

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CRR-4276-2016 (O&M)
Date of Decision: February 07, 2023

Ranjan Jain **...Petitioner**

Versus

Punjab Alkalies and Chemicals Limited **...Respondent**

2. **CRR-4059-2016 (O&M)**

Ranjan Jain **...Petitioner**

Versus

Punjab Alkalies and Chemicals Limited **...Respondent**

3. **CRR-4293-2016 (O&M)**

Ranjan Jain **...Petitioner**

Versus

Punjab Alkalies and Chemicals Limited **...Respondent**

4. **CRR-4286-2016 (O&M)**

Ramesh Kalia and another **...Petitioners**

Versus

Punjab Alkalies and Chemicals Limited **...Respondent**

5. **CRR-4288-2016 (O&M)**

Ramesh Kalia and another **...Petitioners**

Versus

Punjab Alkalies and Chemicals Limited **...Respondent**

6. **CRR-4294-2016 (O&M)**

Ramesh Kalia and another **...Petitioners**

Versus

Punjab Alkalies and Chemicals Limited **...Respondent**

CORAM: HON'BLE MR. JUSTICE DEEPAK GUPTA

Present:- Mr. J. S. Mehndiratta, Advocate for the petitioner.

Mr. Vipul, Advocate for
Mr. Paras Money Goyal, Advocate for the respondent.

DEEPAK GUPTA, J.(Oral)

Report of the Mediation and Conciliation Centre of this Court, dated 09.01.2023 has since been received. The matter has been compromised between the parties. It is stated by learned counsel for the respondent-complainant that entire payment as per compromise has since been received by the complainant.

2. Punjab Alkalies and Chemicals Limited (respondent in all the petitions) and M/s Paramount Chem-Tech (P) Limited had business relations. An amount of ₹4,17,64,003.49 was outstanding against M/s Parmount Chem-Tech (P) Limited. In order to discharge the aforesaid liability, the said company issued following three cheques in favour of the complainant

Sr. No.	Cheque Number	Date	Amount
1.	601384	21.06.2010	₹1,50,00,000/-
2.	601385	21.06.2010	₹1,50,00,000/-
3.	601389	21.06.2010	₹1,17,63,003.49/-

3. On presentation on different dates by the complainant, all the three cheques were dishonoured for want of “insufficient funds”. Three separate complaints were filed by complainant i.e. Punjab Alkalies and Chemicals Limited bearing Complaint No.35286 of 2010 with regard to dishonour of cheque No.601384; complaint No.35287 of 2020 with regard to dishonour of cheque No.601385 and complaint No.35285 of

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2020 with regard to dishonour of cheque No.601389, against M/s Paramount Chem-Tech (P) Limited and its two Directors, namely Ranjaj Jain and Ramesh Kaila.

4. After trial, conviction was recorded vide separate judgments in all three cases on 19.08.2014 under Section 138 of the Negotiable Instruments Act, 1881 (hereinafter referred as 'the N.I. Act'). In all the three cases, accused Ranjan Jain and Ramesh Kalia were sentenced to undergo imprisonment for a period of 1½ years each. In all the three cases, both the accused were also directed to pay compensation amount to the extent of cheque amount. Meaning thereby total compensation amount in all the three cases was ₹4,17,64,003/-.

5. Three separate appeals bearing Criminal Appeal Nos.331-2014; 332 of 2014 and Criminal Appeal No.333 of 2014 filed by the accused were dismissed on 28.09.2016 vide separate judgments.

6. Aforesaid judgments of conviction and orders of sentence and the consequent dismissal of the appeals have given arisen the aforesaid six criminal revisions.

7. Ranjan Jain, one of the Directors, filed CRR No.4276 of 2016; 4059 of 2016 and 4293 of 2016 against his conviction and sentence and in all the three cases, whereas M/s Paramount Chem-Tech (P) Limited along with Ramesh Kalia filed CRR No.4288 of 2016; 4286 of 2016 and 4294 of 2016, challenging their conviction and sentence.

8. Vide order dated 08.12.2022, parties were directed to appear before the Mediation and Conciliation Centre as it was informed that there was possibility of amicable settlement between the parties.

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9. Report dated 09.01.2023 from the Mediation and Conciliation Centre of this Court has been received as per which matter has been compromised. Against the entire claim, complainant-respondent agreed to accept an amount of ₹2,00,00,000/- out of which ₹1,00,00,000/- each was to be payable by Ranjan Jain and Ramesh Kalia out of their personal accounts.

10. ₹10,00,000/- each were paid by both of them on the date of settlement itself, whereas post dated cheques were issued for the remaining amount. These post dated cheques were from 15.12.2021 to 15.08.2022.

11. Today, it is informed by learned counsel for the respondent-complainant that entire amount has since been received by the respondent-complainant, as per settlement effected between the parties in the Mediation and Conciliation Centre of this Court and no nothing is outstanding.

12. Learned counsel for both the parties submit that as the matter stands compromised, so necessary permission may be granted to the parties to compound the offence under Section 138 of the N.I. Act and the impugned judgments and order of sentences passed in all the three cases be set aside and petitioner-accused be acquitted of the notice of accusation issued against them in all the three cases.

13. Learned counsel for the petitioner further submits that settlement amount of ₹2,00,00,000/- has been paid by the petitioner Ranjan Jain and Ramesh Kalia out of their personal accounts by arranging the funds with great difficulty and that it is not possible for

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them to pay the cost in terms of judgment of the Hon'ble Supreme Court in ***“Damodar S. Prabhu v. Sayed Babalal H., (2010) 5 SCC 663.***

14. Prayer is made to reduce or waive of the cost. Learned counsel for the complainant-respondent has no objection to accept the said submission.

15. In ***“Madhya Pradesh State Legal Services Authority v. Prateek Jain, (2014) 10 SCC 690,*** it was held the Hon'ble Supreme Court that it is for the parties to make out a possible case for waiver or reduction of cost and to convince the Court in this regard. It was held as under:-

“.....Having regard thereto, we are of the opinion that even when a case is decided in Lok Adalat, the requirement of following the guidelines contained in Damodar S. Prabhu (supra) should normally not be dispensed with. However, if there is a special/specific reason to deviate therefrom, the Court is not remediless as Damodar S. Prabhu (supra) itself has given discretion to the concerned Court to reduce the costs with regard to specific facts and circumstances of the case, while recording reasons in writing about such variance. Therefore, in those matters where the case has to be decided/settled in the Lok Adalat, if the Court finds that it is a result of positive attitude of the parties, in such appropriate cases, the Court can always reduce the costs by imposing minimal costs or even waive the same. For that, it would be for the parties, particularly the accused person, to make out a plausible case for the waiver/reduction of costs and to convince the concerned Court about the same. This course of action, according to us, would strike a balance between the two competing but equally important interests, namely, achieving the objectives delineated in Damodar S. Prabhu (supra) on the one hand and the public interest which is sought to be achieved by encouraging settlements/resolution of case through Lok Adalats.”

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Learned counsel for the petitioner has also referred to the case of “*M/s Sahyog Industries and another v. M/s Haryana Ispat Udyog and another*” (CRR No.2948 of 2019, decided on 13.09.2022), wherein the cost was substantially reduced by a co-ordinate Bench of this Court in the similar circumstances.

16. Similar view has already been taken by the Himachal Pradesh High Court in case of “*Kiran Sharma v Rachana Sharma and another*” (Criminal Revision No.52 of 2021, decided on 24.08.2022).

17. Having considered submissions of learned counsel for the petitioner and the fact that respondent-complainant has already received the entire payment as per settlement effected between the parties and that complainant has no objection now for imposition of any cost in terms of Damodar S. Prabhu's case (*supra*), I am of the view that interest of justice will be met if the petitioners are directed to deposit cost of ₹50,000/- each only in all the six cases in the account of High Court Mediation and Conciliation Centre, where the settlement had taken place. Thus reduction of cost is allowed. This order has been passed keeping in mind the object sought to be achieved by encouraging settlement/resolution of disputes by way of any of the alternative dispute resolution mode whether it is by Lok Adalat or through mediation or any other mode of settlement.

18. Accordingly, the impugned judgments of conviction and orders of sentence passed by the Court below in all the three cases are hereby set aside. All the petitioners/accused are acquitted of the notice of accusation under Section 138 of the N.I. Act as were issued against them. Cost of ₹50,000/- each in all the six cases i.e. total amount of ₹3,00,000/-

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in these petitions be also deposited within one month from today. In case of default of depositing the said compounding fee/cost with the authority as above within one month from today, consequential action shall follow to recover the amount as fine under the provisions of Code of Criminal Procedure.

In terms as above, all the six petitions stand disposed of.

Photocopy of this order be placed on the connected case files.

February 07, 2023
sarita

(DEEPAK GUPTA)
JUDGE

Whether reasoned/speaking:	Yes/No
Whether reportable:	Yes/No