



CRR-2625-2024 (O&M)

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

CRR-2625-2024 (O&M)

Date of Decision: 05.02.2025

KIRAN

...Petitioner

V/S

CANARA BANK

...Respondent

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Rahul Tomar, Advocate with
Mr. Lalit Sharma, Advocate for the applicant-petitioner.

Mr. Sartaj Singh Gill, Advocate
for respondent-bank.

HARPREET SINGH BRAR J. (Oral)

CRM-50406-2024 and CRR-2625-2024

1. This is an application filed under Section 359 of B.N.S.S. read with Section 528 of B.N.S.S. for compounding of offence during the pendency of main revision petition CRR-2625-2024 and further prayer to take on record the No Objection Certificate (Annexure P-1) along with other annexures.

2. No Objection Certificate and other annexures are taken on record subject to all just exceptions.

On 19.12.2024, following order was passed:

"CRM-50405-2024

Application for placing on record Annexures P-1 to P-6, is allowed, as prayed for. Document Annexures P-1 to P-6, is taken on the record, subject to just exceptions. Application stands disposed of accordingly.

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The instant revision petition is directed against the judgment dated 23.10.2018, passed by the learned trial Court concerned, as well as the judgment dated 12.11.2024, passed by the learned Appellate Authority concerned.

Along with the instant revision, an application under Section 359 of Cr.P.C., read with Section 528 of Cr.P.C. has also been filed by the petitioner, seeking compounding of offence.

Learned counsel for the petitioner submits that everything has been paid to the complainant-Bank, and 'No Objection Certificate', in this regard, has already been received.

Notice of motion for 05.02.2025.

Dasti as well.

The respondent-Bank, on the next date of hearing shall inform to this Court, as to whether, full and final payment has been made by the petitioner, or not, and as to whether, the respondent-Bank, has any objection, in case the offence, for which the petitioner has been convicted, is compounded.

In the meanwhile, learned counsel for the petitioner is also directed to have instructions, as to whether, the petitioner is ready and willing to surrender, before this Court proceeds to take cognizance of the prayer, as made by the learned counsel for the petitioner, through the instant petition."

3. In compliance of aforesaid order, Mr. Sartaj Singh Gill, Advocate has put in appearance on behalf of respondent-Bank and filed his memo of appearance. Same is taken on record. Learned counsel for respondent-bank submits that full and final payment has been received by the respondent-Bank and No Objection Certificate has already been issued in this regard in favour of the petitioner and the respondent-bank has



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No Objection in case the offence under Section 138 of Negotiable Instruments Act, under which the petitioner has been convicted, is compounded.

4. After giving my thoughtful consideration to the submissions put forth by all sides and on careful perusal of the material on record, it transpires that matter has been compromised between the parties. Hence, this Court is inclined to accept the prayer made by the petitioner.

5. Pertinently, the amendment carried out in the year 2002 in the NI Act intended to make the nature of offence under Section 138 of the NI Act as a civil wrong while making it compoundable. A two Judge Bench of the Hon'ble Supreme Court in **Meters and Instruments Private Limited and another Vs. Kanchan Mehta (2018) 1 SCC 560**, speaking through Justice A.K. Goel has held as under:-

“7. This Court has noted that the object of the statute was to facilitate smooth functioning of business transactions. The provision is necessary as in many transactions’ cheques were issued merely as a device to defraud the creditors. Dishonour of cheque causes incalculable loss, injury and inconvenience to the Vide the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988 payee and credibility of business transactions suffers a setback. At the same time, it was also noted that nature of offence under Section 138 primarily related to a civil wrong and the 2002 amendment specifically made it compoundable..... xxxx xxxx xxxx

18.2. The object of the provision being primarily compensatory, punitive element being mainly with the object of enforcing the compensatory element, compounding at the initial stage has to be encouraged but is not debarred at later stage subject to appropriate

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compensation as may be found acceptable to the parties or the court.

18.3. Though compounding requires consent of both parties, even in absence of such consent, the court, in the interests of justice, on being satisfied that the complainant has been duly compensated, can in its discretion close the proceedings and discharge the accused.”

6. In view of the above discussion, the offence under Section 138 of the Negotiable Instruments Act, 1881 is compounded and judgment dated 12.11.2024 passed by learned Additional Sessions Judge, Kapurthala and judgment of conviction and order on quantum of sentence dated 23.10.2018 passed by learned Judicial Magistrate Ist Class, Phagwara are hereby set aside and petitioner is acquitted of the notice of accusation framed against him. His bail bonds and surety bonds stand discharged.

7. Present application along with main revision petition are disposed of in aforesaid terms.

8. Pending miscellaneous application(s), if any, shall also stand disposed of accordingly.

(HARPREET SINGH BRAR)
JUDGE

05.02.2025
Ajay Goswami

<i>Whether speaking/reasoned</i>	<i>Yes/No</i>
<i>Whether reportable</i>	<i>Yes/No</i>