

**IN THE SUPREME COURT OF INDIA****CRIMINAL APPELLATE JURISDICTION**

CRIMINAL APPEAL No(s). 1290 OF 2019
(Arising out of SLP(CrI) No(s).11006 OF 2018)

M/S GANGA BHAVANI CONSTRUCTIONS
(Prop.Sri Reddy Satyanarayana @ Satish)

Appellant(s)

VERSUS

THE STATE OF ANDHRA PRADESH & ANR.

Respondent(s)

J U D G M E N T

R. BANUMATHI, J. :

(1) Leave granted.

(2) Being aggrieved by the conviction under Section 138 of the Negotiable Instruments Act and the sentence of one year imposed upon Sri Reddy Satyanarayana @ Satish, the appellant-M/s. Ganga Bhavani Constructions has preferred this appeal.

(3) The appellant-M/s. Ganga Bhavani Constructions has borrowed a sum of Rs.10,00,000/- (Rupees Ten Lakhs) from the second respondent-Narapureddy Sanyasi Rao on 04.04.2007. The appellant executed a promissory note in favour of respondent no.2. Additionally, the appellant also issued a cheque on 17.04.2008. Upon presentation of the same, the said cheque was returned with endorsement "payment stopped by drawer" on 18.04.2008. In the complaint filed by the second respondent-Narapureddy Sanyasi Rao under Section 138 of the N.I. Act, the Trial Court vide Judgment dated 17.04.2012, convicted the

appellant under Section 138 of the N.I. Act and sentenced him to undergo simple imprisonment for a period of two years. The First Appellate Court affirmed the conviction and also the sentence of imprisonment imposed upon the appellant. The High Court vide impugned judgment dated 11.10.2018 dismissed the revision petition upholding the conviction of the appellant observing that the appellant had admitted his signature on the cheque and has failed to rebut the presumption under Section 138 of the N.I. Act. The High Court while affirming the conviction has reduced the sentence of imprisonment imposed upon the appellant from two years to one year. Being aggrieved the appellant has preferred this appeal.

(4) Vide Order dated 02.01.2019, this Court has directed the appellant to deposit an amount of Rs.5,00,000/- (Rupees Five Lakhs) before the Trial Court - VIth Additional Judicial Magistrate of first Class, Rajahmundry. In compliance of the said order dated 02.01.2019, the appellant has deposited a sum of Rs.5,00,000/- (Rupees Five Lakhs) before the concerned Trial Court on 15.02.2019.

(5) Now today, the appellant-M/s. Ganga Bhavani Constructions represented by its proprietor- Sri Reddy Satyanarayana @ Satish is present in the Court in-person. Mr. Chava Badri Nath Babu, learned counsel appearing for the appellant, has submitted that the appellant and second respondent-Narapureddy Sanyasi Rao has compromised the matter. It is stated that Pursuant to the Compromise Memo, the second respondent-Narapureddy Sanyasi Rao has received a sum of Rs.10,00,000/- (Rupees Ten Lakhs). The

second respondent-Narapureddy Sanyasi Rao is present in the Court in-person and identified by his AADHAR card produced by him. They have today filed the Compromise Memo duly attested by the Notary Public at Delhi which shall form part of the record. It is stated at the Bar that in pursuance of the said Compromise Memo, respondent no.2-Narapureddy Sanyasi Rao has received a sum of Rs.10,00,000/- (Rupees Ten Lakhs).

(6) In view of the compromise arrived at between the parties, the conviction of the appellant-accused under Section 138 of the N.I.Act and the sentence imposed upon him is set aside and the appellant-Sri Reddy Satyanarayana @ Satish is acquitted of the charge under Section 138 of the N.I.Act in terms of Section 320(8) of the Cr.P.C.

(7) Since the second respondent-Narapureddy Sanyasi Rao, who is present in the Court in-person, has stated that he received the entire cheque amount of Rs.10,00,000/- (Rupees Ten Lakhs) pursuant to the Compromise, the amount of Rs.5,00,000/- (Rupees Five Lakhs) deposited before the Trial Court shall be refunded to the appellant.

(8) The appeal is accordingly allowed.

.....J.
(R. BANUMATHI)

.....J.
(A.S. BOPANNA)

NEW DELHI,
AUGUST 28, 2019.