



264

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

1)

CRM-34852-2025 &
CRM-34853-2025 in/and
CRR-1442-2024
Date of decision: 24.09.2025

Rajender

....Petitioners

Versus

The Sonapat District Primary Co-Operative
Agriculture and Rural Development Bank Ltd.

...Respondent

2)

CRM-34786-2025
CRM-34787-2025 in/and
CRR-1448-2024

Rajender

....Petitioners

Versus

The Sonapat District Primary Co-Operative
Agriculture and Rural Development Bank Ltd.

...Respondent

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Rajender Singh Malik, Advocate
for the applicant/petitioner.

Mr. Piyush Khanna, Addl.A.G., Haryana.

HARPREET SINGH BRAR, J. (ORAL)

CRM-34853-2025 in CRR-1442-2024
CRM-34787-2025 in CRR-1448-2024

Both the applications have been filed under Section 528 of Bharatiya Nagarik Suraksha Sanhita, 2023 for recalling/modifying the judgment dated 01.05.2025 (Annexure A-3) passed by this Court in view of Annexure A-6 vide which the matter has been settled between the respondent-Bank and the petitioner(s).



In view of the averments made in the applications, the same are allowed and the judgment dated 01.05.2025 passed by this Court is hereby modified as the matter between the parties has been settled.

CRM-34852-2025 & CRR-1442-2024
CRM-34786-2025 & CRR-1448-2024

1. This common order shall dispose of the aforementioned criminal revision petitions as well as applications as they arise from a similar factual matrix. However, for the sake of brevity, the facts are taken from CRR-1442-2024.
2. The criminal miscellaneous application(s) has been filed under Section 147 of the Negotiable Instruments Act (in short 'NI Act') for compounding of offence punishable under Section 138 of NI Act along with the present revision petition(s) for setting aside the impugned judgment/order dated 16.03.2020 passed by the learned Additional Sessions Judge, Sonapat, vide which the impugned judgment of conviction dated 29.01.2016 and order on quantum of sentence dated 30.01.2016 passed by the learned Judicial Magistrate 1st Class, Sonapat, have been upheld.
3. The factual background of the case is that a complaint under Section 138 of the Negotiable Instruments Act was filed against the petitioner on the ground of dishonouring of cheque bearing No.564186 dated 31.12.2012 amounting to Rs.1,27,000/- issued in favour of the complainant/respondent by the petitioner in discharge of his liability and hence, the present complaint. Thereafter, the petitioner was summoned under Section 138 of NI Act by the learned trial Court. Vide judgment of conviction dated 29.01.2016 and order of sentence dated 30.01.2016, the petitioner was convicted and sentenced to



undergo simple imprisonment for a period of three months and was further directed to pay compensation to the tune of Rs.2,54,000/- in CRR-1442-2024 and vide judgment of conviction dated 31.05.2018 and order on quantum of sentence dated 04.06.2018, the petitioner was convicted and sentenced to undergo rigorous imprisonment for a period of five months and was further directed to pay compensation to the tune of Rs.1,42,000/- in CRR-1448-2024. Thereafter, the petitioner preferred an appeal against the said judgment of conviction and order on quantum of sentence before the learned Additional Sessions Judge, Sonapat, which was dismissed vide judgment dated 16.03.2020 upholding the judgment of conviction and confirmed the order of sentence.

4. Learned counsel for the petitioner submits that a compromise/settlement has been effected between the parties and the petitioner has deposited the compensation amount to the tune of Rs.2,54,000/- (in CRR-1442-2024) and Rs.1,42,000/- (in CRR-1448-2024) with the respondent-Bank which has also been accepted by the complainant/respondent-Bank as full and final settlement. He further submits that the respondent-Bank has also issued certificates dated 01.08.2025 (in CRR-1442-2024) and 25.08.2025 (in CRR-1448-2024) to the effect that the petitioner has deposited the compensation amount and nothing is outstanding against him. He relies upon the judgment passed by the Hon'ble Supreme Court in ***Ghanshyam Gautam and another vs. Usha Rani (since deceased) through LRs, 2024(1) CriCC 564*** to contend that once the compromise has been effected and the settled amount has been received by the complainant/respondent, the offence under Section 138 of NI Act can be compounded.



5. He relies upon the judgment of the Hon'ble Supreme Court of India passed in **Special Leave Petition (Criminal) No.8050 of 2025** titled as '**Gian Chand Garg Vs. Harpal Singh and another**' and submits that the Hon'ble Supreme Court has considered the controversy involved in the present case. The facts in the above mentioned case are identical in nature. Further, after the dismissal of the revision petition by this Court in the above said case, the parties arrived at a compromise/settlement on 06.04.2025 whereupon, the complainant has given his no objection to the accused/petitioner therein who filed an application for modification of the order of the Revisional Court and sought acquittal by filing CRM No.15127 of 2025. This Court has dismissed the application seeking modification on 09.04.2024 on the ground of non-maintainability. Further, the Hon'ble Supreme court considered the compromise effected between the parties therein.

6. Learned State counsel submits that the settlement (Annexure A-6) has been effected between the petitioner and the complainant/respondent-Bank. He further submits that the complainant/respondent has received the entire settled amount and nothing is due towards the petitioner. He also submits that he has no objection if the offence under Section 138 of NI Act is compounded and the petitioner is acquitted of the notice of accusation framed served upon him.

7. Having heard learned counsel for the parties and after perusing the record with their able assistance, it transpires that a compromise has been effected between the parties. The petitioner-accused has paid an amount of Rs.2,54,000/- (in CRR-1442-2024) and Rs.1,42,000/- (in CRR-1448-2024) to



the complainant/respondent-Bank in furtherance of the said compromise. The case of the petitioner is squarely covered even on facts by the judgment of the Hon'ble Supreme Court in ***Gian Chand Garg's case (supra)*** which observes the following:-

'10. Therefore, it is very clear that although dishonour of cheque entails criminal consequence, the legislature by virtue of section 147 of the NI Act has made it compoundable notwithstanding the provisions of the Code of Criminal Procedure, 1973 and the same can be compounded at any stage of the proceedings especially when the parties have themselves arrived at a voluntary compromise.

11. In the present case, the compromise deed dated 06.04.2025 and the Affidavit on behalf of the Respondent No.1 dated 16.04.2025 is annexed to the present petition as Annexure P3 and P6, respectively. Upon careful perusal of the recitals contained in the said documents, it clearly emerges that the Respondent No.1 in consideration of Two Demand Drafts bearing no(s). 004348 dated 04.04.2025 and 004303 dated 11.02.2025 for Rs. 2.5 lakhs each along with three cheques bearing no(s). 354412 dated 10.05.2025, 354413 dated 10.06.2025 and 354414 dated 10.07.2025 of Rs. 1 lakh each has arrived at a compromise with appellant without any coercion and at his own will and voluntarily. Once the complainant has signed the compromise deed accepting the amount in full and final settlement of the default sum the proceedings under Section 138 of the NI Act cannot hold water, therefore, the concurrent conviction rendered by the Courts below has to be set-aside.

*12. Therefore, in the light of aforesaid discussion, we are of the considered view that the present appeal deserves to be allowed. Accordingly, the same stands **Allowed** and consequently the impugned order dated 27.03.2025 in CRR 2563 of 2025 is **set aside** and the order of conviction and sentence imposed on appellant is quashed.'*

8. 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.

9. Moreover, 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 ***M/s 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, can in its discretion close the proceedings and discharge the accused.”

10. Reliance can also be placed upon the judgment rendered by the Hon'ble Supreme Court in ***P. Mohanraj and others Vs. M/s Shah Brothers Ispat Pvt. Ltd. (2021) 6 SCC 258***.



11. Moreover, a two Judge Bench of the Hon'ble Supreme Court in ***JK Industries Limited and others Vs. Amar Lal V. Jumani 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.”

12. Consequently, in view of the above discussion and the certificates of settlement dated 01.08.2025 in CRR-1442-2024 and 25.08.2025 in CRR-1448-2024, the present criminal miscellaneous application as well as revision petitions are allowed. The judgment of conviction dated 29.01.2016 and the order on quantum of sentence dated 30.01.2016 passed by the learned Judicial



CRR-1442-2024 (O&M)
CRR-1448-2024 (O&M)

-8-

Magistrate 1st Class, Sonipat as well as impugned judgment dated 16.03.2020 passed by learned Additional Sessions Judge, Sonipat (in CRR-1442-2024) and judgment of conviction dated 31.05.2018 and the order on quantum of sentence dated 04.06.2018 passed by the learned Judicial Magistrate 1st Class, Sonipat as well as impugned judgment dated 18.08.2021 passed by learned Additional Sessions Judge, Sonipat (in CRR-1448-2024), are hereby set aside. The petitioner is acquitted of the notice of accusation and his bail bonds and surety bonds also stand discharged.

13. Pending miscellaneous applications, if any, shall also stand disposed of.

14. A photo copy of this order be placed on the file of connected case.

(HARPREET SINGH BRAR)
JUDGE

24.09.2025

Neha

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