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

*Date of Decision: 30<sup>th</sup> April, 2025*

+ CRL.L.P. 271/2025, CRL.M.A. 13030/2025, CRL.M.A. 13031/2025

**USHA RANI**

W/o Sh. Harish Kumar Kukreja,  
R/o Previously at H. No. 17/78,  
Geeta Colony, Delhi-31

and

Presently at H. No. C-4, Gali No. 13,  
Near Ram Mandir, New Gobind Pura,  
Delhi-110051

.....Petitioner

Through: Mr. Akshay Chowdhary, Mr. AK  
Choudhary, Advs.

versus

1. **SARDAR/SH. BALJEET SINGH**

S/o Late Sardar Moti Singh  
R/o H. no. 10/144, Geeta Colony,  
delhi-110031.  
(Proclaimed Offender)

2. **MRS. JASMEET KAUR**

W/o Sardar Baljeet Singh  
R/o H. No. 10/144, Geeta Colony,  
Delhi-110031

3. **M/S. RAMAN INTERNATIONAL**

(through its Partners)  
Having Its Office-cum-Resi. at  
H.no. 138, Block No. 10, Opp. Budh Bazar,  
Govt. Senior Secondary School  
Geeta Colony, Delhi-31



and also at  
Office-cum-Resi. at  
H.no. 132, Block no. 10,  
Opp. Budh Bazar, Govt. Senior Secondary School  
Geeta Colony, Delhi-31 .....Respondent  
Through: Appearance not given

**CORAM:**  
**HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA**  
**J U D G M E N T (oral)**

1. An Application under Section 419(4) BNSS has been filed for grant of Leave to Appeal against the Judgement of Acquittal dated 27.08.2024 of learned JMFC in Complaint Case No.55876/2016 under Section 138 NI Act.
2. Briefly stated, Usha Rani the Complainant was engaged in the business of embroidery under the name and style of M/s Usha Embroidery Job Work which was her sole proprietorship Firm, which she operated from her office cum residence at Geeta Colony, Delhi. According to the Complainant, Respondents had approached in the first week of October, 2003 and introduced themselves as partners of *M/s Raman International* and *M/s Preeti International*, both of whom were engaged in the business of manufacturing and dealing with all types of readymade garments.
3. In the third week of October, 2003 a working relationship was worked out between the Complainant and the Respondents for undertaking embroidery work on garments. The job work Assignments were consistent and ongoing and the Accused made part payments either through cash, cheque or money transfers. In May, 2006 the business accounts between the Complainant and the Accused were reconciled and settled and an outstanding amount of Rs.29.53 lakhs was found due from the Accused. In



discharge of this liability, Respondent No.2 Sardar Baljeet Singh issued *seven cheques* of different dates totaling to Rs.29.53 lakhs.

4. This case pertains to Complaint under Section 138 NI Act in respect of one Cheque dated 22.05.2007 issued by *M/s Raman International* in the sum of Rs.2 lakhs which on deposit, was dishonored for '*Insufficiency of Funds*', against Respondent No.1 Sardar Moti Singh (now deceased), Respondent No.2 Sardar Baljeet Singh (now declared Proclaimed Offender), Respondent No.3 Smt. Jasmeet Kaur (wife of Respondent No.2) and the Firm Respondent No.4 M/s Raman International.

5. The remaining six Cheques were not presented due to repeated false assurances and verbal promises made by the Accused persons. These six Cheques became outdated/stale and were rendered legally unenforceable under Section 138 NI Act.

6. The learned M.M. took cognizance on the Complaint and summoned the four Respondents vide Order dated 25.01.2008. The Summoning Order never got challenged by the Respondents.

7. *Notice under Section 251 Cr.P.C* was framed against all the Respondents on 08.12.2009 and the trial commenced.

8. The Complainant Smt. Usha examined herself as CW1. She also examined CW2 K.C. Pandey, CW3 Phool Singh and CW4 P.K. Singh who all supported and corroborated the Complainant's testimony.

9. Thereafter, on 06.04.2011 the Complainant and the Respondents entered into an MOU, wherein it was mutually agreed that Respondents would pay the *Settlement amount of Rs.14 lakhs* to the Complainant in instalments. The statements of the parties in regard to MOU, were recorded



on the same day and the matter was adjourned to 27.02.2012 for compliance as per the Order dated 07.04.2011.

10. On 25.06.2012, in partial compliance of the terms of MOU, the Respondents paid Rs.1 lakh to the Complainant, but no further payment was made. The Respondent No.2 Sardar Baljeet Singh consistently adopted a pattern of deliberate avoidance of legal process. Despite several opportunities, he failed to appear and was thereafter, was declared Proclaimed Offender.

11. *Criminal Revision Petition No.67/2012* was filed by S. Baljeet Singh against Smt. Usha Rani challenging the Order dated 10.07.2012 *vide* which he was declared a Proclaimed Offender. However, the Revision Petition was dismissed by learned ASJ, *vide* detailed Order dated 08.10.2012.

12. Thereafter, on 01.11.2012, Respondent No.2 Sardar Baljeet Singh moved an Application for surrender and for regular Bail before the learned M.M, but the Bail Application was dismissed *vide* Order dated 03.11.2012. He moved two subsequent Bail Applications, both of which were dismissed on 16.11.2012 and 26.11.2012 respectively. Eventually, he was granted Bail on 02.01.2013 on account of demise of his father, Respondent No.1 Sardar Moti Singh. However, Respondent No.2 instead of complying with the Court Orders absconded and once again frustrated the trial process. He was subsequently declared Offender on 21.11.2017. He has left India and now resides in USA.

13. The Respondent No.1 Sardar Moti Singh who was the original Accused and father of Respondent No.2 Sardar Baljeet Singh, died in the month of January, 2013. Following his demise, the learned M.M *vide* Order



dated 25.02.2013 abated the proceedings against him. *The proceedings however, continued against Respondent No.3 Smt. Jasmeet Kaur.*

14. The Statement under Section 313 Cr.P.C was recorded of Respondent No.3/Smt. Jasmeet Kaur, on 26.04.2014. She despite being given an opportunity did not lead any defence evidence.

15. The Petitioner has asserted that in her statement under Section 313, she referred to herself as partner of *M/s Raman International* and also *M/s Raman International* through Jasmeet Kaur, thereby affirming her association with the Firm. The learned M.M, however, acquitted all the four accused vide Judgment dated 27.08.2024.

16. *Aggrieved by the said Judgment, present Appeal has been preferred.*

17. The **main grounds of challenge** are that despite there being the evidence led by the Complainant, the Trial Court in the Judgment; neither discussed nor appreciated the testimony of CW2, the Bank official. This has resulted in not only incomplete but also to findings which are contrary to the evidence.

18. Furthermore, the crucial date under Section 138 NI Act is the date on which the cheque is presented to the Bank and not the date on which it reaches the Drawer's Bank. The testimony of the Complainant and other independent witnesses has not been appreciated by the learned M.M. It was fully established that the Cheque had been issued in discharge of legally enforceable liability. Respondent No.2 Sardar Baljeet Singh being the Signatory of the Cheque had admitted his liability and yet the findings do not reflect such acknowledgment.

19. All the four Respondents at various stages of the proceedings did not



deny the existence of business relationship with the Complainant or their liabilities arising therefrom. Furthermore, execution of MOU dated 06.04.2011 acknowledging the terms of Settlement was never disputed by the Accused. Respondent No.2 Sardar Baljeet Singh during the hearing of his Bail Application before learned District & Sessions Judge had expressly admitted the contents of MOU. Even part payment of Rs.1 lakh was made by Respondent No.2 Sardar Baljeet Singh to the Complainant.

20. In the light of these admissions and undisputed documents, the Complainant had discharged her initial burden of proof under the law. However, the Respondents have been erroneously acquitted under Section 138 NI Act.

21. Furthermore, under Section 319 Cr.P.C. Smt. Satvinder Kaur and Mr. Paramjeet Singh who were the partners of *M/s Raman International* were summoned as Accused vide Order dated 08.05.2013, but their vicarious liability has been completely ignored in the impugned Judgment. Mr. Paramjeet Singh and Smt. Satvinder Kaur were discharged by the learned District & Sessions Judge, Delhi vide Order dated 29.10.2015.

22. It is, therefore, submitted that the Judgment dated 27.08.2024 be set aside and the Respondents be convicted under Section 138 NI Act.

23. ***Submissions heard and record perused.***

24. The first ground of challenge is that that parties have settled the matter *vide* Memorandum of Understanding dated 06.04.2011 and had even submitted the same in the Court. Having once settled the dispute, to which the Complaint pertains, the same did not survive and their Complaint is liable to be quashed.



25. The Memorandum of Understanding- cum-Agreement ('MoU') dated 06.04.2011 had been arrived at by the parties outside the Court and the same had been just placed on the Court record. A perusal of the same reflects that it was entered into between Usha Rani and Sardar Moti Singh, son of Balwant Singh; Sardar Baljeet Singh @ Dicky, son of Sardar Moti Singh; Jasmeet Kaur and *M/s Preety International*. The Agreement is signed by the Complainant- Usha Rani, Sardar Moti Singh, Sardar Baljeet Singh and Jasmeet Singh.

26. The impugned Cheque dated 22.05.2007 had been issued on behalf of *M/s Raman International* and was signed by Sardar Baljeet Singh. Pertinently, the Memorandum of Understanding has been signed by Sardar Moti Singh, Baljeet Singh and Jasmeet Kaur as Partners of *M/s Preety International*. Clearly though the Partners may have been same, but this MoU was not for and on behalf of *Raman International*.

27. On 07.04.2011, when this MoU had been placed on record, it was recorded that the last payment was to be made on 25.02.2012 and the matter was adjourned to 27.02.2012. However, on the said date i.e. 27.02.2012, none appeared on behalf of the accused persons and Counsel for the Complainant submitted that the accused were internationally avoiding making the payment. The learned Trial Court directed issuance of Non-Bailable Warrants against all the accused persons.

28. What the record reflects is that there was no statement made by any of the three partners of *M/s Raman International*, who though had signed the MoU, there is only an observation of the Court that the payment is to be made till 25.02.2012.



29. *It may be a MoU inter se the parties, but there is nothing to reflect that the same was accepted by the Court.*

30. *Therefore, it cannot be said that the Complaint got merged in this MoU dated 06.04.2011 thereby leaving no cause action to continue the Complaint.*

31. The ***second aspect*** which is pertinent to note is that Sardar Baljeet Singh, after placing his MoU on record, absconded and was declared a Proclaimed Offender. The cheque pertinently had been issued on behalf of the partnership Firm *M/s Raman International*. While Jasmeet Kaur was shown as the partner of *M/s Preety International*, but there is nothing in the Complaint to reflect that she was also a partner in *M/s Raman International*.

32. During the trial, statement of Jasmeet Kaur under Section 313 Cr.P.C. was recorded wherein she stated that she was neither Partner nor the employee of *M/s Raman International* and she had no knowledge of the cheque.

33. PW-2 K.C. Pandey, Officer from Bank of Baroda in his testimony recorded on 10.11.2010, had produced the Bank Account in the name of *M/s Raman International*, which contained the Authorized Signatory Form (Ex, CW2/A), complete set of Account Opening Form (EX.CW2/B), copy of Partnership Deed (Ex. CW2/C) and Accounts Statement details from 01.05.2007 till 22.11.2007 (Ex. CW2/G).

34. The learned Metropolitan Magistrate had referred to the Partnership Deed (Ex. CW2/C) to note that Jasmeet Kaur was not a partner of *M/s Raman International*. She was also not the authorized signatory as per Form (EX.CW2/A). Moreover, the Complainant Usha Rani in her cross-



examination dated 02.08.2010, stated that she did not have any document to show any connection between the accused and M/s Raman International except the cheque given by the accused persons. The cheque was issued in the name of *M/s Raman International* and was signed by Sardar Baljeet Singh. From the documents which were exhibited during the evidence, especially from the Partnership Deed, it was clearly established that Jasmeet Kaur was not the partner of *M/s Raman International*.

35. There is no averment in the Complaint that she was involved in the day to day affairs of the M/s Raman International or was in any manner connected with the said Firm.

36. In the Complaint as well, it was stated that the accused persons had represented themselves to be partners of M/s Raman International as well as *M/s Preety International*. However, the documents as discussed above clearly show that Jasmeet Kaur was not a partner of *M/s Raman International*.

37. Therefore, the learned Trial Court was right in observing that Jasmeet Kaur was not a partner in the partnership Firm *M/s Raman International* and therefore, the Complaint under Section 138 NI Act was not maintainable.

38. The learned MM also observed that from the Reply Ex. CW2/B on behalf of Bank of Baroda, the reason for *Dishonor of Cheque* was that it was stale dated/ outdated and not because of "*insufficiency of funds*". Therefore, the Complaint under Section 138 of NI Act was not maintainable against *M/s Raman International* or its partners on this account as well. The learned MM has rightly dismissed the Complaint on this count as well.



39. The present Leave to Appeal against the judgement of Ld. MM dismissing the Complaint under S.138 NI Act does not disclose any ground on which Leave to Appeal can be granted and is hereby, dismissed.

40. The Appeal is accordingly disposed of, along with all pending Application(s), if any.

**NEENA BANSAL KRISHNA, J**

**APRIL 30, 2025/va**