

RFC/O&M/ 779

Ref. No. RFC.F.Law-3/LPM/62/ 2083

Dated 23 Sept., 2021

CIRCULAR
(Lit. 255)

Sub: Delegation of powers for Compounding of offence and withdrawal of court cases filed u/s 138 of the N.I.Act, 1881

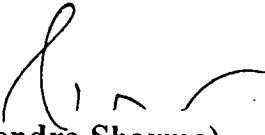
This is in continuation to earlier guidelines issued on the subject vide O&M Circular No. 737 dated 31.10.2014 (Lit. 213) and O&M Circular No. 750 dated 22.04.2016 (Lit. 230). With a view to make the norms regarding powers for compounding of offence and withdrawal of court cases filed u/s 138 of the N.I.Act, 1881 more liberal & flexible, the matter was placed before the MD level PC&CC held on 09.09.2021.

On the basis of the decision taken in the Committee the powers, which were earlier delegated vide O&M Circular No. 750 dated 22.04.2016 (Lit. 230), have been modified and it has been decided that henceforth in the cases where borrower unit has cleared entire amount of dishonoured cheque(s) alongwith all consequential expenses such as penalty of dishonoured cheque(s), advocates fees & other expenses incurred by the corporation on account of dishonoured cheque(s), Branch Incharge is authorized for compounding of offence and withdrawal of complaint(s) filed by the Branch Office u/s 138 of the N.I. Act, 1881 on dishonour of the said cheque(s), irrespective of number of complaints and number of loan accounts of the borrower unit. However, exceptional cases, if any should be sent to Head Office seeking approval of MD, RFC for withdrawal of criminal complaint.

Branch Incharge should ensure that criminal complaint(s) is/are withdrawn immediately on receiving of the amount of dishonoured cheque(s) and expenses from the borrower unit.

Rest of the norms, as prescribed on the subject vide earlier circular No. O&M/737 dated 31.10.2014 (Lit. 213), shall remain the same.

All concerned are advised to make a note of above modification and act accordingly.


(Rajendra Sharma)
Executive Director

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