

2025:PHHC:097883



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

**CRR 1778 of 2025 (O&M)
Date of Decision: 31.07.2025**

Vijender Singh Narwal ...Petitioner
Vs.
State of Haryana and another ...Respondents

CORAM : HON'BLE MR. JUSTICE N.S.SHEKHAWAT

Present : Mr. Prateek Rathee, Advocate
for the petitioner.

Mr. Himanshu Chauhan, Advocate
for respondent No. 2.

N.S.SHEKHAWAT, J. (Oral)

1. The petitioner has filed the present petition before this Court against the impugned judgment dated 11.07.2025 passed by the Court of Additional Sessions Judge, Bhiwani and impugned judgment of conviction dated 21.11.2022 and order of sentence dated 24.11.2022 passed by the Court of Judicial Magistrate 1st Class, Bhiwani, whereby, the petitioner was convicted for the offence punishable under Section 138 of the Negotiable Instruments Act 1881 (hereinafter to be referred as '**the Act**') and sentenced to undergo simple imprisonment for a period of one year and also directed to pay Rs. 15 lakhs as compensation to the complainant (i.e., cheque amount

alongwith 9% interest per annum from the date of issuance of cheque till the date of judgment) alongwith default stipulation.

2. During the pendency of the present revision petition, the petitioner filed an application (CRM 28820 of 2025) under Sections 359 and 528 of the B.N.S.S., 2023 read with Section 147 of the Act for compounding the offence under Section 138 of the Act.

3. Learned counsel for the petitioner has vehemently argued that the matter had been compromised between the applicant/petitioner and the respondent No. 2. Even, the respondent No. 2 had received a sum of Rs.13 lakhs from the applicant/petitioner as a full and final settlement with respect to the cheque in question and even the respondent No. 2 has submitted an affidavit (Annexure A-1) in this regard.

4. Even, a short reply has been filed by way of an affidavit of respondent No. 2. Learned counsel appearing on behalf of respondent No. 2 clearly admitted the factum of compromise between the parties and admitted the contents of the affidavit (Annexure A-1). Learned counsel submits that a sum of Rs.13 lakhs has been received by the respondent No. 2 as full and final settlement and he has no objection in case the petitioner is acquitted in view of the compromise between the parties.

5. I have heard learned counsel for the parties and perused the record.

6. Learned counsel for the petitioner by relying upon Cochin Hotels Co.(P) Ltd. and others Vs. Kairali Granites and others, 2006(2) RCR (Criminal) 333 and K. Subramanian Vs. R. Rajathi represented by POAP Kaliappan, 2010 (1) RCR (Criminal) 184 contended that even after finalization of judgment of conviction and order of sentence, petitioner can resort to compounding mechanism in terms of Section 147 of Negotiable Instruments Act as the offence related to dishonouring of cheque is having compensatory profile and it should be given precedence over punitive mechanism. Offence is almost a civil wrong which has been clothed in a criminal overtone, therefore, the priority should be given to compensatory mechanism

7. Learned counsel also relied upon Damodar S. Prabhu vs. Sayed Babalal H.(supra) Kaushalya Devi Massand vs. Roopkishore, 2011(2) RCR (Criminal) 298 and contended that the compromise in question would definitely go in long way to strengthen the mutual relationship between the parties and would serve as an ever lasting tool in their favour. This exercise would be in consonance with the spirit of Section 147 of the Negotiable Instruments Act as endorsed in Damodar S. Prabhu's case (supra)

8. So far as 15% of the cheque amount in terms of ratio of Damodar S. Prabhu's case (supra) is concerned, I am of the view that Section 147 of the Negotiable Instruments Act does not contain any guideline or procedure for proceeding with the compounding of

the offences. Since scheme under Section 320 Cr.P.C cannot be followed in stricto sensu, therefore, Hon'ble Apex Court has also clarified that in order to discourage chronic litigants from delaying the composition of the offence under Section 138 of the Act, the scheme for imposing costs is considered to be a valid means to encourage compounding at the earliest. Valuable time of the Court is also involved in the trial of the cases and the parties are not liable to pay any Court fee in such proceedings, even though the impact of the offence is largely confined to the private parties. The imposition of costs would be a matter of discretion of the Court.

9. In view of the fact that the parties have resolved their differences and have compromised the matter and also the fact that the petitioner is confined in jail and has no resources, I am of the view that instead of imposing 15% of the cheque amount towards the costs of litigation, it would be appropriate to impose a cost of Rs.50,000/- on the present petitioner.

10. In view of the above discussion, the present petition is disposed off and the impugned judgment dated 11.07.2025 passed by the Court of Additional Sessions Judge, Bhiwani and impugned judgment of conviction dated 21.11.2022 and order of sentence dated 24.11.2022 passed by the Court of Judicial Magistrate 1st Class, Bhiwani, are set aside and the parties are allowed to compound the offence in terms of Section 147 of the Act and petitioner is ordered to be acquitted of the notice of accusation. However, the petitioner is

directed to deposit a sum of Rs.50,000/- as costs with the Haryana State Legal Services Authority within a period of two months from today. In case, the petitioner does not deposit the above stated costs, the present petition shall be deemed to be dismissed.

11. All pending applications, if any, are disposed off, accordingly.

31.07.2025

(N.S.SHEKHAWAT)

amit rana

JUDGE

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