



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

Sr. No.142

CRM-M-24997-2023

Reserved on:-18.03.2026

Pronounced on:-23.03.2026

Uploaded on:- _____

*Whether only operative part of the judgment is**Pronounced or the full judgment is pronounced:**operative part/full judgment***SANJIV KUMAR****...Petitioner****Versus****JEET SINGH AND ANR.****....Respondents****CORAM: HON'BLE MS. JUSTICE MANDEEP PANNU**

Present:- Mr. Mandeep Kumar Dhot, Advocate
for the petitioner.

Mr. Dhiraj Jindal, Advocate
for respondent No.1.

None for respondent No.2.

MANDEEP PANNU, J.

1. The present petition has been filed under Section 482 of the Code of Criminal Procedure for quashing of complaint No. NACT-551 dated 15.07.2020 titled as “*Jeet Singh vs. Sanjiv Kumar and another*”, pending in the Court of Shri Karun Garg, Judicial Magistrate Ist Class, Sangrur, along with all consequential proceedings arising therefrom qua the petitioner.

2. Briefly stated, the facts of the case are that the complainant filed a complaint under Section 138 of the Negotiable Instruments Act against the present petitioner Sanjiv Kumar and co-accused Deepak Kumar alleging that the complainant had purchased a car bearing registration No. PB-13-AL-

1188 for a sum of Rs.4,40,000/- and it was agreed that the accused would discharge the loan liability of HDB Financial Services Ltd. It was further alleged that upon failure of the accused to repay the loan amount, the complainant returned the vehicle for Rs.3,80,000/- and in lieu thereof, the accused issued multiple post-dated cheques. The details of the cheques are as follows:

cheque No. 225468 dated 05.04.2020 for Rs.70,000/-,

cheque No. 225469 dated 05.05.2020 for Rs.70,000/-,

cheque No. 225470 dated 05.06.2020 for Rs.50,000/-,

cheque No. 225473 dated 09.06.2020 for Rs.40,000/-,

cheque No.225471 dated 05.07.2020 for Rs.50,000/- and

cheque No. 225472 dated 05.09.2020 for Rs.1,00,000/-.

3. All the aforesaid cheques, on presentation, were dishonoured, and thereafter legal notice dated 23.06.2020 was issued to the accused persons, but despite that, payment was not made, leading to the filing of the complaint. It is further borne out from the record that the complainant had filed six complaints arising out of the same transaction against the petitioner and co-accused Deepak Kumar. Vide order dated 08.01.2021 passed by the learned Judicial Magistrate Ist Class, Sangrur, all the six complaints were ordered to be clubbed together, with complaint No. NACT-551 of 2020 being treated as the main case.

4. During the pendency of the proceedings, the matter was referred to the Lok Adalat, wherein an award dated 12.11.2022 was passed to the effect that the accused would pay a total sum of Rs.3,90,000/- in full and final settlement of the cheque amount, out of which Rs.50,000/- was paid

and the remaining amount was to be paid in instalments, with the next instalment fixed for 18.11.2022. However, despite the passing of the said award, the petitioner failed to adhere to the terms thereof and did not make further payment, as a result of which the proceedings in the complaint continued against him.

5. The present petition has been filed by the petitioner under Section 482 Cr.P.C. seeking quashing of the complaint on the ground that he is not the signatory to the cheque in question and that the cheque was in fact issued by co-accused Deepak Kumar. It has been further averred that the petitioner had no liability towards the complainant and that he was falsely implicated. It is also the case of the petitioner that he entered into a compromise under coercion and pressure at the time of Lok Adalat proceedings and that he later came to know that he was not liable as he had not issued the cheque. The petitioner has further alleged misuse of the judicial process and contended that no legal notice was properly served upon him.

6. *Per contra*, learned counsel for respondent No.1-complainant has opposed the present petition and contended that once the matter was settled before the Lok Adalat and an award dated 12.11.2022 was passed, wherein the petitioner himself admitted his liability to pay the amount of all the cheques, it stands duly proved on record that the cheques were issued towards a legally enforceable debt or liability. It is further contended that even if the cheque in question was signed by co-accused Deepak Kumar, the petitioner is equally liable in view of the categorical statement suffered by him before the Lok Adalat agreeing to discharge the liability. It is thus

argued that the petitioner cannot be permitted to resile from the settlement and the present petition is liable to be dismissed.

7. Having heard learned counsel for the parties and upon perusal of the record, this Court finds that the present petition raises a fundamental issue as to whether the petitioner, who is admittedly not the signatory to the cheque in question, can be prosecuted under Section 138 of the Negotiable Instruments Act merely on the basis of a statement allegedly made before the Lok Adalat.

8. From the material placed on record, it is evident that cheque No. 225468 dated 05.04.2020 for an amount of Rs.70,000/-, which forms the basis of the present complaint has been signed by co-accused Deepak Kumar and not by the present petitioner. There is no material on record to show that the cheque was drawn by the petitioner on an account maintained by him. In proceedings under Section 138 of the Negotiable Instruments Act, the primary liability is fastened upon the drawer of the cheque, and in the absence of the petitioner being the signatory or drawer thereof, his prosecution would require independent and specific material showing his legally enforceable liability in the transaction.

9. The principal contention raised by respondent No.1-complainant is founded upon the proceedings before the Lok Adalat dated 12.11.2022, wherein the petitioner is stated to have admitted his liability and agreed to pay a consolidated amount. However, a careful examination of the record reveals that though the document is titled as an “award”, the same does not partake the character of a final and binding adjudication. The so-called award itself records that further instalment was to be paid on

18.11.2022, and admittedly, upon non-payment of the said amount, the matter was not treated as finally concluded and the complaint proceedings continued thereafter. Thus, the said proceedings were in the nature of a conditional settlement or statement of the parties rather than a concluded award bringing finality to the lis.

10. In such circumstances, the statement made by the petitioner before the Lok Adalat, even if assumed to be voluntary, cannot by itself create criminal liability under Section 138 of the Negotiable Instruments Act in respect of a cheque admittedly not drawn or signed by him. Criminal liability under the said provision is statutory in nature and is attracted only upon fulfilment of the ingredients prescribed therein. A statement or compromise, which did not culminate into a final enforceable award, cannot substitute the foundational requirement that the cheque must have been drawn by the accused. It is also significant to note that the present complaint is one out of six complaints arising from the same transaction, which were ordered to be clubbed vide order dated 08.01.2021, with the present complaint being treated as the main case. However, in the present petition, only one cheque has been placed on record, and that too reflects the signature of co-accused Deepak Kumar alone. In the absence of the remaining cheques or material forming part of the clubbed proceedings, it would not be appropriate to attribute vicarious or composite liability upon the petitioner in the present complaint in isolation, particularly when Section 138 does not envisage such vicarious liability except in cases falling under Section 141 of the Act, which is not the case here.

11. Furthermore, the continuation of proceedings even after the Lok Adalat proceedings reinforces the position that no final settlement had been arrived at between the parties. Once the alleged compromise failed and the matter was revived, the case has to be tested strictly on the basis of the statutory requirements of Section 138 of the Act. On such touchstone, the absence of the petitioner's signature on the cheque and lack of material showing that he is the drawer thereof goes to the root of the matter.

12. In view of the above discussion, this Court is of the considered opinion that the continuation of proceedings against the present petitioner in the complaint in question cannot be sustained, as the cheque forming the basis of the present complaint admittedly does not bear his signatures and there is no material to show that he is the drawer thereof. The alleged statement made before the Lok Adalat, which did not culminate into a final and enforceable settlement, cannot by itself fasten criminal liability upon the petitioner under Section 138 of the Negotiable Instruments Act.

13. However, it is equally borne out from the record that six complaints arising out of the same transaction were ordered to be clubbed vide order dated 08.01.2021, and the present complaint was treated as the main complaint. In the present proceedings, only one cheque pertaining to the present complaint has been placed on record, and there is no material before this Court to ascertain whether the petitioner is or is not the signatory to the remaining cheques forming subject matter of the other connected complaints. In the absence of such material, no conclusive finding can be recorded qua the petitioner's liability in those complaints.

14. Accordingly, while the present complaint, even though treated as the main complaint, is liable to be set aside qua the petitioner, it is clarified that such quashing shall be confined only to the present complaint and shall not *ipso facto* result in the quashing of the remaining connected complaints. The trial Court shall be at liberty to proceed in accordance with law in respect of the other complaints and independently assess the liability of the petitioner therein on the basis of material available on record in each case.

15. However, nothing observed herein shall be construed as an expression of opinion on the merits of the case.

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

23.03.2026
Anu

(MANDEEP PANNU)
JUDGE

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No