

IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CRR No.1155 of 2024
Reserved on: 10.09.2024
Pronounced on: 26.09.2024

Ram Kumar Verma ...Petitioner(s)

Vs.

Satish Kumar Bhardwaj & anr. ...Respondent(s)

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA

Present: Mr. Virender Soni, Advocate
for the petitioner(s).

Ms. Kiran Devi Banal, Advocate for
Mr. Vikram Singh Narwal, Advocate
for the complainant.

ANOOP CHITKARA J.

Trial Court:

Case No.	NACT-1474-2017 under Section 138 of the Negotiable Instruments Act before JMIC, Kurukshetra Date of decision: 31.1.2022
Names of accused/ convict	Ram Kumar Verma
Conviction under sections	138 Negotiable Instruments Act
Sentence imposed	Simple imprisonment for six months and to pay compensation to the tune of double of the amount of impugned cheque.

Appellate Court:

Criminal Appeal	No. CRA-50-2022 before Additional Sessions Judge, Kurukshetra Date of decision: 4.5.2024
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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.
2. The petitioner faced criminal prosecution at the hands of the private respondent, because of dishonour of the cheque(s) in question.
3. Since the matter stood compromised between the parties, this Court vide order

dated 20.8.2024 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, Kurukshetra has been received, the relevant extract thereof reads as under:-

Name of the reporting Court	Judicial Magistrate Ist Class, Kurukshetra	
Criminal Case no. before trial Court	NACT-1474-2017	
1.	Names of the complainant/ victims(s)/ aggrieved persons(s)	Satish Kumar Bhardwaj
2.	Dates on which the statement(s) of the complainant/ victims(s)/ aggrieved persons(s) were recorded	28.8.2024
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)	Ram Kumar Verma
7.	Dates on which the statement(s) of the accused persons(s) recorded	Statement of the accused not recorded
8.	Whether all the accused have compromised the matter? If no, then the names of the accused who have compromised.	Not applicable
9.	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. This Court has inherent powers under Section 482 of the Code of Criminal Procedure to interfere in this kind of matter and has revisional jurisdiction under Section 401 CrPC. In the entirety of the facts and circumstances of the case and judicial precedent, I am of the considered opinion that the continuation of these proceedings will not serve any fruitful purpose whatsoever. Given above, because of the compromise, compounding of offence can be allowed and 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. Given above, judgment of conviction and order of sentence and all the proceedings arising out of the complaint, captioned above, are set aside.

7. Given the judgment passed by Hon'ble Supreme Court of India in **Damodar S. Prabhu v Sayed Babalal**, (*supra*), 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.

8. On 9.9.2024, the petitioner had shown his financial incapability to pay the 15% of the cheque amount and subsequently, on next date of hearing i.e. 10.9.2024, while accepting his affidavit disclosing the assets, this Court exempted the petitioner from paying 15% of the cheque amount. However, on perusal of the assets of the petitioner, this Court is of the opinion that it will be justifiable that he deposits 5% of the cheque amount. Thus, the order dated 10.9.2024 shall stand modified to the aforesaid extent.

9. The amount of cheque in question was Rs.40,000/-, 5% of which comes out to be Rs.2,000/-. This compounding is subject to the petitioner depositing the amount of Rs.2,000/-, on or before 19.10.2024, with the concerned State Legal Services Authority, failing which this entire order, including compounding, shall automatically stand recalled under Section 362 and Section 482 CrPC and corresponding Section 403 and 528 BNSS, 2023, and this petition shall be posted for hearing on merits.

10. Petitioner to file the proof of deposit before the trial Court within the aforementioned time. The bail bonds of the petitioner shall stand accordingly discharged subject to compliance. On failure to comply with the conditions mentioned above, the petition shall be listed for a final hearing, and the quashing order shall automatically stand recalled without any further reference to this Court.

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

(ANOOP CHITKARA)
JUDGE

September 26, 2024
AK

Whether speaking/reasoned :	Yes
Whether reportable :	No