



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

**CRR 987 of 2025 (O&M)
Date of Decision: 22.07.2025**

M/s Aumega Biotech INC and
another

...Petitioners

Vs.

M/s Farmer Care Centre

...Respondent

CORAM : HON'BLE MR. JUSTICE N.S.SHEKHAWAT

Present : Mr. M.S. Saini, Advocate, for the applicant/petitioners.
Mr. S.P.S. Khaira, Advocate for
Mr. Vishal Sharma (Vasudeva), Advocate, for the
respondent.

N.S.SHEKHAWAT, J. (Oral)

1. The present revision petition has been preferred against the impugned judgment dated 05.11.2024 passed by the Court of Additional Sessions Judge, Ludhiana, whereby, the judgment of conviction and order of sentence dated 04.12.2013 passed by the Court of Judicial Magistrate 1st Class, Ludhiana were ordered to be upheld and the appeal filed by the present petitioner was ordered to be dismissed.

2. During the pendency of the present revision petition, the petitioner has moved an application (CRM 15194 of 2025) under Section 359 of BNSS read with Section 528 of BNSS with a prayer to allow the petitioner to compound the offence in view the compromise deed dated 14.02.2025 (Annexure P-1).

3. Learned counsel for the petitioner contends that both the parties have amicably resolved all the disputes and the petitioner has made all the payments to the respondent.

4. On the other hand, learned counsel appearing on behalf of the respondent has placed on record the affidavit of Amritbir Singh, respondent and the same is taken on record. Even, the learned counsel for the respondent has admitted the factum of compromise and submits that he has no objection in case the present petition is allowed and the petitioner is ordered to be acquitted by this Court as the parties have compromised the matter.

5. I have heard learned counsel for the parties and perused the record.

6. It has been held by the Hon'ble Supreme Court in the matter of ***Damodar S. Prabhu Vs. Sayed Babalal H., AIR 2010 (SC) 1907: 2010(2) RCR (Criminal 851)*** as follows:-

“13. It is quite obvious that with respect to the offence of dishonour of cheques, it is the compensatory aspect of the remedy which should be given priority over the punitive aspect. There is also some support for the apprehensions raised by the learned Attorney General that a majority of cheque bounce cases are indeed being compromised or settled by way of compounding, albeit during the later stages of litigation thereby contributing to undue delay in justice- delivery. The problem herein is with the tendency of litigants to belatedly choose compounding as a means to resolve their dispute. Furthermore, the written submissions filed on behalf of the learned Attorney General have stressed on the fact

that unlike Section 320 of the Criminal Procedure Code, Section 147 of the Negotiable Instruments Act provides no explicit guidance as to what stage compounding can or cannot be done and whether compounding can be done at the instance of the complainant or with the leave of the court. As mentioned earlier, the learned Attorney General's submission is that in the absence of statutory guidance, parties are choosing compounding as a method of last resort instead of opting for it as soon as the Magistrates take cognizance of the complaints. One explanation for such behaviour could be that the accused persons are willing to take the chance of progressing through the various stages of litigation and then choose the route of settlement only when no other route remains. While such behaviour may be viewed as rational from the viewpoint of litigants, the hard facts are that the undue delay in opting for compounding contributes to the arrears pending before the courts at various levels. If the accused is willing to settle or compromise by way of compounding of the offence at a later stage of litigation, it is generally indicative of some merit in the complainant's case. In such cases it would be desirable if parties choose compounding during the earlier stages of litigation. If however, the accused has a valid defence such as a mistake, forgery or coercion among other grounds, then the matter can be litigated through the specified forums.

15. With regard to the progression of litigation in cheque bouncing cases, the learned Attorney General has urged this Court to frame guidelines for a graded scheme of imposing costs on parties who unduly delay compounding of the offence. It was submitted that the requirement of deposit of the costs will act as a deterrent

for delayed composition, since at present, free and easy compounding of offences at any stage, however belated, gives an incentive to the drawer of the cheque to delay settling the cases for years. An application for compounding made after several years not only results in the system being burdened but the complainant is also deprived of effective justice. In view of this submission, we direct that the following guidelines be followed:

THE GUIDELINES

(i) In the circumstances, it is proposed as follows:

(a) That directions can be given that the Writ of Summons be suitably modified making it clear to the accused that he could make an application for compounding of the offences at the first or second hearing of the case and that if such an application is made, compounding may be allowed by the court without imposing any costs on the accused.

(b) If the accused does not make an application for compounding as aforesaid, then if an application for compounding is made before the Magistrate at a subsequent stage, compounding can be allowed subject to the condition that the accused will be required to pay 10% of the cheque amount to be deposited as a condition for compounding with the Legal Services Authority, or such authority as the Court deems fit.

(c) Similarly, if the application for compounding is made before the Sessions Court or a High Court in revision or appeal, such compounding may be allowed on the condition that the accused pays 15% of the cheque amount by way of costs.

(d) Finally, if the application for compounding is made before the Supreme Court, the figure would increase to 20% of the cheque amount.

Let it also be clarified that any costs imposed in accordance with these guidelines should be deposited with the Legal Services Authority operating at the level of the Court before which compounding takes place. For instance, in case of compounding during the pendency of proceedings before a Magistrate's Court or a Court of Sessions, such costs should be deposited with the District Legal Services Authority. Likewise, costs imposed in connection with composition before the High Court should be deposited with the State Legal Services Authority and those imposed in connection with composition before the Supreme Court should be deposited with the National Legal Services Authority.

7. In view of the submissions made by learned counsel for the parties and the law laid down by the Hon'ble Supreme Court in the matter of ***Damodar S. Prabhu Vs. Sayed Babalal H. (supra)***, the parties in the present case are permitted to compound the offences in the present case. Consequently, the impugned judgment dated 05.11.2024 passed by the Court of Additional Sessions Judge, Ludhiana and the judgment of conviction and order of sentence dated 04.12.2013 passed by the Court of Judicial Magistrate 1st Class, Ludhiana are set aside and petitioner is ordered to be acquitted of the notice of accusation.

8. However, in view of the law laid down by the Hon'ble Supreme Court in the matter of ***Damodar S. Prabhu Vs. Sayed Babalal H. (supra)*** and also in view of the fact that the parties have resolved their differences and have compromised the matter and also the fact that the petitioner is facing acute hardship, I am of the view

that it would be appropriate to deposit 10% of the cheque amount as costs of litigation and the said amount shall be deposited within a period of 02 months from today with Punjab State Legal Services Authority.

9. In case, the petitioner does not deposit the said amount with the Punjab State Legal Services Authority within a period of 02 months from today, the present petition shall be deemed to be dismissed.

10. All pending applications, if any, are disposed off, accordingly.

22.07.2025

(N.S.SHEKHAWAT)

amit rana

JUDGE

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