

looking after the day to day affairs of the said company. They had played a definite role leading to supply of the goods in question by the appellant for which the cheques (four in number) were issued which were subsequently dishonoured. At this stage it may be mentioned that though statutory notice was issued by the appellant to respondent Nos. 2 to 5, there was no response.

5. Respondent Nos. 3, 4 and 5 thereafter moved the High Court of Punjab and Haryana at Chandigarh (briefly the 'High Court' hereinafter) under Section 482 of the Code of Criminal Procedure, 1973 (for short, 'Cr.PC') for quashing of the complaint.

6. The High Court in para 6 of the impugned order dated 03.02.2025 noted that respondent Nos. 3, 4 and 5 appeared to be directors of the first respondent but the cheques were issued under the signature of the Managing Director Arvinder Pal Singh. Holding that the doctrine of vicarious liability is a civil concept and that extension of such a concept to criminal cases is an exception rather than the rule, the High Court quashed the complaint *qua* respondent Nos. 3, 4 and 5.

7. This Court by order dated 17.09.2025 recorded the following:

Delay condoned.

Learned counsel for the petitioner submitted that the findings recorded by the High Court in the impugned order are erroneous. It is evident from Annexure P-5,

the financial statement of the respondent company. It shows that the respondent No.1 was drawing Director's remuneration and also taking loans from the company. She has further referred to Annexure P-4 Final Report/ Closure filed by the Police after investigation of a complaint filed by M/s Bird Machine Company against the petitioner in which respondent No.1 - Prabh Jyoti Singh had mentioned himself to be the Managing Director.

As far as, Sandeep Singh is concerned, he was also drawing remuneration from the company as Director.

Issue notice to the respondents returnable on 17.11.2025.

8. Learned counsel for the appellant has drawn the attention of the court to the salary statement of respondent Nos. 3, 4 and 5 (page 58 of the SLP paperbook) and submits that their remuneration was even higher than the Managing Director and other regular directors. According to her, respondent Nos. 3, 4 and 5 are involved in the day to day functioning of the first respondent and their role in the management of the first respondent cannot be extricated at the threshold without being subjected to the rigours of the trial.

9. Per contra learned counsel appearing for respondent Nos. 3, 4 and 5 submits that the view taken by the High Court is correct. Merely because remuneration of respondent Nos. 3, 4 and 5 is higher than the other

directors, it would not imply that they are incharge of the first respondent company.

10. After hearing learned counsel for the parties and on due consideration, we are of the view that whether respondent Nos. 3, 4 and 5 are involved in the day to day affairs of the first respondent company is a matter of trial; a definite finding can be reached only after considering the evidence by the Trial Magistrate. Therefore, the High Court was not justified in terminating the proceedings under Section 138 of the NI Act *qua* respondent Nos. 3, 4 and 5 at the threshold.

11. Consequently, we set aside the impugned order of the High Court dated 03.02.2025 and direct that all the respondents would be subjected to the trial proceedings.

12. We, however, make it clear that we have not expressed any opinion on merit and all contentions are kept open.

13. Appeals are accordingly allowed.

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

.....J.

(UJJAL BHUYAN)

.....J.

(ATUL S. CHANDURKAR)

NEW DELHI;
October 08th, 2026.
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S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (Crl.) No(s). 15111-15114/2025

[Arising out of impugned final judgment and order dated 03-02-2025 in CRM-M No. 44594/2023 03-02-2025 in CRM-M No. 44741/2023 03-02-2025 in CRM No. 1786/2024 03-02-2025 in CRM No. 12976/2024 passed by the High Court of Punjab & Haryana at Chandigarh]

M/S STEEL KART

Petitioner(s)

VERSUS

PRABH JYOTI SINGH & ANR.

Respondent(s)

[IA No. 227355/2025 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT, IA No. 227354/2025 - EXEMPTION FROM FILING O.T.]

Date : 08-10-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE UJJAL BHUYAN
HON'BLE MR. JUSTICE ATUL S. CHANDURKAR

For Petitioner(s) : Mr. Ankolekar Gurudatta, AOR
Ms. Divya Nair, Adv.
Mr. Sorokhaibam Shantijyoti Singh, Adv.
Ms. Kavya Eligeti, Adv.

For Respondent(s) : Ms. Sugandh Rathor, AOR
Mr. Mayank Dahiya, Adv.
Mr. Kustubh Singh, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. Leave granted.
2. Appeals are allowed in terms of the signed order.
3. Pending application(s), if any, shall stand disposed of.

(IRAMNAZ)
COURT MASTER (SH)

(CHETNA BALOONI)
COURT MASTER (NSH)

(signed order is placed on the file)