

2025:PHHC:069989



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

**CRR 981 of 2025 (O&M)
Date of Decision: 21.05.2025**

M/s Preet Industries and
another

...Petitioners

Vs.

Amandeep Singh and another

...Respondents

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

Present : Mr. Umesh Aggarwal, Advocate, for the petitioners.

Mr. L.M. Gulati, Advocate, for respondent No. 1.

Mr. M.S. Bajwa, DAG, Punjab.

N.S.SHEKHAWAT, J. (Oral)

1. The petitioners had filed the present petition before this Court against the impugned judgment dated 04.04.2025 passed by the Court of Additional Sessions Judge, Amritsar and impugned judgment and order dated 05.12.2019 passed by the Court of Judicial Magistrate 1st Class, Amritsar, whereby, the petitioners were convicted for the offence punishable under Section 138 of the Negotiable Instruments Act 1881 (hereinafter to be referred as '**the Act**') and the petitioners/convict was sentenced to undergo as under:-

“U/s.138 N.I. Act- the convict shall undergo rigorous imprisonment for a period of two years only.

U/s. 357(3) Cr.P.C- the convict shall pay compensation of Rs.10,000,00/- to the complainant and in failure of payment of compensation to complainant the convict shall further undergo rigorous imprisonment for a period of three months only”.

2. During the pendency of the present petition, the petitioner No. 2 had prayed for suspension of sentence imposed on him during the pendency of the present revision petition, on 09.04.2025 and this Court had passed the following order:-

“Learned counsel for the applicant-petitioner No.2 contends that the trial Court as well as the appellate Court had directed the petitioners to pay a sum of Rs. 10 lacs as compensation to respondent No.1/complainant. During the course of hearing, learned counsel for the applicant-petitioners has handed over two bank drafts of bearing No.500789, dated 08.04.2025, for a sum of Rs.5 lacs and bearing No.500788, dated 08.04.2025, for a sum of Rs.8 lacs, drawn by ICICI Bank to learned counsel for respondent No.1/complainant in Court today and submits that the matter has been amicably resolved between the parties and a compromise deed dated 09.04.2025 has already been executed between the parties.

On the other hand, learned counsel appearing on behalf of respondent No.1/complainant submits that respondent No.1 has received a sum of Rs.15 lacs in total from the petitioners and he has no objection in case, the petitioners are ordered to be acquitted by this Court on the basis of the compromise between the parties. He also submits that he has received two bank drafts, as

mentioned by learned counsel for the petitioners in his statement.

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

It is apparent that the trial Court as well as the appellate Court had directed the petitioners to pay a sum of Rs.10 lacs as compensation, whereas the petitioners have already paid a sum of Rs.15 lacs to respondent No.1/complainant and have amicably resolved all their disputes.

Consequently, the sentence imposed on the petitioner No.2-Harjit Singh @ Harjeet Singh shall remain suspended during the pendency of the present revision petition before this Court, subject to his furnishing necessary surety bonds/bail bonds to the satisfaction of the concerned Trial Court/Duty Magistrate/Chief Judicial Magistrate. The Photocopy of two bank drafts have been retained on the record as Mark 'A' and Mark 'B' respectively".

3. Now again, the petitioners has moved an application (CRM 15599 of 2025) under Section 147 of the Act read with Section 528 of the B.N.S.S. with a prayer to compound the offence punishable under Section 138 of the Act. Learned counsel for the petitioners contends that the petitioners have already paid a sum of Rs.15 lakhs as full and final of settlement to the respondent No. 1 and the respondent No. 1 has no objection, in case the petitioners are ordered to be acquitted by this Court.

4. Even, a reply has been filed by the respondent No. 1, which is already on record. Learned counsel appearing on behalf of respondent No. 1 submits that the parties may be allowed to compound the offence in the present case and he has no objection in case the petitioners are ordered to be acquitted by this Court.

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

6. Learned counsel for the petitioner by relying upon Cochin Hotels Co.(P) Ltd. and others Vs. Kairali Granites and others, 2006(2) RCR (Criminal) 333 and K. Subramanian Vs. R. Rajathi represented by POAP Kaliappan, 2010 (1) RCR (Criminal) 184 contended that even after finalization of judgment of conviction and order of sentence, petitioner can resort to compounding mechanism in terms of Section 147 of Negotiable Instruments Act as the offence related to dishonouring of cheque is having compensatory profile and it should be given precedence over punitive mechanism. Offence is almost a civil wrong which has been clothed in a criminal overtone, therefore, the priority should be given to compensatory mechanism

7. Learned counsel also relied upon Damodar S. Prabhu vs. Sayed Babalal H.(supra) Kaushalya Devi Massand vs. Roopkishore, 2011(2) RCR (Criminal) 298 and contended that the compromise in question would definitely go in long way to strengthen the mutual relationship between the parties and would serve as an

ever lasting tool in their favour. This exercise would be in consonance with the spirit of Section 147 of the Negotiable Instruments Act as endorsed in **Damodar S. Prabhu's case (supra)**

8. For the reasons recorded hereinabove, I deem it appropriate to dispose of the present revision petition in terms of compromise consequently the impugned orders are set aside.

9. So far as 15% of the cheque amount in terms of ratio of **Damodar S. Prabhu's case (supra)** is concerned, I am of the view that Section 147 of the Negotiable Instruments Act does not contain any guideline or procedure for proceeding with the compounding of the offences. Since scheme under Section 320 Cr.P.C cannot be followed in stricto sensu, therefore, Hon'ble Apex Court has also clarified that in order to discourage chronic litigants from delaying the composition of the offence under Section 138 of the Act, the scheme for imposing costs is considered to be a valid means to encourage compounding at the earliest. Valuable time of the Court is also involved in the trial of the cases and the parties are not liable to pay any Court fee in such proceedings, even though the impact of the offence is largely confined to the private parties. The imposition of costs would be a matter of discretion of the Court.

10. In view of the fact that the parties have resolved their differences and have compromised the matter and also the fact that the petitioner-Harjit Singh @ Harjeet Singh is a senior citizen aged about 72 years and has no resources, I am of the view that 15% of the

cheque amount towards cost(s) of litigation can be waived off in the interest of justice.

11. In view of the above discussion, the impugned judgment dated 04.04.2025 passed by the Court of Additional Sessions Judge, Amritsar and impugned judgment and order dated 05.12.2019 passed by the Court of Judicial Magistrate 1st Class, Amritsar, are set aside and the parties are allowed to compound the offence in terms of Section 147 of the Act and petitioners are ordered to be acquitted of the notice of accusation.

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

21.05.2025	(N.S.SHEKHAWAT)
amit rana	JUDGE
Whether reasoned/speaking	: Yes/No
Whether reportable	: Yes/No