



CRM-M-35343-2022

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

(140)

**CRM-M-35343-2022
DATE OF DECISION: 19.03.2026**

Baldev Chand Bansal and another

.....Petitioners

VERSUS

State of Punjab and another

.....Respondents

CORAM HON'BLE MR. JUSTICE SUBHAS MEHLA

Present Ms. Ojaswini Gagneja, Advocate, for the petitioners.
Mr.Anup Singh, AAG, Punjab.
Mr.Priyanshu Kamra, Advocate, (through VC)
for respondent no.2.

SUBHAS MEHLA, J (ORAL)

1. Present petition has been filed under Section 482 of Cr.P.C, for quashing of complaint No.143 of 16.04.2014, under Section 138 of Negotiable Instruments Act, 1881 vide Complaint Case No. COMA / 143 / 2014 pending before the Court of CJM, Barnala in view of the cheque amount already having been paid to the complainant, quashing of order dated 01.07.2019 (Annexure P-2), passed by ACJM, Barnala vide which petitioners were declared as Proclaimed persons and order dated 09.06.2022 (Annexure P-7), passed by learned Sessions Judge, Barnala in BA/626/2022 vide which the anticipatory bail application of petitioner no.2 in the said complaint has been rejected.

2. Learned counsel for the petitioners *inter alia* contends that the entire principal amount of the cheque has already been paid to the complainant-respondent no.2 and the said fact is duly reflected in the order dated 25.03.2022 passed by the learned Sessions Judge, Barnala, while

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quantum of interest on the cheque amount and the petitioners were ready and willing to pay the interest/compensation of the cheque amount to the complainant to offset the loss of interest incurred but respondent No.2 / complainant refused to agree on the same; the petitioner no.1 had also moved an application for compounding of offence before the learned trial Court but the same was dismissed vide order dated 10.02.2023. Petitioners were declared as proclaimed persons vide order dated 01.07.2019 and thereafter petitioners applied for concession of anticipatory bail. Petitioner no.1 was granted anticipatory bail vide order dated 25.03.2022; however, owing to the fact that the petitioner No.2 was declared as a proclaimed person, the said concession was not extended. A Co-ordinate Bench of this Court vide order dated 17.04.2023, had ordered staying further proceedings before the learned trial Court subject to handing over a draft in favour of complainant-respondent no.2 on account of interest @ 6%+2% i.e 8% of the cheque amount and a report was called from trial court in which it is clearly mentioned that complainant had received demand draft dated 24.04.2023 of Rs.2,99,050/- in compliance of order of dated 17.04.2023. Learned counsel for the petitioners prayed for quashing of complaint on the ground that entire principal amount of the impugned cheques has been paid to the complainant and even petitioners were ready and willing to pay the compensation / interest but on account of complainant's adamant stance in respect of quantum of interest, they failed to do so. Now they are facing the agony of the complaint, which is an abuse of process of law.

3. Learned counsel for the petitioners contends that the proceedings under Section 138 of Negotiable Instruments Act can be



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quashed even if the complainant refuses to compound the offence, provided the Court is satisfied that the complainant has been adequately compensated. In support of her contention, learned counsel has placed reliance upon the order of a Co-ordinate Bench of this Court, passed in **CRR-1203-2022 and CRR-1206-2022 titled M/s Swastic Pharma versus M/s Dhanwantri Ayurvedic Sansthan, decided on 01.02.2023.**

4. On the other hand, learned counsel appearing on behalf of complainant-respondent no.2, opposed the contention of learned counsel for the petitioners by submitting that compounding cannot be done without the consent of the complainant and Court cannot compel the complainant to give consent for compounding of the matter. In support of his contention, learned counsel has placed reliance upon law laid down by Hon'ble Supreme Court in **Raj Reddy Kallem versus The State of Haryana and another (SC) 2024(8) SCC 588.**

5. Heard.

6. After hearing learned counsel for the parties and perusing the record, this Court finds that the foundational object of proceedings under Section 138 of the Negotiable Instruments Act, 1881 is primarily compensatory in nature. In the present case, it is not in dispute that the entire cheque amount stands paid and as per the stand of the petitioners, the amount towards interest/compensation, in terms of the order dated 17.04.2023 passed by this Court, had also been tendered in form of demand draft.

7. The continuance of criminal proceedings, in such circumstances, would not serve any useful purpose, particularly when the

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complainant has already been adequately compensated. The objection raised by the complainant regarding absence of consent for compounding cannot be permitted to defeat the ends of justice where the Court is otherwise satisfied that the complainant's financial interest stands duly secured.

8. Inherent powers, both in civil and criminal matters, are designed to achieve a salutary public purpose which is that a Court proceeding ought not to be permitted to degenerate into a weapon of harassment or persecution. The ends of justice are higher than the ends of mere law though justice has got to be administered according to laws made by the legislature.

9. Hon'ble the Supreme Court in **Meters and Instruments private Ltd. And Another. v. Kanchan Mehta (2018) 1 SCC 560** after discussing the series of observed that even in the absence of 'consent' Court can close criminal proceedings against an accused in cases of Section 138 of NI Act, if accused has compensated the complainant. The exact words of this Court were as follows:

"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."

The Coordinate Bench of this Court in **M/s Swastic Pharma's case (supra)** in similar circumstances has quashed the complaint as it amounts to abuse of process of law. Moreover, the wording used in Section 138 of Negotiable Instruments Act connotes that there is a discretion of the Court to punish the



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convict either with imprisonment or with fine or with both. It is not the case where the term of imprisonment is a mandate of law. Convict can be punished only with fine. Considering the totality of facts and circumstances of the present case, even though complainant is unwilling to compound the case, this Court is of the view that these proceedings must come to an end. Ergo, the present petition deserves to be allowed. Accordingly, Complaint No.143 dated 16.04.2014 under Section 138 of the Negotiable Instruments Act, 1881, pending before the Court of learned Chief Judicial Magistrate, Barnala, along with all consequential proceedings arising therefrom, is hereby quashed.

10. Consequently, the impugned order dated 01.07.2019 passed by the learned ACJM, Barnala declaring the petitioners as proclaimed persons, as well as order dated 09.06.2022 passed by the learned Sessions Judge, Barnala declining anticipatory bail to petitioner No.2, are also set aside.

11. The petition stands **allowed**.

19.03.2026
mamta

(SUBHAS MEHLA)
JUDGE

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