

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

(i) CR-8777-2017 (O&M)

Deepak Singh ...Petitioner

VERSUS

M/s Hero Cycles Limited and others ...Respondents

(ii) CR-8793-2017 (O&M)

Deepak Singh ...Petitioner

VERSUS

M/s Hero Cycles Limited and others ...Respondents

(iii) CR-8794-2017 (O&M)

Deepak Singh ...Petitioner

VERSUS

M/s Hero Cycles Limited and others ...Respondents

(iv) CR-8795-2017 (O&M)

Deepak Singh ...Petitioner

VERSUS

M/s Hero Cycles Limited and others ...Respondents

(v) CR-8796-2017 (O&M)

Deepak Singh ...Petitioner

VERSUS

M/s Hero Cycles Limited and others ...Respondents

(vi)

CR-8797-2017 (O&M)

Deepak Singh

...Petitioner

VERSUS

M/s Hero Cycles Limited and others

...Respondents

(vii)

CR-8798-2017 (O&M)

Deepak Singh

...Petitioner

VERSUS

M/s Hero Cycles Limited and others

...Respondents

(viii)

CR-8800-2017 (O&M)

Deepak Singh

...Petitioner

VERSUS

M/s Hero Cycles Limited and others

...Respondents

Date of Decision: November 10, 2022

CORAM: HON'BLE MRS. JUSTICE ARCHANA PURI

Present: Mr.V.K.Sachdeva, Advocate
for the petitioner.

Mr.Piyush Kant Jain, Advocate
for the respondents.

ARCHANA PURI, J.

Challenge in aforesaid revision petitions is to the orders dated
02.12.2017 passed by learned Addl. District Judge, in eight summary

recovery suits.

A compromise is stated to have been effected between the parties and decree of compromise dated 24.09.2022, has been placed on record.

The background facts are as herein given:-

That, initially, the Party of First Part (**Hero Cycles Limited, CR Division**) had business dealings with Party of Second Part (**Atma Tubes Products Limited and Deepak Singh, its Managing Director**). During the course of the business transactions, various purchases were made vide bills/invoices on credit basis, for manufacturing and sale of their ERW Precision Steel Tubes, with the condition/deed of compromise that they would make the payment of each credit bill/invoice within a period of 30 days, to the party of the first part. However, till 24.03.2005, an amount of **Rs.8,05,73,904.29** became due. In order to discharge the legally enforceable liability of the aforesaid debt, the party of second part (**Atma Tubes Products Limited through its Managing Director Deepak Singh**), issued 8 cheques of Rs.1 crore each, bearing No.968451 to 968458, all dated 24.03.2005. However, the aforesaid cheques were dishonoured, with the remarks "**Funds Insufficient**". Upon dishonouring of the cheques, demand notices were issued. In consequence thereto, deed of compromise of Hero Cycles Limited and Atma Tubes Products Limited through its Managing Director, was entered into on 05.10.2005, with an undertaking, to pay a lumpsum amount of Rs.8.80 crore, to the party of first part, within or upto six months, in lieu of discharge of all business transactions/liabilities of the party of second part, failing which, to transfer property/house No.235,

Sector-9C, Chandigarh, in favour of party of first part. However, the said compromise was not complied with and liability was denied to pay the aforesaid amount of dishonoured cheques, vide reply dated 15.10.2005, filed by Deepak Singh.

In pursuance thereof, eight complaints under Section 138 of the Negotiable Instruments Act, 1881, were filed qua the aforesaid amount, which were ultimately decided and both, **Atma Tubes Products Limited and its Managing Director Deepak Singh**, were convicted and ordered to undergo rigorous imprisonment for a period of two years and also, compensation of Rs.1 crore was fastened upon in each complaint to the party of the second part.

During the pendency of the aforesaid complaints, eight separate summary-recovery suits under Order 37 of CPC of Rs.1,27,00,000/- each were also filed, to recover the principal amount of dishonoured cheques, together with the interest of Rs.27 lakhs and in the said suits, even, Deepak Singh was impleaded as party. In the said suits, a prayer was made for joint or several decree of Rs.1,27,00,000, as part payment, out of the principal amount. The liability, as such, was duly acknowledged and agreed, vide **deed of compromise** dated **05.10.2005** of **Rs.1,27,00,000/-** in each of the suits and **'leave to defend'** was granted to Atma Tubes Products Limited, subject to the furnishing security to the tune of 90% of the amount, claimed in all the suits, with additional amount of Rs.25 lakh, towards costs and expenses of all the suits. Deepak Singh got **'leave to defend'** unconditionally by this Court in **CR No.3803, 3804, 3805 and 3806 of 2013, decided on 09.07.2015**. However, there was non-compliance of the

aforesaid order and consequently, defence was struck off by learned Civil Court.

In the aforesaid recovery suits, Deepak Singh had also challenged the execution, validity and admissibility of the deed of compromise dated 05.10.2005, which was disposed of by learned lower Court, vide order dated 02.12.2017. Aggrieved by the aforesaid order, Deepak Singh had filed eight revision petitions, which are being dealt by this Court, today.

Besides the aforesaid eight criminal complaints under Section 138 of NI Act and eight civil recovery suits, the party of first part (**Hero Cycles Limited, CR Division**) had also filed one criminal complaint No.179 dated 30.04.2009, under Sections 406 and 420 IPC, which is still pending before the concerned Magistrate at Ludhiana. After passing of the summoning order, Deepak Singh had filed quashing petition bearing No. **CRM-M-23603**, before this Court and the proceedings were stayed by this Court, in the aforesaid complaint.

During the pendency of the aforesaid proceedings, an amount of Rs.8.35 crore had been deposited by one Balbir Singh Grewal, before learned Commercial Court, Ludhiana, in consonance with the order dated 09.12.2021 passed by the Hon'ble Supreme Court, in **contempt case (Civil) No.417 of 2021** and in consonance with the aforesaid order, the requisite amount was deposited and invested in the form of FDR.

In the backdrop of aforesaid litigation, now compromise has been effected between the parties. Both the parties have agreed about payment of Rs.1 crore each in aforesaid suit bearing Nos.60, 61, 62, 63, 64,

65, 66 and 67 of 2017, along with proportionate interest amount, so as to make the total of the entire decretal amount, equal to the extent of amount of Rs.8.35 crore, lying deposited, alongwith up-to-date interest, which accrued on the basis of the amount deposited in the form of FDRs. The party of second part i.e. **Atma Tubes Products Limited** has no objection and has unconditionally agreed for the release/payment of said amount i.e. Rs.8.35 crore, alongwith up-to-date interest, which has accrued thereon, qua the FDRs, aforesaid, towards full and final settlement of all the claims, by way of decretal of the suits, either individually or in the consolidated form.

Now, further agreement has been reached between the parties about the withdrawal/compounding of complaints under Section 138 of the NI Act, in pursuance of the arrival of the compromise between the parties, only after release of payment of Rs.8.35 crore, alongwith up-to-date interest, after the decretal of aforesaid suits. Also, it has been agreed between the parties that they shall not further enter into any kind of litigation and they have given quietus to all the litigation, on the basis of payment of outstanding amount, which forms the basis of all the aforesaid suits and the complaints under Section 138 of NI Act.

In pursuance of the aforesaid compromise, so reached, between the parties, now a request is made to the Courts concerned, either to decide the civil summary suits bearing Nos.60, 61, 62, 63, 64, 65, 66 and 67 of 2017, individually or in a consolidated manner, as it deems appropriate, whereby, the decretal amount, in total, should be to the extent of Rs.8.35 crore, together with the up-to-date interest, on the amount of FDRs. In pursuance of release of aforesaid amount, the concerned Courts shall also

dispose of all the appeals filed to challenge the judgments of conviction passed in complaints under Section 138 of the NI Act and pass appropriate orders, thereupon. Also, one other criminal complaint, bearing No.179 dated 30.04.2009, shall be withdrawn by Hero Cycles Limited, CR Division, in an appropriate manner, after receipt of settled amount vide aforesaid compromise.

Accordingly, present revision petitions stand disposed of, being compromised.

November 10, 2022
Vgulati

(ARCHANA PURI)
JUDGE

Whether speaking/reasoned
Whether reportable

Yes/No
Yes/No