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

\# **CNR No. DLHC010069402024**

\+ CONT.CAS(C) 277/2024, CM APPL. 66157/2026

Indervir Singh Juneja
Through Ms. Jayatri Juneja (Spa Holder)
D/o Sh. Indervir Singh Juneja
Both R/o Apartment No. 5B, 23, Prithviraj Road, New Delhi-110011
.....Petitioner

Through: Mr. Surender Chauhan, Ms. Tanya Kapoor & Mr. Kabir Singh Chandoak, Advs. with Petitioner in person.

versus

Sanjay Ahuja
1/5, 4A, Manhattan Apartments,
Garden Estate, Gurgaon-122001.

ALSO AT:
181, Sector-17A,
Gurgaon-122001 .....Respondent

Through: Mr. Sandeep Kapoor, Adv.

CORAM:
HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

O R D E R

% 17.11.2026

1. The present Petition under Sections 10 and 12 of the Contempt of Courts Act, 1971, has been filed on behalf of the Petitioner alleging wilful and deliberate disobedience of the Order dated 08.07.2019 passed by the learned Metropolitan Magistrate, Central, Tis Hazari Courts, New Delhi, in CC No. 515513/2016 under S.138 Negotiable Instruments Act,1881.

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2. The ***brief facts*** giving rise to the Contempt are that the Respondent had taken a friendly loan of Rs.50,00,000/- from the Petitioner, with an assurance that it would be returned within six months from the date of payment and not later than 30.09.2010. Accordingly, the loan of Rs.50,00,000/- was advanced in three tranches of Rs.25,00,000/- on 31.03.2010; Rs.15,00,000/- on 17.04.2010 and Rs.10,00,000/- on 01.06.2010, through bank transfers.

3. Further, a loan of Rs.45,00,000/- was given by the Petitioner on account of the business needs of the Respondent, which the Respondent had promised to return within five months from the date of first payment and not later than 31.12.2010. However, the Respondent failed to repay the loans. He executed two Affidavits dated 19.05.2011 acknowledging the loan of Rs.95,00,000/- taken from the Petitioner and handed over 10 post-dated cheques for the payment of principal along with the interest of Rs.20,00,000/-. However, the Respondent requested the Petitioner not to deposit the cheques on the date inscribed thereon and started making excuses on one pretext or the other, to avoid the payment.

4. On repeated requests of the Petitioner, the Respondent gave two cheques of Rs.11,50,000/- each, both dated 02.12.2011, to compensate the Petitioner towards the interest amount of Rs.50,000/- for delay beyond due dates. The two cheques were presented but were dishonoured *vide* Memo dated 08.12.2011 with the remarks "Funds Insufficient". It was claimed that when the Petitioner warned him of stern legal action, he gave one cheque for an amount of Rs.1 Crore, without putting a date and promised that the entire loan would be repaid on or before 31.03.2012.

5. Thereafter, the cheque was presented on 07.12.2014, which was

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returned with remarks "Funds Insufficient" *vide* Memo of the Bank dated 09.12.2014. *The Petitioner thereafter**, filed the Complaint bearing CC No. 515513/2016 under Section 138 of the Negotiable Instruments Act, 1881 (for short, 'N.I. Act') before the learned Metropolitan Magistrate on 23.02.2015*.

6. During the pendency of the Complaint, on the joint request of the parties, the parties were referred to Mediation on 15.04.2019, pursuant to which they arrived at a **Mediated Settlement dated 20.04.2019, wherein the Respondent undertook to pay Rs.1 Crore to the Petitioner in quarterly instalments of Rs.2,00,000/- each, starting from the second quarter of the year 2019, towards settlement of the dispute. The Respondent had already paid a sum of Rs.1,00,000/-. It was further agreed that, in the event of default in payment of any instalment, the Respondent would pay a sum of Rs.50,000/- along with the defaulted instalment in the succeeding quarter.**

7. Pursuant to the said Mediation Agreement dated 20.04.2019, the Respondent made payments of Rs.50,000/- on 17.05.2019, Rs.25,000/- on 01.07.2019 and Rs.25,000/- on 03.07.2019. The statements of the parties were recorded by the learned Metropolitan Magistrate on 08.07.2019, **wherein both the parties endorsed the terms of the Mediated Settlement.**

8. It is asserted that the Respondent has not been making any payment to the Petitioner since 03.07.2019. Therefore, the Petitioner filed an *Application under Section 431 read with Section 421 Cr.P.C. on 10.02.2021 for attachment of the property of the Respondent, for recovery of the settled amount.*

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9. The Application was allowed by the learned Metropolitan Magistrate on 15.10.2022 and Warrants of Attachment for Rs.31,50,000/- were issued through the SHO. The learned Metropolitan Magistrate directed the Respondent on 27.01.2023 to furnish details of his movable and immovable assets, as well as his bank accounts, within five days. The Respondent filed a copy of his Affidavit of Assets on 28.04.2023.

10. The Show Cause Notice was thereafter, issued by the learned Metropolitan Magistrate to the Respondent, calling upon him to show cause as to why contempt proceedings may not be initiated against him. Thereafter, the Complaint Case was listed on various dates before the learned Metropolitan Magistrate, on which various Orders were passed.

11. The Petitioner claimed that despite voluntarily entering into the Mediated Settlement dated 20.04.2019 and making a Statement before the learned Metropolitan Magistrate on 08.07.2019, the Respondent had failed to make any payment since 03.07.2019, which act of the Respondent was wilful and deliberate and rendered him liable for punishment under Section 10 of the Contempt of Courts Act, 1971.

12. During the pendency of the present Petition, the Petitioner filed an Application under Section 151 CPC, being CM APPL. 66157/2026, seeking directions against the Respondent for wilful and deliberate violation and non-compliance of the Order dated 19.05.2026 passed by this Court. It was stated that the Respondent had moved an Application along with a copy of the Demand Draft of Rs.20,00,000/-, stating that the same was being deposited in the Registry of this Court. However, on verification, it was found that no such Demand Draft had actually been deposited in the Registry.

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13. The Respondent filed a reply to the present Petition on 08.10.2025, wherein he challenged the maintainability of the Petition on the ground that the Petitioner had expired on 07.01.2025 and the Special Power of Attorney executed in favour of Ms. Gayatri Juneja had ceased to operate. He further contended that no specific undertaking had been given by him before the learned Metropolitan Magistrate on 08.07.2019; that the present Petition was barred by limitation under Section 20 of the Contempt of Courts Act, 1971; and that the Petitioner had already availed the remedy under Section 431 read with Section 421 Cr.P.C. On merits, the Respondent claimed that his employment had been terminated during the COVID-19 pandemic and that he was earning only Rs.25,000/- per month as commission, on account of which he was facing financial hardship and was unable to pay the settlement amount.

Submissions heard and the record perused.

14. As per the Petitioner, he had given a total loan of Rs.95,00,000/- to the Respondent, who had assured the Petitioner that he would return the amount within six months of advancing the loan amount. However, the Respondent defaulted and the cheques issued by him in discharge of his loan liability were dishonoured on account of insufficiency of funds, leading to the filing of a Complaint under Section 138 of the N.I. Act. During the pendency of the Complaint, the parties arrived at a Mediated Settlement dated 20.04.2019, the relevant clauses of which read as

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DELHI MEDIATION CENTRE
TIS HAZARI COURTS
DELHI

Ref Court: Ms. Naina, Ld.MM (NI Act-07), Central, THC, Delhi

ANNEXURE-P-8 50

Mediation No. 3029/2019
CC No. 515513/16
Inder Vir Singh Juneja Vs. Sanjay Ahuja

20.04.2019

Present: Sh.Inder Vir Singh Juneja, complainant in person.
Sh. Sanjay Ahuja, respondent in person.

The case under Section 138 of Negotiable Instruments Act pertains to dishonor of cheque(s) in question delivered by the respondent to the complainant. The cheque had bounced on presentation, where-after the present proceedings were initiated.

The parties participated in joint and separate sessions and reached to an amicable settlement after discussions in cordial atmosphere, on the following terms and conditions:-

1. It is agreed between the parties that the respondent shall pay a total sum of ₹1,00,00,000/- (Rupees One Crore only) to the complainant towards full and final settlement of the claim arising out of present complaint.
2. It is agreed between the parties that said settled amount shall be paid in equal quarterly installments of Rs.2,00,000/- (Rupees Two Lakhs)each, by way of cash/DD/any other online mode, starting from second quarter of the year 2019 i.e (April 2019 to June 2019) and shall continue to pay the amount till the settled amount is paid fully The installment shall be paid against acknowlegment in writing.
3. That it has also been agreed by the respondent that he will made all efforts to clear the outstanding settled amount even to an early date if his financial capicity improves in future by increasing the amount of installment or paying lump sum amount over and above the settled installment.
4. On receipt of the above settlement amount, the complainant will withdraw the present complaint case u/s 138 NI Act and the parties will be left with no claim against each other in respect of present matter in dispute.
5. That in case of default of any of the above said installments, the respondent shall be liable to payan amount of Rs. 50,000/- (Rupees Fifty Thousand only) together with the defaulted installment in the next quarter.

That the parties have gone through the terms herein before recorded and have confirmed and verified the same to be correct and that they are going to sign it without any threat, pressure, coercion or undue influence from any quarter. Both sides undertake to abide by these terms and agreed that the present settlement shall be binding on their legal heirs, successors and family members.

under:

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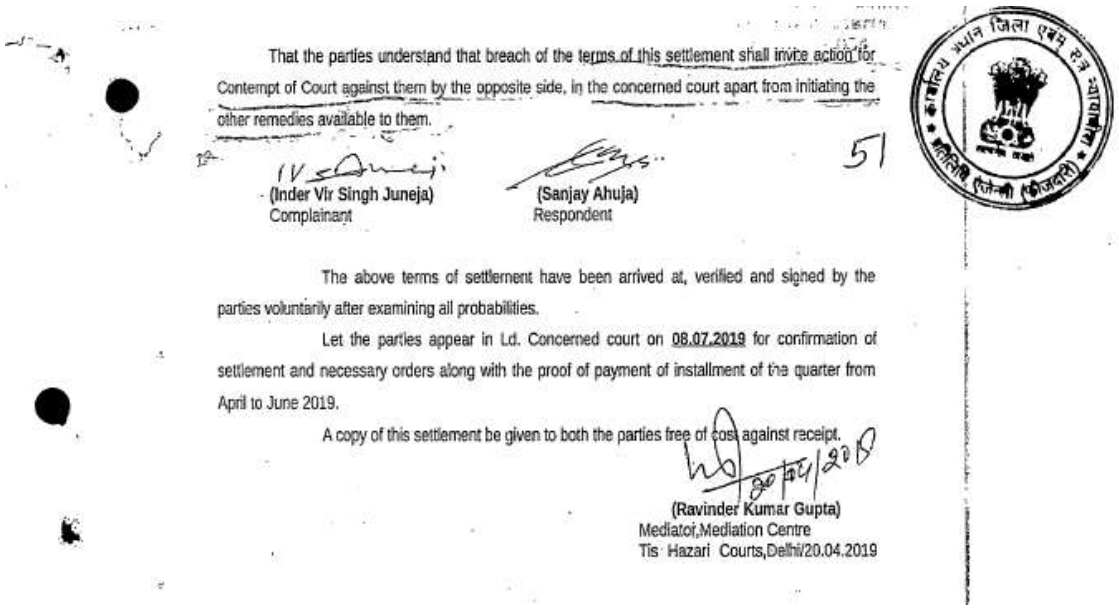

That the parties understand that breach of the terms of this settlement shall invite action for Contempt of Court against them by the opposite side, in the concerned court apart from initiating the other remedies available to them.

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(Inder Vir Singh Juneja)
Complainant

(Sanjay Ahuja)
Respondent

The above terms of settlement have been arrived at, verified and signed by the parties voluntarily after examining all probabilities.

Let the parties appear in Ld. Concerned court on 08.07.2019 for confirmation of settlement and necessary orders along with the proof of payment of installment of the quarter from April to June 2019.

A copy of this settlement be given to both the parties free of cost against receipt.

20/04/2019

(Ravinder Kumar Gupta)
Mediator,Mediation Centre
Tis Hazari Courts,Delhi/20.04.2019

15. Thereafter, the parties appeared before the learned Metropolitan Magistrate, who recorded their separate statements on 08.07.2019, and the matter was kept pending for discharge of the liability by the Respondent by way of payments, as had been agreed by the parties.

16. Thereafter, admittedly, the Respondent defaulted in making the payment in terms of the Mediated Settlement, leading to the filing of an Application under Section 431 read with Section 421 Cr.P.C. for attachment of the properties of the Respondent and recovery of the settled amount.

17. The learned Metropolitan Magistrate vide Order dated 15.10.2022 allowed the Application under Section 431 read with Section 421 Cr.P.C. and issued Warrants of Attachment for Rs.31,50,000/- against the Respondent.

18. Thereafter, the Respondent filed an Affidavit of his assets wherein he stated his monthly income to be Rs.25,000/-. He further disclosed that his Bank Account had a balance of Rs.14,516.88/- on 02.02.2023. He was paying a rent of Rs.12,000/- per month for PG accommodation. Aside from

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this, he had no other movable and immovable assets. However, he indicated certain amounts due to him from third parties as well as amounts payable by him to others.

19. While the Recovery proceedings under Section 431 read with Section 421 Cr.P.C. are pending, the present Contempt Petition has been filed by the Petitioner.

20. The Execution of mediated settlements in cases under S.138 NI Act, posed the challenge to ensure their implementation and execution. In this context, a Reference was made and the same was answered in the case of Dayawati v. Yogesh Kumar Gosain 243 (2017) DLT 117 (DB), wherein while dealing with the enforceability of a Mediated Settlement, especially in cases under Section 138 of the N.I. Act, it was held that such settlement may be executed in the following manner:

> *"IV.------*
>
> *(i) In the event of default or non-compliance or breach of the settlement agreement by the accused person, the magistrate would pass an order under Section 431 read with Section 421 of the Cr.P.C to recover the amount agreed to be paid by the accused in the same manner as a fine would be recovered.*
>
> *IV (ii) Additionally, for breach of the undertaking given to the magistrate/court, the court would take appropriate action permissible in law to enforce compliance with the undertaking as well as the orders of the court based thereon, including proceeding under Section 2(b) of the Contempt of Courts Act, 1971 for violation thereof*."

21. Therefore, the enforcement of the Mediated Settlement may be implemented through execution proceedings; in the alternative, Contempt

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proceedings may also be initiated in the circumstances of the case.

22. In the present case, the Execution proceedings have already been initiated by the Petitioner and the recovery proceedings are ongoing.

23. The pertinent question is whether the circumstances justify the initiation of Contempt proceedings. In this context, it may be pertinent to refer to Clause 2 of the Mediated Agreement dated 20.04.2019, wherein it was recorded that the Respondent shall pay the amount in equal instalments of Rs.2,00,000/-, starting from the second quarter of the year 2019 and would continue to make the payment till the full amount was paid. It was further stated in *Clause 3 that if the financial capacity of the Respondent improved in future, he would endeavour to pay the outstanding dues even before the stipulated time.*

24. Clause 4 specifically stated that, on receipt of the settled amount, the Complainant would withdraw the Complaint Case.

25. On a specific query put to the parties, it was confirmed that the Complaint under Section 138 of the N.I. Act, was still pending.

26. The only pertinent question, which is relevant for consideration, is whether there is wilful, deliberate and contumacious disobedience of the Mediated Settlement dated 20.04.2019. **Firstly,** from the terms of the Agreement itself, it is evident that the Respondent is facing financial difficulties, on account of which, a sum of Rs.1 Crore was agreed to be paid in quarterly instalments of Rs.2,00,000/- each. Such payment may be spread over a period of years; such arrangement itself reflects the financial constraints of the Respondent.

27. Moreover, the Affidavit of Assets has been filed by the Respondent, which also shows that he is in a precarious financial situation. He has no

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immovable property and had a sum of Rs.14,516.88/- in his bank account as on 02.02.2023. He has stated that he has no dependants and is residing in PG accommodation for which he pays a rent of Rs.12,000/- per month. There is nothing from which it can be inferred that he has deliberately resiled from the Agreement dated 20.04.2019. It is quite evident that it is purely on account of the financial constraints that he is unable to pay the amount as agreed in the Mediated Settlement dated 20.04.2019.

28. In these circumstances, it cannot be said that the conduct of the Respondent is wilful or contumacious, warranting punishment under Section 10 of the Contempt of Courts Act. Consequently, the present Contempt Petition is disposed of, with liberty to the Petitioner to continue the Execution proceedings and to pursue the Complaint under Section 138 of the N.I. Act, in accordance with law.

29. The pending Application, if any, is also disposed of.

NEENA BANSAL KRISHNA, J.

NOVEMBER 17, 2026/RS

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