

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CRR No.862 of 2024
Reserved on: 20.08.2024
Pronounced on: 30.08.2024

Sanjay Khurana ...Petitioner(s)

Vs.

Chander Pal Malik ...Respondent

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA

Present: Ms. Lalita Kashyap, Advocate for
Mr. Namit Khurana, Advocate
for the petitioner.

Ms. Prarthana Duggal, Advocate
for the respondent.

ANOOP CHITKARA J.

Criminal Complaint	No. 746 of 2019 under Section 138 of the Negotiable Instruments Act, District Yamuna Nagar at Jagadhri. Date of decision: 5.10.2023
Criminal Appeal	No. CRA-304-2023 before Additional Sessions Judge, District Yamuna Nagar at Jagadhri. Date of decision: 26.2.2024

1. The petitioner, who stands convicted for the commission of offence punishable under Section 138 of the Negotiable Instruments Act, 1881, (NIA), after dismissal of his appeal by the Appellate Court, has come up before this Court under Section 401 of the Code of Criminal Procedure, (CrPC) for quashing the proceedings because the parties have compromised the matter.
2. The petitioner faced criminal prosecution at the hands of the private respondent, because of dishonour of the cheque in question.
3. Since the matter stood compromised between the parties, this Court vide order

dated 2.5.2024 directed the parties to appear before the concerned trial Court/Illaq Magistrate/Duty Magistrate and the concerned Court was asked to submit its report in the given format.

4. Accordingly, report of the Judicial Magistrate Ist Class, Yaumna Nagar at Jagadhri has been received, the relevant extract thereof reads as under:-

Name of the reporting Court	Judicial Magistrate Ist Class, Yamuna Nagar at Jagadhri	
Criminal Case no. before trial Court	----	
1.	Names of the complainant/ victims(s)/ aggrieved persons(s)	Chander Pal Malik
2.	Dates on which the statement(s) of the complainant/ victims(s)/ aggrieved persons(s) were recorded	14.5.2024
3.	Has the identity of the complainant/ victims(s)/ aggrieved persons(s) been verified?	Yes
4.	Whether all the victims/ all the aggrieved persons have compromised the matter?	Yes
5.	Is there pressure, threat, or coercion upon the victim(s)/aggrieved person(s)/complainant?	No
6.	Names of the accused person(s)	Sanjay Khurana
7.	Dates on which the statement(s) of the accused persons(s) recorded	14.05.2024
8.	Whether all the accused have compromised the matter? If no, then the names of the accused who have compromised.	Yes. (Only one accused)
9.	Whether proclamation proceedings are pending against any accused?	No
10.	Has the police report been filed or not?	No
11.	Notice of accusation /Charges have been framed or not?	Yes
12.	Sections of statutes invoked in the matter	138 of Negotiable Instruments Act.
13.	Whether the court is satisfied with the genuineness of the compromise?	Yes

5. The jurisprudence behind the Negotiable Instruments Act, 1881 is that the business transactions are to be honoured. The legislative intention is not to make people suffer incarceration only because their cheques bounced. These proceedings are to recover the cheque amount by showing teeth of a penal clause. Given the judgment passed by Hon'ble Supreme Court of India in **Damodar S. Prabhu v Sayed Babalal**, (2010) 5 SCC 663,

the law is well settled that when the entire money is paid, then the complainant cannot have any objection to such compromise, and 15% of the cheque amount is to be paid by the accused to the concerned State Legal Services Authority. The relevant extract of law laid down in **Damodar S. Prabhu** (*supra*), reads as under:

[17]. "...Even though the imposition of costs by the competent court is a matter of discretion, the scale of costs has been suggested in the interest of uniformity. The competent Court can of course reduce the costs with regard to the specific facts and circumstances of a case, while recording reasons in writing for such variance."

6. Vide interim order dated 20.08.2024, this Court has already exempted the petitioner to deposit 15% of the cheque amount as per judgment of the Hon'ble Supreme Court of India in **Damodar S. Prabhu** (*supra*).

7. Given above, because of the compromise, this is a fit case where the inherent jurisdiction of the High Court under Section 401 of the CrPC supported by Section 147 of the NIA is invoked to disrupt the prosecution and quash the proceedings mentioned above. The complaint, notice of accusation, and the proceedings captioned above are quashed and set aside. The petitioner is acquitted of the charges. The bail bonds are accordingly discharged.

The Revision Petition is allowed in the terms mentioned above. All pending applications, if any, stand closed.

(ANOOP CHITKARA)
JUDGE

August 30, 2024
AK

Whether speaking/reasoned :	Yes
Whether reportable :	No