

LEGAL UPDATES

GUJARAT HC: HOLDS EVERY OFFENCE PUNISHABLE UNDER N.I. ACT COMPOUNDABLE

In the [Maheshsinh Babusinh Zala](#) case, the applicant was found guilty of an offence punishable u/s 138 of the NI Act("the Act"). In light of the amicable settlement of the dispute between the parties, the complainant has filed an affidavit stating that a quashing and setting aside of the conviction order against the applicant is not objectionable. The Court observed that the consideration of Section 138 of the Act, seeks to establish trust in the effectiveness of banking operations and the credibility of conducting business by cheque. In addition, it considers Section 147 of the Act, which stipulates that every offence punishable under this act may be compounded. Additionally, the transaction mainly affects private parties, and the state is not involved. The Honourable Supreme Court in its decision concluded that when the parties have settled the dispute amicably, compounding of the crime is permitted and the application is therefore approved. HC finally set aside that impugned judgement order of conviction dated 20.12.2021 in Criminal Case No.913 of 2021 passed by the learned Judicial Magistrate, First Class, Talod.