



IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

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CRR-1569-2024 (O&M)

Date of decision: 11.11.2025

Ved Parkash

...Petitioner(s)

VERSUS

State of Haryana and another

...Respondent(s)

CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

Present :- Mr. Vikram Rana, Advocate for the petitioner(s).

Ms. Chhavi Sharma, AAG Haryana.

Mr. Satender Kumar, Advocate for respondent No.2.

VINOD S. BHARDWAJ, J. (Oral)

1. The instant revision petition has been filed against the impugned judgment/order dated 20/25.09.2023 passed by the Judicial Magistrate First Class, Bhiwani vide which the petitioner had been convicted and sentenced to undergo simple imprisonment for a period of one year and to pay a compensation of Rs.2,50,000/- i.e. the cheque amount along with interest @ 9% per annum from the date of cheque till the date of passing of judgment for the commission of offence under Section 138 of the Negotiable Instruments Act, 1881 and the impugned judgment dated 25.07.2024 passed by Additional Sessions Judge, Bhiwani vide which the appeal preferred by the petitioner(s) has been dismissed.

2. Briefly summarized, the facts of the case are that the petitioner requested the respondent-complainant to lend him an amount of Rs.2,50,000/- for smooth functioning and personal use, on account of his



cordial relationship with the latter. The complainant accepted the petitioner's request and lent him the sum of Rs.2,50,000/- on 28.01.2019 through a pronote and receipt. In the last week of April 2019, the complainant requested the petitioner to repay the amount of Rs.2,50,000/- whereupon the petitioner, in discharge of his lawful liability, issued the cheque no. 094228 dated 30.04.2019 for Oriental Bank of Commerce, Bhiwani from his account no. 00782191001621. However, the said cheque was dishonoured on its presentation vide memo dated 02.05.2019.

3. The complainant then got served a Legal Notice dated 20.05.2019, calling upon the petitioner-accused to make the payment within 15 days of the receipt of the legal notice. However, the same was not done whereupon the complaint under Section 138 of the Negotiable Instruments Act was filed before the Judicial Magistrate, 1st Class, Bhiwani. The petitioner-accused pleaded not guilty and claimed trial. The complainant stepped into the witness box as CW-1 and reiterated the allegations made in the complaint. The complainant also produced documents Ex. C-1 copy of pronote, Ex. C-2 copy of receipt, Ex. C-3 original cheque bearing no. 094228 dated 30.04.2019 amounting to Rs.2,50,000/-, Ex C-4 return memo, Ex C-5 legal notice dated 20.05.2019, Ex. C-6 postal receipt, Ex. C-7 envelope and Ex. C-8 acknowledgement card and proved the relevant documents.

4. The evidence was duly put to the petitioner and he was granted opportunity to establish his defence. The parties were thereafter heard at length.



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5. Vide judgment and order of sentence dated 20.09.2023/25.09.2023, the petitioner was convicted and sentenced to undergo simple imprisonment for a period of one year along with a compensation of Rs. 2,50,000/- i.e. the cheque amount, to be given to the complainant, along with interest @ 9% per annum from the date of cheque till the date of passing of judgment. The petitioner filed an appeal against the abovesaid judgment of conviction and order of sentence. Vide judgment dated 25.07.2024, the Additional Sessions Judge, Bhiwani dismissed the appeal and upheld the judgment of conviction and order of sentence. The present petition has thus been filed.

6. Alongwith the instant revision petition, the petitioner also filed CRM-33504-2024 before this Court for seeking suspension of sentence. The same was allowed vide order dated 03.03.2025.

7. Learned counsel for the petitioner contends that after filing of the instant petition, the matter has been amicably resolved between the parties and the entire due principal amount already stands paid.

8. Learned counsel appearing on behalf of respondent No.2-complainant does not dispute that the principal amount has been paid he however contends that the interest amount, as awarded by the Court is yet to be paid.

9. Counsel for the petitioner contends that the complainant is claiming the interest @ 9% per annum, which is on a much higher side. He submits that the proceedings under Section 138 of the Negotiable



Instruments Act, 1881 are not recovery proceedings. The statutory provision provides for compounding of the offence on payment of the cheque amount. Since, the same has already been paid, hence, the fate of the petitioner be not left to the whims of the complainant. It is submitted that the Supreme Court has already taken such aspect of suitable compensation in consideration and has determined certain percentages of the cheque amount as suitable compensatory mechanism for compounding the offence. As per the judgment of the Supreme Court in the matter of '*Sanjabij Tari vs Kishore S. Borcar and Anr*' reported as **2025 SCC OnLine SC 2069** and decided on **25.09.2025**, if a matter is compounded at the stage of High Court in Revision or Appeal, such Court may compound the offence on the condition that the accused pays 7.5% of the cheque amount by way of costs. The relevant part of the judgment is extracted hereunder:

38. *Since a very large number of cheque bouncing cases are still pending and interest rates have fallen in the last few years, this court is of the view that it is time to "revisit and tweak the guidelines". Accordingly, the aforesaid guidelines of compounding are modified as under :*

- (a) If the accused pays the cheque amount before recording of his evidence (namely defence evidence), then the trial court may allow compounding of the offence without imposing any cost or penalty on the accused.*
- (b) If the accused makes the payment of the cheque amount post the recording of his evidence but prior to the*



pronouncement of judgment by the trial court, the magistrate may allow compounding of the offence on payment of additional 5 per cent. of the cheque amount with the legal services authority or such other authority as the court deems fit.

(c) Similarly, if the payment of cheque amount is made before the sessions court or a High Court in revision or appeal, such court may compound the offence on the condition that the accused pays 7.5 per cent. of the cheque amount by way of costs.

(d) Finally, if the cheque amount is tendered before this court, the figure would increase to 10per cent. of the cheque amount.

10. Counsel for the petitioner argues that even though the due amount as per the judgment of the Supreme Court is Rs.18,750/- over and above the cheque amount, however, he shall pay @10% of the cheque amount i.e. Rs.25,000/- over and above the principal amount and that the same shall be paid within a period of 3 weeks of receipt of a copy of the order.

11. Even though, counsel for respondent No.2 contends that he would suffer a loss as a result of the same, however, he is not in a position to dispute or distinguish the applicability of the judgment of the Supreme Court in the matter of *Sanjabij Tari (supra)*.



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12. Having heard counsel for the parties and taking into consideration the judgment of the Supreme Court in the matter of *Sanjabij Tari (supra)*, I deem it appropriate to invoke the power vested by virtue of Section 147 of the Negotiable Instruments Act, 1881 and allow the compounding of the offence under Section 138 of the Negotiable Instruments Act and consequently set aside the judgments passed by both the Courts i.e. impugned judgment and order dated 20/25.09.2023 passed by the Judicial Magistrate First Class, Bhiwani and impugned judgment dated 25.07.2024 passed by Additional Sessions Judge, Bhiwani, subject to the condition that the petitioner shall deposit an additional compounding cost of Rs.25,000/- with the concerned Illaqa Magistrate within a period of three weeks of the receipt of a certified copy of this order whereupon the Illaqa Magistrate shall release the same in the favour of complainant. In the event of non-payment of the said amount, as undertaken, within the above period, the petitioner shall be bound to undergo his sentence as awarded.

13. Petition is accordingly **allowed** in the above terms.

14. All pending misc. application(s), if any, stand disposed of.

(VINOD S. BHARDWAJ)
JUDGE

11.11.2025

Mangal Singh

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