



CRR-934-2018 (O&M) and three other cases

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**251 IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

**1. CRR-934-2018 (O&M)
Date of Decision: 06.03.2025
RAJ KUMAR AGGARWAL ...Petitioner**

Versus

STATE OF PUNJAB AND ANOTHER ...Respondents

**2. CRR-935-2018 (O&M)
Date of Decision: 06.03.2025
RAJ KUMAR AGGARWAL ...Petitioner**

Versus

STATE OF PUNJAB AND ANOTHER ...Respondents

**3. CRR-946-2018 (O&M)
Date of Decision: 06.03.2025
RAJ KUMAR AGGARWAL ...Petitioner**

Versus

STATE OF PUNJAB AND ANOTHER ...Respondents

**4. CRR-949-2018 (O&M)
Date of Decision: 06.03.2025
RAJ KUMAR AGGARWAL ...Petitioner**

Versus

STATE OF PUNJAB AND ANOTHER ...Respondents

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Pankaj Bali, Advocate
for the petitioner(s).

Mr. Rishabh Singla, AAG Punjab.

Mr. Raghav Goel Chandiwalla, Advocate
for respondent No. 2.

Harpreet Singh Brar, J. (Oral)

**1. All these four revision petitions are decided by this common order
as similar types of prayers has been made in all these petitions.**

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2. These revision petitions have been preferred against the judgment(s) dated 26.02.2018 passed by learned Additional Sessions Judge, Jalandhar, whereby the judgment(s) of conviction and order(s) on quantum of sentence dated 01.05.2015 passed by learned Judicial Magistrate Ist Class, Jalandhar have been upheld, vide which the petitioner(s) has been convicted under Section 138 of Negotiable Instruments Act and sentenced to undergo rigorous imprisonment for one year and also imposed a fine of Rs. 5,000/- each in all the four petitions.

3. Learned counsel for the petitioner *inter alia* contends that petitioner(s) was convicted under Section 138 of Negotiable Instruments Act and awarded rigorous imprisonment for 01 year and a fine of Rs. 5,000/- was also imposed by learned trial Court in each petition and the judgment(s) of conviction and order(s) of sentence were upheld by learned lower Appellate Court. Learned counsel for the petitioner(s) submits that offence under Section 138 of Negotiable Instruments Act is compoundable in nature and during the pendency of present petition, the parties were relegated to Mediation and Conciliation Centre of this Court and with the efforts of Mediator, a settlement/compromise has been reduced into writing and as per the terms of the settlement, entire amount has been paid to the respondent(s) No. 2.

4. Learned counsel appearing for respondent(s) No. 2 submits that on 31.07.2023, the settlement/ agreement was signed by the parties and respondent(s) No. 2 in all four cases has no objection for compounding the offence under Section 138 of Negotiable Instruments Act.

5. After giving my thoughtful consideration to the submissions put forth by both sides and on careful perusal of the material on record, it transpires



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that matter has been compromised between the parties. Hence, this Court is inclined to accept the prayer made by the petitioner(s).

6. It is settled law that the proceedings initiated under Section 138 of the NI Act are quasi-criminal in nature and the object and purpose of this enactment is to provide a compensatory mechanism for expeditious recovery of money as opposed to punishing the accused. The Hon'ble Supreme Court in **R. Vijayan Vs. Baby (2012) 1 SCC 260** has considered the said issue and come to the conclusion that punishing the offender is secondary concern.

7. The amendment carried out in the year 2002 in the NI Act intended to make the nature of offence under Section 138 of the NI Act as a civil wrong while making it compoundable. A two Judge Bench of the Hon'ble Supreme Court in **Meters and Instruments Private Limited and another Vs. Kanchan Mehta (2018) 1 SCC 560**, speaking through Justice A.K. Goel has held as under:-

“7. 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.....

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18.2. The object of the provision being primarily compensatory, punitive element being mainly with the object of enforcing the compensatory element, compounding at the initial stage has to be encouraged but is not debarred at later stage subject to appropriate compensation as may be found acceptable to the parties or the court.

18.3. Though compounding requires consent of both parties, even in absence of such consent, the court, in the interests of justice, on being satisfied that the complainant has been duly compensated,

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can in its discretion close the proceedings and discharge the accused.”

8. Moreover, a two Judge Bench of the Hon’ble Supreme Court in ***JK Industries Limited and others Vs. Amar Lal V. Jumaní and another (2012) 3 SCC 255*** has examined the issue whether for compounding of an offence, consent of aggrieved party is required and speaking through Justice Asok Kumar Ganguli, following was held:-

“82. A perusal of Section 320 makes it clear that the provisions contained in Section 320 and the various sub-sections is a code by itself relating to compounding of offence. It provides for the various parameters and procedures and guidelines in the matter of compounding. If this Court upholds the contention of the appellant that as a result of incorporation of Section 147 in the NI Act, the entire gamut of procedure of Section 320 of the Code are made inapplicable to compounding of an offence under the NI Act, in that case the compounding of offence under the NI Act will be left totally unguided or uncontrolled. Such an interpretation apart from being an absurd or unreasonable one will also be contrary to the provisions of Section 4(2) of the Code, which has been discussed above. There is no other statutory procedure for compounding of offence under the NI Act. Therefore, Section 147 of the NI Act must be reasonably construed to mean that as a result of the said section the offences under the NI Act are made compoundable, but the main principle of such compounding, namely, the consent of the person aggrieved or the person injured or the complainant cannot be wished away nor can the same be substituted by virtue of Section 147 of the NI Act.”

9. In view of the above discussion, the offence under Section 138 of the Negotiable Instruments Act, 1881 is compounded and judgment(s) of conviction and order(s) on quantum of sentence dated 01.05.2015 passed by learned Judicial Magistrate Ist Class, Jalandhar and further the judgment(s) dated 26.02.2018 passed by learned Additional Sessions Judge, Jalandhar are hereby

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quashed/set aside, qua the petitioner(s) in all four cases and the petitioner is acquitted of the notice of accusation framed against him. His bail bonds and surety bonds stand discharged.

- 10. All four petitions are disposed of in aforesaid terms.
- 11. Pending CRM(s), if any, are also disposed of accordingly.
- 12. A photocopy of this order be placed on the file of other connected cases.

(HARPREET SINGH BRAR)
JUDGE

06.03.2025
Ajay Goswami

<i>Whether speaking/reasoned</i>	<i>Yes/No</i>
<i>Whether reportable</i>	<i>Yes/No</i>