2026:PHHC:075267

133 IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RSA-2019-2023 (O&M)
Date of Decision: 13.05.2026

SARWAN KUMAR ALIAS SARWAN TULI

...Appellant

Versus

PREET PAL SING VIRK

...Respondent

CORAM: HON'BLE MR. JUSTICE PARMOD GOYAL

Present: Mr. Sandeep Arora, Advocate
for the appellant.

PARMOD GOYAL, J. (ORAL)

Learned counsel for appellant submits that in order dated 13.08.2025 passed by this Court, there was an ambiguity regarding payment of cost, as it is not clearly mentioned as to whom the cost of Rs.1,000/- is to be paid. Let cost be deposited with the Registry of this Court to be paid to respondent.

2. Appellant/defendant is aggrieved by judgment and decree dated 17.01.2020, passed by learned Civil Judge (Junior Division), Phillaur, whereby suit for recovery of Rs.3,85,950/- preferred by appellant/defendant was decreed with 6% interest from the date of order till its realization and also by judgment and decree dated 30.01.2023, passed by learned Additional District Judge, Jalandhar, whereby first appeal preferred by appellant/ defendant was dismissed.

3. Respondent/plaintiff vide his suit for recovery had asserted that both appellant/defendant and respondent/plaintiff were running a finance company as partners, however, they separated their ways when respondent/plaintiff came to know about fraud being played by appellant/defendant. That appellant/defendant had borrowed Rs.4,00,000/- from respondent/plaintiff by way of cash as well as through cheques on various dates in the year 2013. Appellant/defendant had agreed to repay the said amount along with interest within six months. However, instead of returning the amount due, a frivolous complaint was made by appellant/defendant to SSP (Rural), Jalandhar on 13.05.2015 and has also filed a frivolous suit against respondent/plaintiff. The said suit was withdrawn and matter was compromised between the parties on 11.08.2014 in the presence of respectables, wherein appellant/defendant admitted having borrowed Rs.4,00,000/- and had agreed to pay the same back in two installments, one amounting to Rs.1,00,000/- before 31.12.2014 and another amounting to Rs.3,00,000/- to be paid by the month of February, 2015. It was agreed that in case amount is not paid as per stipulation in compromise, appellant/defendant shall pay interest @3% per month. It was asserted that appellant/defendant had only paid Rs.14,050/- on two occasions i.e. Rs.10,000/- on 20.01.2015 vide cheque No.209935 and Rs.4,050/- on 13.02.2015 vide cheque No.209937 and remaining amount of Rs.3,85,950/- had remained unpaid and, therefore, suit for recovery was preferred by respondent/plaintiff.

4. Appellant/defendant had raised number of preliminary objections including that suit is not maintainable etc. On merits it was admitted that respondent/plaintiff and appellant/defendant were running

finance company in partnership, however, allegations of fraud were denied. It was further admitted that partnership was dissolved on 01.04.2014 after settling full and final accounts. Receipt of Rs.4,00,000/- as loan in the year 2013 as was asserted by respondent/plaintiff was denied. It was asserted that amount received from respondent/plaintiff was with regard to finance company and on settlement of full and final accounts of company on dissolution of partnership on 01.04.2014 no amount remained due against appellant/defendant as same stood settled between the parties. Execution of compromise/agreement dated 11.08.2014 was denied. Dismissal of suit was prayed for.

5. However, appellant/defendant had kept quiet with regard to the two payments made on 20.01.2015 and 13.02.2015 vide cheques bearing No.OCC 209935 and No.OCC 209937 respectively. Both the Courts below after appreciating evidence led by both the parties had held appellant/defendant liable to repay the amount taken by him.

6. In the present case, relationship between the parties is not in doubt. Both appellant/defendant and respondent/plaintiff were working together and were running a finance company in partnership. Perusal of written statement filed by appellant/defendant goes to show that he has not denied receipt of money in 2013 as was alleged by respondent/plaintiff but has explained the same by asserting that said money was in relation to partnership firm and at the time of dissolution of partnership on 01.04.2014 all accounts stood settled and nothing was left to be paid.

7. It is the case of appellant/defendant that when the dispute arose regarding borrowed amount, matter was settled between the parties with the intervention of Panchayat on 11.08.2014 and reliance has been placed upon

Ex.P1-Agreement by which appellant/defendant had agreed to repay Rs.4,00,000/- in two installments of Rs.1,00,000/- and Rs.3,00,000/- by February, 2015. On the other hand, appellant/defendant has simply denied having signed the compromise agreement. It is worth noticing that respondent/plaintiff in his pleadings had clearly asserted that in pursuance of compromise agreement dated 11.08.2014 appellant/defendant had made two payments to him on 20.01.2015 and 13.02.2015 vide two cheques amounting to Rs.10,000/- and Rs.4,050/-. This fact duly stated by respondent/plaintiff in his plaint has not been denied by appellant/defendant in written statement nor any evidence has been led to show that these cheques were not issued by him and these payments were not made by him. Payment of Rs.14,050/- subsequent to dissolution of partnership on 01.04.2014, in fact falsifies the stand taken by appellant/defendant that all the financial issues between appellant/defendant and respondent/plaintiff stood settled. Rather subsequent payments which have gone unrebutted and unexplained goes to show that appellant/defendant was liable to make payment to respondent/plaintiff and in discharge of said payment he had duly made the part payments.

8. Though appellant/defendant had asserted that no compromise has been effected between them on 11.08.2014, however, in the same breath has admitted his signatures over the same and tried to explain that his signatures were taken on blank papers which were misused by respondent/plaintiff. No evidence in this regard except for oral assertions while appearing as DW1 has been placed on record by appellant/defendant. Once signatures on compromise by appellant/defendant stands proved and further respondent/plaintiff as well as attesting witnesses who had witnessed

the compromise have also duly appeared before the Court as PW1 to PW3 and asserted regarding compromise and signatures of appellant/defendant, then, in these circumstances, the conclusion drawn by learned Courts below that appellant/defendant had agreed to pay Rs.4,00,000/- in two installments vide compromise dated 11.08.2014 cannot be faulted with. Same is based upon correct appreciation of evidence and cannot be held to be erroneous or perverse. Learned Courts below have also taken note of the fact that appellant/defendant have not taken any action against respondent/plaintiff or any of the witnesses for forging the alleged compromise dated 11.08.2014. The appreciation of evidence and conclusion drawn by learned Courts below that appellant/defendant had agreed to pay Rs.4,00,000/- vide compromise dated 11.08.2014, therefore, is affirmed.

9. Faced with above conclusion, learned counsel for appellant/defendant has argued that since compromise was made on 11.08.2014 and suit was filed on 04.08.2017, therefore, suit is time barred. However, argument raised by learned counsel for appellant/defendant is liable to be rejected on two grounds, one that date of compromise was 11.08.2014 and date of institution of suit was 04.08.2017 which is within three years and that time stood extended in view of part payment made on 20.01.2015 and 13.02.2015 which has gone unrebutted. Therefore, limitation period otherwise would have started from 14.02.2015 onwards for three years and since suit has been instituted on 04.08.2017, suit is well within time.

10. There is no merit in the present appeal. No question of law or fact arises. Present revision petition stands dismissed.

11. Pending application(s), if any, is/are disposed of accordingly.

(PARMOD GOYAL)
JUDGE

13.05.2026
chiranjeev

Whether Speaking/Reasoned	:	Yes/No
Whether Reportable	:	Yes/No