



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CRM-M-1051-2022

Reserved on:-28.04.2026

Pronounced on:-04.05.2026

Uploaded on:- 04.05.2026

*Whether only operative part of the judgment is
Pronounced or the full judgment is pronounced: operative part/full judgment*

SANJAY SINGH

...Petitioner

Versus

DEVENDER SHARMA

....Respondent

CORAM: HON'BLE MS. JUSTICE MANDEEP PANNU

Present:- Mr. Gulshan Nandwani, Advocate
for the petitioner.

Mr. Navneet Singh, Advocate for
Mr. Abhishek Yadav, Advocate
for the respondent.

MANDEEP PANNU, J.

1. This is a petition under Section 482 Cr.P.C. for quashing of Complaint No. 907 dated 22.04.2019 under Section 138 of the Negotiable Instruments Act, titled *Davinder vs. Sanjay*, which is pending in the Court of Judicial Magistrate 1st Class, Rewari, as well as for quashing of the summoning order dated 26.11.2021, whereby the petitioner has been summoned under Section 138 of the Negotiable Instruments Act.
2. Briefly stated, the complainant filed the complaint alleging that he had friendly relations with the present petitioner and, on account thereof, in the year 2010, the petitioner had availed a sum of ₹3,00,000/- as a friendly



loan from the complainant for a period of one year. It is further alleged that after repeated demands, the petitioner, in discharge of his liability, issued cheque No. 387424 dated 26.12.2018 drawn on United Bank of India, Branch Dharuhera Chowk, Rewari, for an amount of ₹3,00,000/- in favour of the complainant. It is further the case of the complainant that the said cheque, upon presentation, was dishonoured on 01.02.2019 on account of insufficient funds and, despite assurance of the petitioner, when the cheque was again presented, the same was dishonoured on 26.02.2019 for the same reason. Thereafter, a legal notice dated 20.03.2019 was served upon the petitioner, however, neither any reply was furnished nor the amount was paid, leading to the filing of the present complaint under Section 138 of the Negotiable Instruments Act.

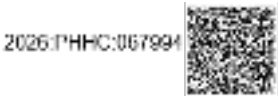
3. Learned counsel for the petitioner has contended that the impugned complaint under Section 138 of the Negotiable Instruments Act is not maintainable as the alleged debt itself was time-barred on the date of issuance of the cheque. It is submitted that as per the case of the complainant, the alleged friendly loan of ₹3,00,000/- was advanced in the year 2010 for a period of one year, however, no acknowledgment of liability was obtained within the prescribed period of limitation of three years. It is further argued that the cheque in question was issued on 26.12.2018, i.e., much beyond the period of limitation, and thus the debt had already become legally unenforceable. It is also contended that no document or material has been placed on record to show that the petitioner had acknowledged the debt within the limitation period so as to extend the same. Therefore, the essential



ingredient of a “legally enforceable debt or liability” being absent, the proceedings under Section 138 of the Act are liable to be quashed.

4. On the other hand, learned counsel appearing for the respondent has argued that though it is not disputed that the original loan pertains to the year 2010, however, it is submitted that by issuance of the cheque dated 26.12.2018, the petitioner has acknowledged his liability towards the complainant. It is thus contended that once the cheque has been issued in discharge of liability, the same constitutes a valid acknowledgment and, therefore, the debt cannot be treated as time-barred. On this premise, it is argued that the complaint is maintainable and no ground for quashing is made out.

5. Upon hearing learned counsel for the parties and perusing the material on record, this Court finds merit in the contentions raised on behalf of the petitioner. Admittedly, as per the averments made in the complaint itself, the alleged loan was advanced in the year 2010 for a period of one year. No material has been brought on record to show that any acknowledgment of liability, as contemplated under Section 18 of the Limitation Act, was made within a period of three years from the date of advancement of loan. Thus, the limitation period for recovery of the said amount expired long prior to the issuance of cheque dated 26.12.2018. Consequently, on the date of issuance of the cheque, the debt had already become time-barred and was not legally enforceable. The contention of the respondent that issuance of cheque itself amounts to acknowledgment of debt cannot be accepted in the facts of the present case. An acknowledgment under Section 18 of the Limitation Act must be made within the subsisting



period of limitation. Once the limitation has already expired, a subsequent issuance of cheque would not revive the time-barred debt so as to make it legally enforceable for the purposes of Section 138 of the Negotiable Instruments Act. The requirement under Section 138 that the cheque must have been issued in discharge of a legally enforceable debt or liability is not satisfied in the present case.

6. This issue is no longer *res integra*. The co-ordinate bench of this court in *Manjeet Kaur versus Vinita, 2010(3) RCR (Criminal) 574*, has categorically held that where a cheque is issued in respect of a time-barred debt and no acknowledgment was made within the limitation period, the debt is not legally enforceable and dishonour of such cheque would not attract the provisions of Section 138 of the Negotiable Instruments Act. The aforesaid judgment is fully applicable to the facts of the present case, as in the instant matter also, the alleged loan pertains to the year 2010 and no acknowledgment within the prescribed period of limitation has been placed on record. The cheque in question having been issued in the year 2018, i.e., after expiry of limitation, does not revive the time-barred debt. Thus, the ratio laid down in the aforesaid judgment squarely governs the present case and renders the proceedings under Section 138 of the Act unsustainable.

7. Accordingly, the present petition is allowed and the complaint as well as the summoning order are hereby quashed.

8. All pending applications, if any, also stand disposed of.

04.05.2026

Anu

Whether speaking/reasoned

:

Whether reportable

:

Yes/No

Yes/No

(MANDEEP PANNU)
JUDGE