

2026:PHHC:070280



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IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

CRM-M-28609-2023

Nitin Saraswat

....Petitioner

versus

State of Haryana

....Respondent

Date of Decision: May 06, 2026

Date of Uploading: May 06, 2026

CORAM: HON'BLE MR. JUSTICE SUMEET GOEL

Present:- Mr. Sushil Sheoran, Advocate for the petitioner.

Ms. Mahima Yashpal Singla, Senior DAG Haryana.

SUMEET GOEL, J. (ORAL)

The substantive prayer made in the petition in hand reads thus:

“It is, therefore, respectfully prayed that the present petition may kindly be allowed and quash the order dated 17.11.2017 (Annexure P-1) passed by Ld. Judicial Magistrate 1st Class Faridabad in case NACT/1176/2016 titled as “M/s Shivani Industries v. Nitin Saraswat” filed under section 138 of the Negotiable Instrument Act, 1881 vide which the petitioner was declared as ‘Proclaimed person’ as well as the consequential FIR no.983 dated 16.12.2017 U/s 174-A of Indian Penal Code, 1860 registered at Police Station Mujesar District Faridabad (Annexure P-2) and all other subsequent proceedings arising from said FIR in the interest of justice.”

2. The impugned FIR (as set out in the petition in hand) reads thus:

“CNR No. HRFB03-004571-2016 NACT-1176-2016 M/s Shivani Industries v. Nitin Saraswat Present: Sh. Rajesh Khanna, counsel for complainant. Today the case was fixed for presence of accused Nitin Saraswat. Mandatory period of 30 days from the date of issuance of proclamation against him has expired but accused has not appeared before this Court. Case called since morning. But none has appeared on behalf of accused. It is already 03.30 P.M. No further wait is justified. Hence, accused Nitin Saraswat is hereby declared as proclaimed person. As the complainant had already been examined, hence evidence u/s 299 Cr.P.C

not required. Complainant has not filed any list of properties of the accused, hence, proceedings under section 83 of CrPC are not initiated. Now, notice along with copy of this order be issued to SHO of concerned police station, Faridabad for 29.11.2017, with the direction to register a case against proclaimed person Nitin Saraswat, M/S R.B. Finance, C-36/122, Sai Tower, NIT-3, Faridabad, R/OH. No.3E/127, NIT-3 (behind Gita Bal Niketan School), Faridabad under section 174-A of IPC. Dated: 29.11.2017 Sagar Sd/- Jitender Kumar, Jitender Kumar JMIC/Faridabad UID No. HR-0465. Police Station:- Today an order no.1176-2016 dated 29.11.2017 of Hon'ble Court of SH. Jitender Kumar Judicial Magistrate-Ist Class is received in the police station with a direction to send the compliance report. On this, an FIR no.983 dated 16.12.2017 U/s 174-A IPC is registered in police station Mujesar and the computerized copies of the FIR are prepared and the same are being sent to the higher officials through post. I HC Hemrah is going on the spot with Nakal Missal police alongwith original writing. Note:- This FIR is registered in presence of HC Bijender Singh 643."

3. Learned counsel for the petitioner has submitted that the impugned FIR, has its genesis, in a criminal complaint filed against the petitioner (*herein*) under Section 138 of the NI Act, in proceedings whereof the petitioner was declared as a proclaimed person & hence the impugned FIR came to be got registered against the petitioner. Learned counsel for the petitioner has argued that in the said case under Section 138 of the NI Act, the petitioner was released on bail, but later on, due to non-appearance of the petitioner, he was declared as proclaimed person, vide impugned order dated 17.11.2017 (Annexure P-1). Learned counsel has further argued that, pursuant to the said order, FIR in question under Section 174-A of IPC has been registered against the petitioner. Learned counsel has iterated that a compromise has been effected between the petitioner and the complainant, and, accordingly, complainant appeared before the Court below, made statement to the effect that he has compromised the matter with the accused and does not want to proceed further with the complaint. Based thereon, the complaint under Section 138 of the NI Act was dismissed as withdrawn, vide order dated 27.04.2018 (Annexure P-3) by the learned JMIC, Faridabad.

3.1. It has been further iterated that since the criminal complaint under Section 138 of NI Act, has already been withdrawn as the rival parties had entered into a settlement, therefore, no useful purpose would be served by continuation of the proceedings *qua* the impugned FIR. To buttress this aspect of his argument,

learned counsel for the petitioner has relied upon the order dated 27.04.2018 passed by the JMIC, Faridabad, which reads thus:

“Main file received. It be checked and restored at its original number.

Complainant is also present in this Court and his presence is marked. At this stage complainant has moved an application to withdraw the present complaint. Complainant has made a statement that he has compromised the matter with the accused. He further states that he does not wants to proceed further with the present complaint and withdraw the same. His statement in this regard recorded separately.

Heard. In view of the statement made by the complainant, the present complaint is hereby, dismissed as withdrawn. Accused Nitin is acquitted from the charges leveled against him. Accused Nitin be released from custody, if not required in any other case.

File be consigned to record room, after due compliance.”

On the strength of above arguments, learned counsel for the petitioner has pressed for grant of petition in hand.

4. Learned State counsel has opposed the petition in hand. He, however, does not dispute the fact that the parties have amicably resolved the matter and the main complaint stands dismissed as withdrawn.

5. I have heard learned counsel for the rival parties and have perused the paper-book.

6. The seminal question that arises for consideration in the present petition is as to whether the impugned FIR (as also proceedings arising therefrom) under Section 209 of BNS (erstwhile Section 174-A of the IPC) deserves to be quashed in the factual matrix of the present case.

7. At this juncture; it would be apposite to refer herein to a judgment of this Court passed in **CRM-M-51049-2019** titled as ***Mohammad Hanif Attari vs. State of Haryana, decided on 06.07.2023***, relevant whereof reads as under:

“3. In view the fact that after the principle proceedings in which the petitioner was declared Proclaimed Offender stand concluded, the question would arise is: 'whether in the given circumstances, proceedings under Section 174A of the IPC pursuant to FIR No.425 dated 17th of November, 2017 can be allowed to continue.

4. The question framed ibid is no more res integra and already stands answered by Co-ordinate Bench of this Court in CRM-M-43813-2018 titled as "Baldev Chand Bansal v. State of Haryana and another" vide order dated 29.01.2019, which held as under:

“Prayer in this petition is for quashing of FIR No.64 dated 15.02.2017 filed under Section 174A of the Indian Penal Code

registered at Police Station Sector-5, Panchkula and all other subsequent proceedings arising thereof as well as order dated 24.10.2016 passed by the trial Court vide which a direction was issued to register the aforesaid FIR."

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Learned counsel for the petitioner has relied upon the decisions rendered by this Court in "*Vikas Sharma v. Gurpreet Singh Kohli and another (supra)*, 2017, (3) L.A.R.584, *Microqual Techno Limited and others v. State of Haryana and another*, 2015 (32) RCR (Criminal) 790 and "*Rajneesh Khanna v. State of Haryana and another*" 2017 (3) L.A.R. 555 wherein in an identical circumstance, this Court has held that since the main petition filed under Section 138 of the Act stands withdrawn in view of an amicable settlement between the parties, therefore, continuation of proceedings under Section 174A of IPC shall be nothing but an abuse of the process of law.

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In view of the same, I find merit in the present petition and accordingly, present petition is allowed and the impugned order dated 24.10.2016 passed by Judicial Magistrate, 1st Class, Panchkula as well as FIR No.64 dated 15.02.2017 registered under Section 174A of the Indian Penal Code at Police Station Sector-5, Panchkula and all other subsequent proceedings arising thereof, are hereby quashed."

5. Same is the view of another Co-ordinate Bench in the "*Ashok Madaan v. State of Haryana and another*" reported as 2020 (4) RCR (Criminal) 87, wherein it has been held that:

"No doubt, the learned counsel for the respondent has vehemently argued that the offence under Section 174A I.P.C. is independent of the main case, therefore, merely because the main case has been dismissed for want of prosecution, the present petition cannot be allowed, however, keeping in view the fact that the present FIR was registered only on account of absence from the proceedings in the main case which had been subsequently regularised by the court while granting bail to the petitioner, the default stood condoned. In such circumstances, continuation of proceedings under Section 174A LP.C. shall be abuse of the process of court.

7. Accordingly, the petition is allowed. FIR No. 446 dated 21.08.2017, registered under Section 174A I.P.C. at Police Station Kotwali, District Faridabad, as well as consequential proceedings shall stand quashed."

7.1. More recently, the Hon'ble Supreme Court in a judgment titled as ***Daljit Singh vs. State of Haryana and Another***, Criminal Appeal No.4359 of 2024 decided on 02.01.2025; has held that:

"7.3 Now, what happens if the status under Section 82 Cr.P.C. is nullified i.e., the person subjected to such proclamation, by virtue of subsequent developments is no longer required to be presented before a Court of law. Then, can the prosecution still proceed against such a person for having not appeared before a Court during the time that the process was in effect. The answer is in the affirmative. We say so for the following reasons:-

(i) The language of Section 174A, IPC says "whoever fails to appear at the specified place and the specified time as required by proclamation...". This implies that the very instance at which a

person is directed to appear, and he does not do so, this Section comes into play;

(ii) What further flows from the language employed is that the instance of non-appearance becomes an infraction of the Section, and therefore, prosecution therefor would be independent of Section 82, Cr.P.C. being in effect;

(iii) So, while proceedings under Section 174A IPC cannot be initiated independent of Section 82, Cr.P.C., i.e., can only be started post the issuance of proclamation, they can continue if the said proclamation is no longer in effect.

*(iv) We find that the Delhi High Court has taken this view, i.e., that Section 174A, IPC is a stand-alone offence in **Mukesh Bhatia v.State (NCT of Delhi) 2022 SCC OnLine Del 1023; Divya Verma v. State 2023 SCC OnLine Del 2619; Sameena & Anr. v. State GNCT of Delhi & Anr. Crl. M.C. No.1470 of 2021, Dated 17th May, 2022** For the reasons afore-stated, we agree with the findings made in these judgments/orders. At the same time, it stands clarified that we have not commented on the merits of the cases.*

(v) Granted that the offence prescribed in Section 174A IPC is indeed stand-alone, given that it arises out of an original offence in connection with which proceedings under Section 82 Cr.P.C. is initiated and in the said offence the accused stands, subsequently, acquitted, it would be permissible in law for the Court seized of the trial under such offence, to take note of such a development and treat the same as a ground to draw the proceedings to a close, should such a prayer be made and the circumstances of the case so warrant.

8. In conclusion, we hold that Section 174A IPC is an independent, substantive offence, that can continue even if the proclamation under Section 82, Cr.P.C. is extinguished. It is a stand-alone offence. XXXXXXXXX”

However, the Hon’ble Supreme Court quashed the impugned FIR (therein) under Section 209 of the BNS (erstwhile Section 174-A of the IPC) since, *inter alia*, the original offence in the form of criminal complaint under Section 138 of NI Act, 1881 in the said case had been settled and withdrawn by the rival parties.

8. It is for the High Court, while exercising its innate plenary powers under Section 528 of BNSS, 2023/ 428 of Cr.P.C., 1973, to ratiocinate that it should not apply the law in an austere, academic and exacting technical manner, without considering its practical implications. The Law is not merely a set of programmed, *nailed-to-the-ground* rules, to be applied without context. It must be enforced, while bearing in mind, that its purpose is to ensure substantive justice between the parties. The statutory provision of Section 174-A of IPC, when perused in the light of *ratio decidendi* of the judgment of the Hon’ble Supreme

Court in *Daljit Singh's* case (supra), unequivocally shows that an FIR under Section 174-A of the IPC does not *proprio vigore* become liable to be quashed, in case the rival parties have entered into a compromise and such criminal complaint/FIR has been compromised and quashed/withdrawn accordingly. However, at the same time, the factum of the criminal complaint/FIR (in furtherance of proceedings whereof) having been compromised/settled, is indubitably, a relevant factor to be considered while dealing with a plea for quashing of an FIR (as also proceedings emanating therefrom) under Section 174-A of IPC. This fact assumes greater significance considering that the initial proceedings pertain exclusively to a private criminal complaint under Section 138 of NI Act, 1881, which the legislature has expressly classified as a compoundable offence. Such litigation, especially in the backdrop of original offence having been compromised will have an adverse impact on the overburdened Court-dockets. Allowing such prosecution, when initial complaint has been settled/withdrawn would undermine the legislative intent and distort the remedial nature of Section 138 of NI Act of 1881. It would tantamount to contravening the principles of fairness, proportionality, and justice in criminal proceedings. A literal interpretation may sometimes lead to unjust outcomes that also contradict the law's underlined purpose. Therefore, the High Court under its inherent jurisdiction must balance the letter of Law with its spirit, ensuring fair and equitable results. This approach underscores Law's role as an apparatus for fostering societal harmony and addressing the real-world complexities, efficaciously as also effectively, rather than mere literal/technical compliance.

9. The inherent jurisdiction under Section 528 BNSS, 2023/ Section 482 Cr.P.C., 1973 is primarily aimed at preventing abuse of judicial process and securing the ends of justice. Thus, when the dispute is essentially personal in nature and a genuine compromise has been reached, the High Court may intervene to quash the criminal proceedings, recognizing the continuation thereof would be

non-productive and unjust in the given circumstances. The inherent powers of a High Court are powers which are incidental replete powers, which if did not so exist, the Court would be obliged to sit still and helplessly see the process of law and Courts being abused for the purposes of injustice. In other words; such power(s) is intrinsic to a High Court, it is its very life-blood, its very essence, its immanent attribute. Without such power(s), a High Court would have form but lack the substance. These powers of a High Court hence deserve to be construed with the widest possible amplitude. These inherent powers are in consonance with the nature of a High Court which ought to be, and has in fact been, invested with power(s) to maintain its authority to prevent the process of law/Courts being obstructed or abused. It is a trite posits of jurisprudence that though laws attempt to deal with all cases that may arise, the infinite variety of circumstances which shape events and the imperfections of language make it impossible to lay down provisions capable of governing every case, which in fact arises. A High Court which exists for the furtherance of justice in an indefatigable manner, should therefore, have unfettered power(s) to deal with situations which, though not expressly provided for by the law, need to be dealt with, to prevent injustice or the abuse of the process of law and Courts. The juridical basis of these plenary power(s) is the authority; in fact the seminal duty and responsibility of a High Court; to uphold, to protect and to fulfill the judicial function of administering justice, in accordance with law, in a regular, orderly and effective manner. In other words; Section 528 of BNSS, 2023 reflects peerless powers, which a High Court may draw upon as necessary whenever it is just and equitable to do so, in particular to ensure the observance of the due process of law, to prevent vexation or oppression, to do justice *nay* substantial justice between the parties and to secure the ends of justice.

10. Keeping in view the entirety of the attending facts and circumstances of the case in hand; especially the original offence being an offence under Section

138 of Negotiable Instruments Act of 1881, the original offence alleged to have been committed in the year 2016, the subject matter of the original offence having been settled amicably between the parties and the criminal complaint under Section 138 of the NI Act having been withdrawn on the basis of such settlement/compromise; this Court deems it appropriate that the impugned FIR as also all proceedings emanating therefrom deserve to be quashed.

11. It is, hence, directed as under:

- (i) Instant petition is **allowed**;
- (ii) The impugned order dated 17.11.2017 (Annexure P-1) passed by Ld. Judicial Magistrate 1st Class Faridabad in case NACT/1176/2016 titled as “M/s Shivani Industries v. Nitin Saraswat” filed under section 138 of the Negotiable Instrument Act, 1881 vide which the petitioner was declared as ‘Proclaimed person’ as well as the consequential FIR No.983 dated 16.12.2017, registered under Section 174-A of Indian Penal Code, 1860, at Police Station Mujesar District Faridabad (Annexure P-2), stand **quashed**;
- (iii) All pending application(s), if any, stands disposed of.

(SUMEET GOEL)
JUDGE

May 06, 2026

mahavir

Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No