204

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CRM-M-13907-2018 (O&M)
Date of Decision: 31.08.2023

Neha Bansal ... Petitioner

Versus

M/s Axis Bank Ltd.

... Respondent

CORAM:- HON'BLE MR. JUSTICE SANJIV BERRY.

Present:- Mr. Swarn Tiwana, Advocate
for the petitioner.

Mr. E.R. Sandeep Suri, Advocate and
Mr. Raghav Garg, Advocate for the respondent.

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SANJIV BERRY, J. (ORAL)

The petitioner has invoked the inherent jurisdiction of this Court under Section 482 of the Cr.P.C. for quashing of impugned complaint bearing No. NACT-1100 of 2017 dated 16.03.2017 (Annexure P-1) titled as “Axis Bank Ltd. Vs. Neha Bansal” under Section 138 of the Negotiable Instruments Act, 1881 (for short, 'the NI Act') along with summoning order 16.03.2017 (Annexure P-2) passed by the learned Judicial Magistrate First Class, Patiala. The petitioner has also prayed for staying further proceedings before learned trial Court, during the pendency of the present petition.

2. In nutshell, the facts of the case are that petitioner after entering

into agreement with the respondent-Bank availed 'Car Loan/Vehicle Loan' amounting to ₹9,72,887/- through agreement No. AURO19501762640 on 07.03.2016 for 5 years, having customer ID 864514851 and agreed to pay monthly installment of ₹20,506/- along with interest and other taxes. Petitioner did not honour the EMI cheques issued and committed breach of terms and conditions of loan agreement, thereby compelling the respondent-complainant-Bank to file aforesaid complaint against petitioner under Section 138 of Negotiable Instruments Act before the learned Judicial Magistrate Ist Class, Patiala. The learned trial Court vide order dated 16.03.2017 issued summons to the petitioner to face trial under Section 138 of the Negotiable Instruments Act.

3. I have heard the respective submissions made by the learned counsels representing the parties.

4. It has been contended by learned counsel for the petitioner that the petitioner obtained 'Car Loan/Vehicle Loan' from respondent Bank amounting to ₹9,72,887/- through agreement No. AURO19501762640 on 07.03.2016 for 5 years, having customer ID 864514851 and agreed to pay monthly installment of ₹20,506/- along with interest and other taxes. Petitioner was regularly paying the installments as per the agreement but somehow, the dates for paying the installments keep changing and the petitioner never received any notice from the respondent-Bank regarding being declared defaulter for not paying the said installments. He submits that summoning order dated 16.03.2017 in the aforesaid complaint under Section 138 of the Negotiable Instruments Act is based on non application of judicial mind and is basically a result of concealment made by the

respondent-Bank. Learned counsel for the petitioner submits that petitioner had cleared all the dues pending towards the respondent and placed on record 'No Objection Certificate' dated 21.05.2023 by Axis Bank regarding termination of the Loan Agreement and removal of the hypothecation of Axis Bank Ltd and hence prayed for allowing the quashing petition.

5. The learned counsel representing the respondent-complainant-Bank had admitted the factum of payment of all dues and issuance of the 'No Objection Certificate' dated 21.05.2023 issued by Axis Bank regarding termination of the Loan Agreement and removal of the hypothecation.

6. After considering the rival contentions and perusing the record, it is not disputed that petitioner obtained 'Car Loan/Vehicle Loan' from respondent Bank amounting to ₹9,72,887/- through agreement No. AURO19501762640 on 07.03.2016 for 5 years, having customer ID 864514851 and agreed to pay monthly installment of ₹20,506/- along with interest and other taxes and on default, proceedings under Section 138 of the Negotiable Instruments Act were initiated against him by the respondent-Bank and summons have been issued to the petitioner. It is an admitted fact by both the parties that now petitioner had paid all the dues and 'No Objection Certificate' dated 21.05.2023 has been issued by Axis Bank regarding termination of the Loan Agreement and removal of the hypothecation. In view of the above fact continuance of the proceeding under Section 138 of Negotiable Instrument Act would be nothing but the abuse of the process of law.

11. Consequently, keeping in view the above said facts and circumstances, the present petition is allowed, impugned complaint bearing

No. NACT-1100 of 2017 dated 16.03.2017 (Annexure P-1) titled as "Axis Bank Ltd. Vs. Neha Bansal" under Section 138 of the Negotiable Instruments Act, and all the subsequent proceedings arising therefrom, stand quashed.

(SANJIV BERRY)
JUDGE

31.08.2023
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i) Whether speaking/reasoned? Yes/No

ii) Whether reportable? Yes/No