismissed along with all pending applications, if any.

33. Copy of order be sent to learned Trial Court for necessary information and compliance.

MADHU JAIN
(JUDGE)

AUGUST 11, 2026/*P*