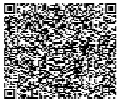


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CRM-M No.28493 of 2024

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

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CRM-M No.28493 of 2024
Date of Decision: 31.05.2024

MANJIT SINGHPetitioner(s)

Vs

STATE OF PUNJAB AND ANR.Respondents

CORAM: *HON'BLE MR. JUSTICE HARKESH MANUJA*

Present: Dr. G.S. Brar, Advocate and
Mr. Gurpreet Singh, Advocate
for the petitioner.

Mr. Siddharth Sandhu, Asstt. A.G., Punjab.

Mr. Siddharth Gupta, Advocate
for respondent No.2.

HARKESH MANUJA, J. (Oral)

1. By way of present petition filed under Section 482 Cr.P.C., prayer is made for quashing of Complaint No.COMI/1260/2018 dated 15.03.2018 titled as ‘*Jalour Singh vs. Manjit Singh*’ and order dated 02.03.2023 passed by the Sessions Judge, Bhatinda whereby the appeal filed against the judgment of conviction and order of sentence dated 22.03.2021 passed by the Judicial Magistrate Ist Class, Bhatinda has been dismissed, and the same has even been upheld vide decision dated 08.04.2024 passed in CRR No.907 of 2023, passed by this Court.
2. In pursuance of the aforesaid Complaint No.COMI/1260/2018 dated 15.03.2018, the petitioner was convicted and sentenced to undergo rigorous imprisonment for a period of one year and six months and to pay compensation to the complainant to the tune of cheque amount i.e. Rs.10,00,000/- (Ten lakhs only)

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along with interest @ 9% per annum from the date of issuance of the cheque in question vide order dated 22.03.2021.

3. Aggrieved thereof, the petitioner has filed an appeal which was dismissed vide order dated 02.03.2023 passed by the Sessions Judge, Bathinda thereby upholding the judgment of conviction and order of sentence passed by the Trial Court which was upheld by this Court.

4. Learned counsel for the petitioner submits that the petitioner has settled the dispute with the respondent No.2 thereby making the entire payment to respondent No.2 in the following manner:-

- i) An amount of Rs.4,00,000/- was paid by way of demand draft No.892772 dated 20.05.2023.
- ii) An amount of Rs.1,50,000/- was paid by way of demand draft No.531466 dated 22.12.2023.
- iii) An amount of Rs.1,50,000/- was paid by way of demand draft No.240918 dated 06.03.2024.
- iv) An amount of Rs.3,00,000/- was paid by way of demand draft No.241502 dated 17.05.2024.

5. In view of the above noted subsequent development, learned counsel for the petitioner submits that the parties having settled their disputes in order to bury their differences, the Complaint in question along with all consequential proceedings arising therefrom and judgment of conviction and order of sentence dated 22.03.2024 passed by the Judicial Magistrate Ist Class, Bathinda be thus, quashed.

6. On the other hand, learned counsel representing the complainant-respondent No.2 while accepting the factum of settlement and receipt of full and

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final settlement of his dues regarding cheque in question, raises no objection quashing of the Complaint.

7. I have heard learned counsel for the parties and gone through paper book.

8. A conjoint reading of Section 138 read with Section 147 of the 1881 Act, makes it clear that every offence punishable under 1881 Act is compoundable. Section 147 of the aforesaid Act is reproduced hereunder for reference:-

*“147 Offences to be compoundable. —
Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), every offence punishable under this Act shall be compoundable.”*

Applying the aforesaid proposition to the facts and circumstances of the present case, the petitioner having settled the dispute with the respondent-complainant having made the entire payment, offence under Section 138 of the NI Act, thus, stands compounded. The aforesaid view is mainly derived from the proposition of law laid down by the Hon'ble Supreme Court in case of **“Ghanshyam Gautam and another vs. Usha Rani (since deceased) thr. LRs.,** passed in Criminal Appeal No.65 of 2024, SLP CrI. No.3289-2018, decided on 04.01.2024.

9. Furthermore, following the law laid down by the Hon'ble Supreme Court in case of **“B.V. Seshaiiah Vs. The State of Telangana & Anr., 2023(1)R.C.R. (Criminal) 831”** the compounding of offence has to be followed by setting aside of conviction order passed by the Courts below. Reference may be made to Paragraph Nos. 10 to 13 thereof, which are reproduced hereunder:-

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10. *“In the case of M/s Meters and Instruments Private Limited & Anr. Vs. Kanchan Mehta, this Court held that the nature of offence under Section 138 of the N.I. Act is primarily related to a civil wrong and has been specifically made a compoundable offence. The relevant paragraph of the judgment has been extracted herein:*

‘This Court has noted that the object of the statute was to facilitate smooth functioning of business transactions. The provision is necessary as in many transactions cheques were issued merely as a device to defraud the creditors. Dishonour of cheque causes incalculable loss, injury and inconvenience to the Vide the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988 payee and credibility of business transactions suffers a setback. At the same time, it was also noted that nature of offence under Section 138 primarily related to a civil wrong and the 2002 amendment specifically made it compoundable.’

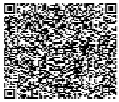
11. *This is a very clear case of the parties entering into an agreement and compounding the offence to save themselves from the process of litigation. When such a step has been taken by the parties, and the law very clearly allows them to do the same, the High Court then cannot override such compounding and impose its will.*

12. *It must also be noted that the respondent No.2 was duty-bound to file a compromise petition before the High Court, and by not doing the same has withdrawn key information from the High Court, which has led to an unwarranted confirmation of the Appellants’ conviction.*

13. *We, therefore, allow these Appeals and set aside the order of conviction passed by the trial Court. It is, however, kept open to the parties to settle their dispute as per the terms of the Memorandum of Understanding.”*

10. Moreover, learned counsel for the petitioner on instructions from his client, submits that they volunteer to serve public cause by providing two patient bed to the Civil Hospital, Bhatinda.

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11. In view of the discussion made hereinabove and to give a complete quietus to the litigation, the present petition is accepted. The petitioner having admittedly discharged his liability towards the cheque in question, Complaint No.COMI/1260/2018 dated 15.03.2018 titled as ‘Jalour Singh vs. Manjit Singh’ along with all subsequent proceedings arising therefrom and order dated 02.03.2023 passed by the Sessions Judge, Bhatinda whereby the appeal filed against the judgment of conviction and order of sentence dated 22.03.2021 passed by the Judicial Magistrate Ist Class, Bhatinda as well as dated order dated 08.04.2024 passed in CRR No.907 of 2023 are hereby set aside.

12. The aforesaid order, however, shall be subject to providing two patient bed to the Civil Hospital, Bhatinda, within a period of two weeks from today as volunteered by the petitioner against due receipt, issued by the concerned Civil Surgeon, who shall prepare an inventory in this regard for its regular inspection by the Director concerned. A copy of the receipt shall also sent to the office Advocate General, Punjab at the earliest for maintaining records in this regard.

May 31, 2024
Atik

(HARKESH MANUJA)
JUDGE

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