

**COURTS CAN CLOSE CHEQUE BOUNCE CASES ON SATISFACTION OF LIABILITY  
EVEN WITHOUT THE CONSENT OF THE COMPLAINANT**

A division bench of the Supreme Court of India comprising Justice AK Goel and Justice UU Lalit has declared that courts are empowered to close cheque bounce cases with or without the mutual consent of the parties if the accused is forthcoming with payment of default amount.

In *M/s Meters and Instruments Pvt. Ltd. v. Kanchan Mehta*,<sup>1</sup> the accused was willing to pay the amount on the cheque default but owing to Supreme Court judgements which had made mutual consent necessary for compounding of offence under Section 138, the High Court could not grant any relief to the accused.

The Supreme Court held as follows,

*“Offence under Section 138 of the Act is primarily a civil wrong. Burden of proof is on accused in view presumption under Section 139 but the standard of such proof is “preponderance of probabilities”. The same has to be normally tried summarily as per provisions of summary trial under the Cr.P.C. but with such variation as may be appropriate to proceedings under Chapter XVII of the Act. Thus read, principle of Section 258 Cr.P.C. will apply and the Court can close the proceedings and discharge the accused on satisfaction that the cheque amount with assessed costs and interest is paid and if there is no reason to proceed with the punitive aspect.”*

*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.*

*In view of the above, we hold that where the cheque amount with interest and cost as assessed by the Court is paid by a specified date, the Court is entitled to close the proceedings in exercise of its powers under Section 143 of the Act read with Section 258 Cr.P.C. As already observed, normal rule for trial of cases under Chapter XVII of the Act is to follow the summary procedure and summons trial procedure can be followed where sentence exceeding one year may be necessary taking into account the fact that compensation under Section 357(3) Cr.P.C. with sentence of less than one year will not be adequate, having regard to the amount of cheque, conduct of the accused and other circumstances.”*

Supreme Court has also advised the High Courts to issue updated directions for speedy disposal in accordance with the judgments already pronounced.

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<sup>1</sup> Criminal Appeal No. 1731 OF 2017.