



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

254

CRR No.1820 of 2023 (O&M)

Date of decision: 20.02.2025

Charanjit Singh @ Charanjeet Singh

....Petitioner

Versus

Sukhdev Singh

....Respondent

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Gaurav, Advocate
for Mr. P.S. Sekhon, Advocate
for the petitioner.

Mr. Gagandeep Singh Gill, Advocate
for the respondent.

HARPREET SINGH BRAR J. (Oral)

1. This revision petition has been preferred against the judgment dated 22.07.2022, passed by the learned Additional Sessions Judge, Mansa, vide which judgment of conviction and order on quantum of sentence dated 05.06.2018 passed by the learned Additional Chief Judicial Magistrate, Mansa, in complaint filed under Section 138 of the Negotiable Instruments Act, 1881, have been upheld.

2. The brief facts of the case are that the complainant/respondent Sukhdev Singh filed a complaint against accused Charanjit Singh, alleging that on 04.08.2014, he loaned Rs.6,50,000/- to him with an interest @ 12% per annum and to repay the loan amount, the accused issued a cheque for Rs.7,00,000/-, dated 29.05.2015, drawn on State Bank of India, Budhlada. However, when the complainant presented the cheque for payment, it was returned

2025:PHHC:024916



unpaid with the remarks "drawer signature differ" on 30.05.2015 and despite serving a legal notice on 11.06.2015 requesting payment, the accused/petitioner failed to repay the loan amount.

3. The learned trial Court after appreciating the complete evidence on record, convicted the petitioner vide judgment of conviction and order of sentence dated 05.06.2018 and thereafter, the learned Lower Appellate Court vide judgment dated 22.07.2022, upheld the judgment of conviction and order of sentence.

4. Learned counsel for the petitioner submits that during the pendency of the present petition, the matter has been compromised between the parties and on 02.09.2023, the following order was passed:-

“CRM-33585-2023

This is an application filed under Section 397 Cr.P.C. for suspension of sentence on behalf of petitioner-applicant during the pendency of the petition.

Learned counsel for the petitioner submits that the petitioner-applicant has been convicted under Section 138 of Negotiable Instruments Act, 1881 and sentenced to undergo rigorous imprisonment for a period of two years and a fine of Rs.10,000/-, in default of payment of fine, to undergo simple imprisonment for 15 days, vide judgment of conviction and order of sentence dated 05.08.2018. Against the said conviction, appeal filed by the petitioner stands dismissed vide judgment dated 22.07.2023. Hence, petitioner has approached this Court by filing the revision petition.

Learned counsel for the petitioner-applicant submits that the dispute between the parties stands amicably

2025:PHHC:024916



resolved as they have entered into a compromise dated 04.08.2023 (Annexure P-1). He submits that as per the said compromise, complainant does not wish to pursue the present proceedings and he has no objection if the sentence of the petitioner-applicant is suspended during the pendency of revision petition in order to enable him to adhere the terms and conditions of the compromise.

Learned counsel for the respondent has admitted the factum of compromise and endorsed his no objection to the prayer made in the instant application being granted.

In light of the fact that the matter stands settled between the parties and the offence being compoundable, the present application is liable to be accepted. Accordingly, the remaining sentence of petitioner-applicant Charanjit Singh @ Charanjeet Singh shall remain suspended during the pendency of the revision petition. He be released on bail subject to his furnishing personal and surety bonds to the satisfaction of trial Court/Chief Judicial Magistrate/Duty Magistrate concerned. CRM Stands disposed of.

CRR-1820-2023 (O&M)

Since the parties have entered into a compromise, they are directed to appear before the trial Court to get their statements recorded on 10.10.2023 or any other date convenient to the concerned Court. The original compromise, duly signed by both the parties concerned, shall be produced before the Court at the time of recording statement of the parties. The concerned Court is directed to submit a report with regard to genuineness of the compromise. List on 22.11.2023.”

To support his contention, learned counsel for the petitioner has relied 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.

5. *Per contra*, learned counsel for the respondent affirms the factum of compromise arrived at between the parties and he has no objection, in case the offence under Section 138 of the NI Act be compounded and the petitioner be acquitted of notice of accusation issued against him.

6. I have heard learned counsel for the parties and perused the paperbook with their able assistance.

7. 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. A two Judge Bench of 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.

8. 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

2025:PHHC:024916



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.....

XX XX XX XX
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."

9. A two Judge Bench of the Hon'ble Supreme Court in ***JK Industries Limited and others Vs. Amar Lal V. Juman 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

2025:PHHC:024916



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 "

10. In compliance of the order dated 02.09.2023, a report has already been received from the concerned jurisdictional Court that the compromise between the parties is genuine and arrived at without any pressure or coercion from anyone.

11. Consequently, in view of the above discussion and settlement arrived at between the parties, the present revision petition is allowed and the judgment of conviction and the order of sentence dated 05.06.2018 passed against the petitioner by learned Judicial Magistrate Ist Class, Mansa as well as impugned judgment dated 22.07.2022

2025:PHHC:024916



passed by learned Additional Sessions Judge, Mansa are hereby set aside. The petitioner is acquitted of the notice of accusation and his bail bonds and surety bonds also stand discharged.

12. Pending application(s), if any, stands disposed of accordingly.

(HARPREET SINGH BRAR)
JUDGE

20.02.2025
yakub

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