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

% ***Reserved on: 03rd September, 2025***

Pronounced on: 27th October, 2025

\+ **CRL.M.C. 1034/2017 & CRL.M.A. 4330/2017**

\+ **CRL.M.C. 2071/2017 & CRL.M.A. 8698/2017**

\+ **CRL.M.C. 2085/2017 & CRL.M.A. 8583/2017**

\+ **CRL.M.C. 2842/2017 & CRL.M.A. 11826/2017**

\+ **CRL.M.C. 2853/2017 & CRL.M.A. 11807/2017**

SRI SAI SAPTHAGIRI SPONGE PVT. LTD.
Having its Registered Office At
83/A, Tumti Road
Belagal Village
Bellary TQ & DT. .....Petitioner

Through: Mr. Girdhar Govind and Mr. Noor Alam, Advocates

versus

1. THE STATE (GNCT OF DELHI)

2. M/S. MAGNIFICO MINERALS PVT. LTD.
75, Khirki Village,
Malviya Nagar,
New Delhi .....Respondents

Through: Mr. Shoaib Haider, APP for the State with SI Ali Akram, PS: Wazirabad
Mr. Alok Tripathi and Mr. Saurabh Mishra, Advocates for R-2

CORAM:
HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. The aforesaid five Petitions under Section 482 of the Code of

Criminal Procedure, 1973 (*hereinafter referred to as "Cr.P.C."*), have been filed on behalf of the Petitioner, *Sri Sai Sapthagiri Sponge Pvt. Ltd.*, for quashing of the Impugned Summoning Orders dated 27.04.2015, 18.05.2015, and 08.04.2015, whereby the Petitioner was summoned in five Complaints instituted by Respondent No. 2/Complainant, *M/s Magnifico Minerals Pvt. Ltd.*, for the offence under Section 138 of the Negotiable Instruments Act, 1881 (*hereinafter referred to as "N.I. Act"*).

2. ***The case of the Complainant/Respondent No. 2*** is that they are engaged in the business of resale of imported Steam Coal and other related products under the name and style of *M/s Magnifico Minerals Pvt. Ltd.*, New Delhi, having offices in Delhi as well as in other parts of the country. The Complainant on different occasions supplied the Coal to the Petitioner. As per the accounts maintained by the Complainant, a sum of Rs. 1,91,72,159.51/- (*Rupees One Crore Ninety-One Lakh Seventy-Two Thousand One Hundred Fifty-Nine and Paise Fifty-One only*) was due and recoverable from the Petitioner as on 03.11.2014, besides interest.

3. According to the Complainant, in discharge of the aforesaid liability, the Petitioner issued the following cheques (*details below*) drawn on State Bank of Mysore, Industrial Finance Branch, Bellary, duly signed by the authorised signatory of the Petitioner Company in connection with the business transactions between the parties. On presentation by the Complainant through its banker, Bank of India, Parliament Street, New Delhi, the cheques were dishonoured with the remarks "***STOP PAYMENT***." Legal Notice were issued to the Petitioners for payment against the dishonoured Cheques, (*as mentioned in the table below*) in respect of the aforesaid five cheques.

4. The details of the Cheques, amount, date of dishonour and date of Legal Notice are as follows:

Complaint No.	Cheque No.	Cheque Dated	Amount	Date of Dishonour	Legal Notice
CC No. 136/2015	332167	15.11.2014	Rs. 25,00,000/-	21.11.2014	06.12.2014
CC No. 92/2015	332171	15.03.2015	Rs. 50,00,000/-	19.03.2015	24.03.2015
CC No. 730/2015	332169	15.01.2015	Rs. 25,00,000/-	06.02.2015	26.02.2015
CC No. 91/2015	332170	15.02.2015	Rs. 50,00,000/-	26.02.2015	19.03.2015
CC No. 769/2015	332168	15.12.2014	Rs. 25,00,000/-	09.02.2015	26.02.2015

5. Since the cheque amounts were not paid, five separate Complaints under Section 138 of the N.I. Act were filed before the Court of the Addl. Civil Judge & JMFC, Bellary, Karnataka.

6. Summons were issued against the Petitioner *vide* Order dated 27.04.2015, 18.05.2015, and 08.04.2015. However, the Ld. MM, Bellary, *vide* Order dated 14.10.2015, returned the Complaints for want of jurisdiction and directed that they be presented before the Court of competent jurisdiction. Thereafter, the Complaint cases were assigned to the Court of the Ld. MM, Patiala House Courts, New Delhi, where they are presently pending.

7. The details of the summoning Orders in respect of which

quashing/setting aside has been sought are as follows;

Crl. M.C. No.	Complaint No. (Bellary)	Complaint No. (Delhi)	Summoning order
Crl. M.C. 1034/2017	CC No. 136/2015	CC No. 15098/2016	27.04.2015
Crl. M.C. 2071/2017	CC No. 92/2015	CC No. 15410/2016	27.04.2015
Crl. M.C. 2085/2017	CC No. 730/2015	CC No. 15373/2016	27.04.2015
Crl. M.C. 2842/2017	CC No. 91/2015	CC No. 1540/2019	18.05.2015
Crl. M.C. 2853/2017	CC No. 769/2015	CC No. 1541/2019	08.04.2015

8. ***It is submitted on behalf of the Petitioner*** that on 19.01.2017, it was found that the summons dated 27.04.2015, 08.04.2015, and 18.05.2015, sent to the Petitioner, had not been received back and were noted to be awaited. It is further submitted that the Ld. MM, Delhi, without recording pre-summoning evidence, adopted the Order of the Ld. MM, Bellary, who had no jurisdiction to issue summons against the Petitioner.

9. The Impugned Summoning Order dated 27.04.2015, 08.04.2015, and 18.05.2015 in the aforesaid Complaints **are challenged** by the Petitioner on the ***ground*** that the summons issued by the Ld. MM, Bellary, later adopted by the Ld. MM, Delhi are contrary to law and facts on record, and were passed mechanically without consideration of the documents placed before the Court. They were obtained by fraud, concealment, and suppression of

material facts, which, if disclosed, would have resulted in dismissal of the complaints at the threshold.

10. It is asserted that a ***Memorandum of Understanding dated 06.05.2014*** was entered into between the Petitioner and Respondent No. 2, which is reproduced as under:-

Dated 06.05.2014

MEMORANDUM OF UNDERSTANDING

Entitled between M/s Sri Sai Sapatgiri Sponge Pvt Ltd., Bellary and Magnifico Minerals Pvt. Ltd, New Delhi. We are issuing following cheques for Rs. 1.75 Crores for Security Purpose only. Cheques you are insisting for audit purpose, for showing to banker and Security purpose and not for depositing into Bank. So this cheques are not for presenting into Bank for clearing.

We are issuing LC's for fresh supply. And it can be adjusted towards old outstanding amount for old out standings. We will clear the old dues by making RTGS after some period.
The following are the cheques details:

1) Chq No.332167 Rs.50,00,000.00
2) Chq No.332168 Rs.50,00,000.00
3) Chq No.332169 Rs.25,00,000.00
4) Chq No.332170 Rs.25,00,000.00
5) Chq No.332171 Rs.25,00,000.00

For Sri Sai Saptagiri Sponge Pvt Ltd.
-sd-
Manager

For Magnifico Minerals Pvt Ltd.
-sd-
(Mr. Suresh)
General Manager-Marketing

11. It is submitted that a reading of the MOU dated 06.05.2014, shows that the cheques in question were not issued towards any consideration, but were obtained by Respondent No. 2 only for the limited purpose of being shown to the Bank as *security*. There was no consideration for the said

cheques and *in the absence of consideration*, there is no enforceability or legality, entitling Respondent No. 2 to encash the same.

12. The Petitioner further submits that on 06.06.2014, it issued an irrevocable Letter of Credit No. 40722141C0000015 for an amount of Rs. 31,00,000/- (*Rupees Thirty-One Lakh only*), which was duly encashed by Respondent No. 2 on 01.07.2014.

13. It is further submitted that the cheques were handed over by the Petitioner at the instance of Respondent No. 2, who assured that they would not be encashed and were only to be shown to the Banker as security. However, Respondent No. 2 intentionally and fraudulently deposited the cheques in order to coerce and pressurise the Petitioner into making payment.

14. It is further asserted that, in any case, the cheques in question were not signed by either *Mr. Saileela Pidikiti* or *Mr. Rama Krishna Pidikiti* of the Petitioner Company, nor were they made parties to the Complaints. The Complaints also do not contain any averment that these persons were responsible for the day-to-day affairs of the Petitioner Company or for its acts and omissions.

15. Reliance is placed on the decision of the Hon'ble Supreme Court in *S.M.S. Pharmaceuticals Ltd. v. Neeta Bhalla & Ors.*, (2005) 8 SCC 89, wherein it was held that, in order to bring a case under Section 141 of the N.I. Act, the Complainant must disclose necessary facts, including that at the time of the offence, the accused person was in charge of and responsible for the conduct of the business of the Company. This is an essential requirement, without which Section 141 cannot be said to be satisfied.

16. It is also submitted that the Impugned Summons dated 27.04.2015,

18.05.2015, and 08.04.2015 were issued by the Ld. MM, Bellary, Karnataka which itself, *vide* Order dated 14.10.2015, who ***returned*** the Complaints to be presented before the Court of competent jurisdiction. The question that arises is whether a Summoning Order passed by a Court which itself held that it had no jurisdiction to entertain a Complaint under Section 138 N.I. Act can be sustained, being without jurisdiction.

17. It is further submitted that all the necessary averments required for the maintainability of a Complaint under Section 138 of the N.I. Act are absent in the present Complaints. Hence, they are liable to be dismissed at the threshold. It is reiterated that the Petitioner is innocent and has been falsely implicated in the present case.

18. *Accordingly, a prayer is made that the present Petitions be allowed and the Impugned Summoning Orders dated* 27.04.2015, 08.04.2015, and 18.05.2015 *be quashed.*

19. ***Reply has been filed on behalf of Respondent No.2***, ***Magnifico Minerals Pvt Ltd.***, wherein it is submitted that there is no infirmity or illegality in the Summoning Orders passed by the Ld. MM, as the same were issued after the Ld. MM was satisfied that a prima facie case was made out against the Petitioners, on the basis of the averments made in the Complaint filed by Respondent No. 2.

20. It is submitted that the Petitioner has neither denied the issuance of the cheques in question nor disputed the signatures thereon. It is also not the case of the Petitioner that there was sufficient balance in the bank account at the time of presentation of the cheques. Under Section 139 of the N.I. Act, there is a presumption in favour of the Complainant/Respondent No. 2 that the cheques were issued by the Petitioner in discharge, in whole or in part,

of a debt or other liability. The Petitioner is entitled to rebut this presumption by leading evidence during trial.

21. Reliance is placed on *M.M.T.C. Ltd. v. Medchl Chemicals and Pharma (P) Ltd.*, 2002 SCC (Cri.) 121, wherein it was observed that the onus to prove the non-existence of a debt or liability lies on the drawer of the cheque.

22. It is further submitted that a bare reading of the MOU dated 06.05.2014 shows that the LC amounts given by the Petitioner, could be adjusted towards old outstanding dues. It is also submitted that Respondent No. 2, *vide* email dated 01.08.2014, intimated the Petitioner that in case of failure to clear the outstanding dues, the Security Cheques would be presented for realisation.

23. Respondent No. 2, through its Director, again issued a Notice to the Petitioner to clear the outstanding dues of Rs. 1,91,67,695/- within seven days of receipt of the Notice, failing which Respondent No. 2 would encash the cheques given by the Petitioner on the stipulated date. It is submitted that despite repeated emails and Notices, the Petitioner failed to clear the dues, and therefore, Respondent No. 2 presented the cheques for encashment, to the Bank.

24. It is further submitted that even if the cheques in question were issued as security, they were issued against a *contingent liability*, which later crystallised, making the cheque amounts payable towards a legally enforceable debt. Reliance is placed on the judgment of this Court in *K.S. Bakshi v. State*, 2008 (3) JCC (NI) 267, wherein it was observed that a distinction must be drawn between a cheque issued purely as security and one issued towards discharge of liability. It was held that where a cheque is

issued as security for due performance of a contract, it becomes enforceable upon failure to perform the obligation.

25. It is also submitted that the judgment of the Apex Court in *S.M.S. Pharmaceuticals Ltd. v. Neeta Bhalla & Ors.*, (2005) 8 SCC 89, relied upon by the Petitioner, has no application to the present case. In that case, the Court observed that to bring a case under Section 141 of the N.I. Act, specific averments are required against the person in charge of and responsible for the conduct of the business of the Company. In the present case, however, the accused persons are the Managing Director and Director of the Petitioner Company.

26. Reliance is also placed on the judgment of a Coordinate Bench of this Court in *Credential Leasing & Credits Ltd. v. Shruti Investments & Anr.*, 2015 (4) JCC (NI) 252, wherein it was observed that "*debt or other liability*" must be a legally enforceable debt or liability. Neither Section 138 nor its Explanation, requires that such debt or liability should exist on the date of issuance of the cheque or on the date it bears. The only relevant time contemplated is when the cheque is returned unpaid by the Drawer's bank.

27. Further reliance is placed on the judgment of the Apex Court in *HMT Watches Ltd. v. M.A. Abida*, (2015) 11 SCC 776, wherein it was held that whether the cheques were issued as security or whether any liability existed are questions of fact, can only be determined by the trial court after recording evidence of the parties, and not in proceedings under Section 482 Cr.P.C. before the High Court.

28. It is submitted that the present Petitions filed by the Petitioner are not maintainable and deserve to be rejected outright, as the defence of the accused or disputed questions of fact cannot be examined in proceedings

under Section 482 Cr.P.C. Reference is made to the observations of the Apex Court in *State of Madhya Pradesh v. Awadh Kishore Gupta & Ors.*, 2004 (2) CRJ 161, wherein it was held that when evidence is incomplete, it is impermissible for the High Court to examine material which is required to be considered at trial.

29. *Accordingly, it is prayed that the present Petitions are devoid of merit and deserve dismissal.*

30. ***Rejoinder has been filed on behalf of the Petitioner***, wherein all the contentions raised by Respondent No. 2 in its reply have been denied, and the grounds taken in the petitions have been reiterated.

31. ***Written submissions along with a compilation of judgments have also been filed on behalf of Respondent No.2***, reiterating the grounds taken in the reply.

Submissions heard and record perused.

32. *Simply put, the case of the Petitioner Company is that the cheques in question issued to the Complainant Company were only* ***security cheques, given merely for the purpose of showing them to the Banks, not for any consideration.***

Whether the Cheques in question were security Cheques and not encashable for any existing legally enforceable Debt or liability:

33. *The primary issue between the parties revolves around the security cheques issued by the Petitioner Company, which were subsequently presented by the Complainant Company.*

34. In support of its contention, the Petitioner has placed on record the MOU dated 06.05.2014, wherein the details of the cheques in question are specifically mentioned. The relevant part of the MOU dated 06.05.2014,

specifically records:

> *"We are issuing the following cheques for Rs. 1.75 Crores for **Security Purpose only**. Cheques you are insisting for audit purpose, for showing to banker and Security purpose and not for depositing into Bank. So these cheques are **not for presenting into Bank** for clearing."*

35. On the other hand, the defence of the Complainant is that even if these cheques were issued as security, they subsequently crystallised into a legally enforceable debt and could be presented to the Bank in case of any outstanding dues. For this purpose, Respondent No. 2 has relied upon the second paragraph of the said MOU to contend that although the cheques were issued as security, they were subsequently converted into a debt. The relevant paragraph of the MOU, reads as under:

> *"We are issuing LC's for fresh supply. And **it can be adjusted towards old outstanding amount for old out standings**. We will clear the old dues by making RTGS after some period."*

36. The perusal of the MoU as recorded above, clearly records that the cheques were issued only for the purpose of being shown as security to the Banks, and not for presentation. The plain reading of the second paragraph of the MOU dated 06.05.2014 makes it further clear that the said Clause pertains only to the Letters of Credit (LCs), which could be adjusted towards old outstanding dues, and not to the subsequent payments that may become due. mentioned therein. Therefore, Respondent No. 2 has failed to read the complete terms of the MOU and has instead read the same in isolation.

37. The Petitioner has also placed on record Letter of Credit No. 40722141C0000015 dated 06.06.2014 for an amount of Rs. 31,00,000/-, which was duly encashed by the Complainant on 01.07.2014. The encashment of the LC can be said to fall within the second part of the MOU

dated 06.05.2014.

38. Further, Respondent No. 2, through an email dated 01.08.2014, requested the Petitioner to clear the outstanding payment and warned that in case of default, the *Security Cheques* would be presented for recovery of the dues. In reply, the Petitioner, through an email dated 12.08.2014, requested Respondent No. 2 not to present the cheques and clarified once again that they had been issued only for the limited purpose of showing them to the banker for audit requirements. Similar communications were also exchanged between the parties through Legal Notices. *Therefore, the claim that the said cheques were later converted into a debt, is wholly incorrect and reflects a misinterpretation of the terms of the MOU dated 06.05.2014 by the Complainant.*

39. The Apex Court in *Rathish Babu Unnikrishnan* v. *State (NCT of Delhi)*, 2022 SCC OnLine SC 513, has observed as under;

> ***17.*** *The proposition of law as set out above makes it abundantly clear that the court should be slow to grant the relief of quashing a complaint at a pre-trial stage, when the factual controversy is in the realm of possibility particularly because of the legal presumption, as in this matter.* ***What is also of note is that the factual defence without having to adduce any evidence need to be of an unimpeachable quality, so as to altogether disprove the allegations made in the complaint****.*

40. In *Mohd. Akram Siddiqui v. State of Bihar* (2019) 13 SCC 350, the Hon'ble Supreme Court, while referring to *Yin Cheng Hsiung v. Essem Chemical Industries*, (2011) 15 SCC 207, and *State of Haryana v. Bhajan Lal*, 1992 Supp (1) SCC 335, observed that ordinarily and in the normal course, when the High Court is approached for quashing of a criminal

proceeding, it will not appreciate the defence of the accused, nor will it consider the veracity of the documents relied upon by the accused. However, an exception has been carved out in appropriate cases where the document relied upon is a public document, or where the veracity thereof is not disputed by the complainant; in such cases, the same may be considered.

41. In *Harshendra Kumar D. v. Rebatilata Koley*, (2011) 3 SCC 351, the Apex Court has observed that *it is fairly settled now that while exercising inherent jurisdiction under Section 482 or revisional jurisdiction under Section 397 of the Code in a case where complaint is sought to be quashed, it is not proper for the High Court to consider the defence of the accused or embark upon an enquiry in respect of merits of the accusations. However, in an appropriate case, if on the face of the documents — which are beyond suspicion or doubt — placed by the accused, the accusations against him cannot stand, it would be travesty of justice if the accused is relegated to trial and he is asked to prove his defence before the trial court. In such a matter, for promotion of justice or to prevent injustice or abuse of process, the High Court may look into the materials which have significant bearing on the matter at prima facie stage.*

42. From the perusal of the above, it is important to state that this Court, at this stage, is well empowered to consider any document which is either a public document, or one which though placed by the accused, is beyond suspicion or doubt.

43. It is further noteworthy that Respondent No. 2/Complainant has not disputed the MOU dated 06.05.2014; rather, it has itself relied upon the same to support its defence in the present Petition. To contend that the said MOU carries no evidentiary value would, therefore, be wholly incorrect.

The said document is of impeccable and sterling quality and can rightly be relied upon at this stage while considering the quashing of the present Complaints and consequent proceedings arising therefrom.

44. *It is thus, held that the impugned cheques were security cheques given for a specific purpose and could not have been encashed for a liability which may have subsequently arisen.* ***The Complaints under S.138 NI Act are therefore, liable to be quashed.***

Summoning Order:

45. ***Another ground raised on behalf of the Petitioner***, which merits consideration, is that summons were initially issued by the Ld. MM, Bellary, and thereafter, the Complaints were ***returned*** vide Order dated 14.10.2015. Subsequently, the Ld. MM, Delhi, recorded an Order on 10.11.2015 as that the Complaint has been received on assignment.

46. It is further submitted on behalf of the Petitioner that the summons issued to him were never received back, and the Ld. MM, Delhi, merely directed compliance with the earlier order and fixed the matter for 15.09.2017 in the meantime and adopted the summons issued by the Ld. MM Bellary.

47. *Before considering the said ground raised by the Petitioner, it is necessary to examine the changes in territorial jurisdiction under the N.I. Act introduced in the last few years*.

48. On 01.08.2014, the Apex Court in *Dashrath Rupsingh Rathod v. State of Maharashtra*, (2014) 9 SCC 129, held that *territorial jurisdiction* for the purposes of an offence under Section 138 N.I. Act would be the place within whose local jurisdiction the offence is committed, i.e., the place where the cheque is dishonoured by the bank on which it is drawn.

49. Subsequently, an Amendment was introduced in the N.I. Act, whereby sub-section (2) of Section 142 and Section 142-A were inserted *with effect from* 15.06.2015.

50. Section 142 (2) reads as under;

> ***142. Cognizance of offences.***—
> .....
> ***(2)*** *The offence under Section 138 shall be inquired into and tried only by a court within whose local jurisdiction,—*
> *(a) if the cheque is delivered for collection through an account, the branch of the bank where the payee or holder in due course, as the case may be, maintains the account, is situated;*
> *or*
> *(b) if the cheque is presented for payment by the payee or holder in due course, otherwise through an account, the branch of the drawee bank where the drawer maintains the account, is situated.*
> *Explanation.—For the purposes of Clause (a), where a cheque is delivered for collection at any branch of the bank of the payee or holder in due course, then, the cheque shall be deemed to have been*
> *delivered to the branch of the bank in which the payee or holder in due course, as the case may be, maintains the account.*

51. Section 142-A reads as under;

> ***142 A. Validation for transfer of pending cases***
> *(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 or any judgment, decree, order or direction of any court, all cases transferred to the court having jurisdiction under sub-section (2) of section 142, as amended by the Negotiable Instruments (Amendment) Ordinance, 2015, shall be deemed to have been transferred under this Act, as if that sub-section had been in force at all material times.*
> *(2) Notwithstanding anything contained in sub-section (2) of section 142 or sub-section (1), where the payee or the holder in due course, as the case may be, has filed a complaint against the drawer of a cheque in the court having jurisdiction under sub-section (2) of section 142 or the case has been transferred to that*

court under sub-section (1) and such complaint is pending in that court, all subsequent complaints arising out of section 138 against the same drawer shall be filed before the same court irrespective of whether those cheques were delivered for collection or presented for payment within the territorial jurisdiction of that court.

(3) If, on the date of the commencement of the Negotiable Instruments (Amendment) Act, 2015, more than one prosecution filed by the same payee or holder in due course, as the case may be, against the same drawer of cheques is pending before different courts, upon the said fact having been brought to the notice of the court, such court shall transfer the case to the court having jurisdiction under sub-section (2) of section 142, as amended by the Negotiable Instruments (Amendment) Ordinance, 2015, before which the first case was filed and is pending, as if that sub-section had been in force at all material times.

52. Thereafter, the Apex Court in *Bridgestone India Private Limited v. Inderpal Singh*, (2016) 2 SCC 75, observed that the amendment introduced in Section 142(2) and Section 142-A of the N.I. Act, would operate retrospectively.

53. In *Dashrath Rupsingh Rathod (Supra)*, the Apex Court has observed that *consequent on considerable consideration we think it expedient to direct that only those cases where, post the summoning and appearance of the alleged accused, the recording of evidence has commenced as envisaged in Section 145(2) of the Negotiable Instruments Act, 1881, will proceeding continue at that place. To clarify, regardless of whether evidence has been led before the Magistrate at the pre-summoning stage, either by affidavit or by oral statement, the complaint will be maintainable only at the place where the cheque stands dishonoured.* ***To obviate and eradicate any legal complications, the category of complaint cases where proceedings have gone to the stage of Section 145(2) or beyond shall be deemed to have been***

transferred by us from the court ordinarily possessing territorial jurisdiction, as now clarified, to the court where it is presently pending. All other complaints (obviously including those where the respondent-accused has not been properly served) shall be returned to the complainant for filing in the proper court, in consonance with our exposition of the law.

54. In *Bridgestone India (P) Ltd (Supra)*, the Apex Court while deciding the issue of territorial jurisdiction has observed that *in case the complaint filed by the appellant has been returned, it shall be re-presented before the Judicial Magistrate, First Class, Indore, Madhya Pradesh, on the date of appearance indicated hereinabove*.

55. In the aforesaid cases, the Hon'ble Supreme Court has specifically clarified that where the stage under Section 145(2) of the N.I. Act is not reached, the Complaint must be returned for presentation before the Court having competent territorial jurisdiction. It was in these circumstances that the Ld. MM, Bellary, returned the Complaint to be presented before the Court at Delhi.

56. It is a settled principle of law that once a Complaint is returned, all proceedings conducted in that Court becomes *non-est* in the eyes of law.

57. From the above, it is evident that the Ld. MM, Patiala House Courts, erred in adopting the summons earlier issued by the Ld. MM, Bellary, even though those Orders of Summoning had already become *non-est* in law, upon return of the Complaint. Fresh summoning Order were required to be made by the Ld. MM, Delhi; however, this mandatory step was overlooked. Despite the Complaints being filed afresh and there being no fresh Summoning Order, the summons were erroneously issued by the Ld. MM, by wrongly adopted/ relying on the Summoning Order of the Ld. MM,

Bellary.

58. *Therefore, on this ground as well, the summoning Orders are liable to be quashed.*

Conclusion:

59. In the light of the aforesaid discussion, it is concluded that the cheques in question were security Cheques and were not issued or encashable for any legally enforceable liability or debt and the Complaints under S.138 NI Act on account of dishonour of such cheques, is not maintainable.

60. Accordingly, CC No. 15098/2016, CC No. 15410/2016, CC No. 15373/2016, CC No. 1540/2019, and CC No. 1541/2019 under S.138 NI Act pending before the Ld. Metropolitan Magistrate, New Delhi, along with the Summoning Order dated 27.04.2015, 18.05.2015, and 08.04.2015 and further proceedings arising therefrom, are hereby quashed.

61. The Petitions stand disposed of in the above terms. Pending Application(s), if any, are disposed of, accordingly.

NEENA BANSAL KRISHNA, J.

OCTOBER 27, 2025/RS