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

CRR-1202-2024 (O&M)

Date of Decision: 11.09.2025

M/s Krishan Traders

..... Petitioner

Versus

State of Haryana and another

.....Respondents

CORAM: HON'BLE MR. JUSTICE RAJESH BHARDWAJ

Present: Mr. B.S. Tewatia, Advocate
for the petitioner.

Ms. Diya Sodhi, Sr. D.A.G., Haryana.

Mr. Gaurav Singla, Advocate
for respondent No.2.

Rajesh Bhardwaj, J. (Oral)

1. Present revision petition has been filed by the petitioner impugning the order of conviction and sentence dated 28/30.11.2019 passed by learned Judicial Magistrate Ist Class, Palwal and order dated 06.06.2022 passed by learned Additional Sessions Judge, Palwal, whereby, appeal filed by the petitioner against the order dated 28/30.11.2019, was dismissed.

2. The case as enumerated from the facts is that a complaint under Section 138 of the Negotiable Instruments Act, 1881 (for short, 'the NI Act) was filed against the petitioner by the respondent on the allegations that the petitioner purchased iron rods worth Rs.1,82,807/- from the complainant



and the payment was to be made within a period of one month. In order to discharge his liability, the petitioner issued a cheque bearing No.088990 dated 19.07.2016 amounting to Rs.1,80,000/- drawn on Axis Bank, Branch at Palwal, which on presentation by the complainant-respondent returned with the remarks 'Insufficient fund'. Thereafter, the respondent served legal notice dated 08.09.2016 upon the petitioner, but despite that he failed to make the payment and ultimately complaint was filed. After trial, the trial Court convicted the petitioner and sentenced him to undergo simple imprisonment for a period of 06 months. The petitioner was also burdened with fine of 50% of cheque amount as compensation to be paid to the complainant. Aggrieved by the conviction and sentence awarded by learned JMIC, the petitioner assailed the same by way of filing an appeal before the learned Appellate Court. Learned Appellate Court, finding no merit in the appeal, dismissed the same by upholding the conviction and sentence of the petitioner vide its order dated 06.06.2022. Hence, the petitioner has approached this Court by way of filing the present revision petition challenging the above said orders.

3. Learned counsel for the petitioner has submitted that now the parties have settled the dispute and entire amount has been paid by the petitioner to the complainant-respondent and now nothing is due against him. He further submits that in view of the settlement effected between the parties, the petitioner be allowed to compound the offence and he be acquitted of the charges under Section 138 of the Act and the orders under challenge in the present revision petition be set aside. He has placed



reliance on the law laid down by Hon'ble Supreme Court in **Raj Reddy Kallem vs. The State of Haryana and another**, Law Finder Doc Id# 2557645, wherein, it has been held that there is no bar to seek the compounding of the offence at later stage of criminal proceedings including after conviction.

4. Learned counsel for the respondent has affirmed the contentions raised by learned counsel for the petitioner with regard to the settlement and has submitted that complainant-respondent has no objection, if the present petition is allowed and the orders under challenge are set aside/quashed.

5. This Court has heard counsel for the parties and perused the record with their able assistance.

6. Learned counsel for the petitioner has brought a demand draft amounting to Rs.1,62,000/- in the Court today to settle the dispute with the complainant/respondent with respect to the submissions made before this Court on 29.08.2025, however, counsel for the petitioner accepts the demand draft as a full and final settlement.

7. As the parties have compromised the matter and have buried the hatchet, no purpose would be served by punishing the petitioner, who has already honoured the terms of the compromise, which fact has been affirmed by learned counsel for respondent-complainant. In **Raj Reddy Kallem's** case (supra), it has been held that the accused must try for compounding of the offence at the initial stages instead of later stages, however, there is no bar to seek the compounding of offence at later stage of



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criminal proceedings including after conviction.

8. So keeping in view above facts and the law settled by Hon'ble Supreme Court, the petitioner is allowed to compound the offence and he is ordered to be acquitted of the charges framed against him. As a consequences, the order dated 06.06.2022 passed by learned Additional Sessions Judge, Palwal and order dated 28/30.11.2019 passed by JMIC, Palwal, convicting and sentencing the petitioner under Section 138 of the NI Act, are set aside.

9. Revision petition is allowed in above terms and the pending applications are also disposed of.

11.09.2025*ps-I***(RAJESH BHARDWAJ)
JUDGE**

Whether Speaking/Reasoned	:	Yes/No
Whether Reportable	:	Yes/No