IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CRR-1908-2025(O&M)
Date of decision: 08.09.2025

SURESH AGGARWAL

….Petitioner

Versus

RN AGGARWAL (DECEASED) THROUGH LRS

....Respondent

CORAM:- HON'BLE MS. JUSTICE RUPINDERJIT CHAHAL

Present:- Mr. Jai Vir Yadav, Sr. Advocate with
Mr. Aman Gautam, Advocate and
Mr. Ashutosh Sharma, Advocate for the petitioner.

Mr. Abhinav Sood, Advocate and
Mr. Nitesh Jhajhria, Advocate for the respondent.

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RUPINDERJIT CHAHAL, J. (ORAL)

1. Petitioner-Suresh Aggarwal has filed the instant revision petition assailing judgment and order dated 12.07.2022 and order on quantum of sentence dated 14.07.2022 passed by learned Judicial Magistrate Ist Class, Gurugram, whereby he has been convicted and sentenced under Section 138 of the Negotiable Instruments Act, 1881 (for short 'the Act') for a period of 06 months rigorous imprisonment and to pay compensation of Rs.56,00,000/- (double to the cheque amount) as also the judgment dated 14.07.2025 passed by the Additional Sessions Judge, Gurugram, whereby appeal of the petitioner against the aforesaid judgment of conviction dated 12.07.2022 and order of sentence dated 14.07.2022 has been dismissed.

2. Brief facts of the case are that the petitioner is the close relative of complainant/respondent and he took a loan of Rs.25,00,000/- (Rupees Twenty-Five Lakhs only) from the complainant through cheques

in the year 2011 with the condition that the amount would be returned after seven years, i.e., in the year 2018. The respondent further stated that he had requested the petitioner in the month of May 2018 to make the payment of double the loan amount, i.e., Rs.50,00,000/- (Rupees Fifty Lakhs only), as agreed by the accused at the time of taking the loan in 2011. The petitioner, in order to discharge his liability towards the loan received by him, had given part payment of Rs. 20,00,000/- (Rupees Twenty Lakhs only) by issuing and handing over a cheque bearing No. 685753 dated 29.05.2018 for Rs. 20,00,000/-, drawn on Oriental Bank of Commerce, Shahdara, Delhi-110032, and had requested the complainant to allow him to pay the remaining amount of Rs. 30,00,000/- (Rupees Thirty Lakhs only) after some time.

3. The respondent further averred that he had presented the aforesaid cheque in his savings bank account at Indian Overseas Bank, DLF Phase-I, Gurugram on 29.05.2018 for realization. However, the said cheque was dishonoured by the banker of the petitioner through the return memo dated 5.06.2018 with the reason "Funds Insufficient." The respondent informed the petitioner about the dishonour of his cheque and requested him to make the payment of the cheque amount, but the petitioner requested the respondent not to take any legal action against him in Court, citing financial constraints at that time. The accused instead gave two post-dated cheques bearing No. 402694 dated 21.12.2018 for Rs. 3,00,000/- (Rupees Three Lakhs only) and No. 402695 dated 21.12.2018 for Rs. 25,00,000/- (Rupees Twenty-Five Lakhs only), both drawn on Oriental Bank of Commerce, Shahdara, Delhi-110032, as part payment to

the respondent and also assured him that he would make the remaining balance payment thereafter. The respondent, keeping in view his relationship with the petitioner and the assurances given by him, did not take any legal action and waited for about six months. The respondent submitted that after waiting for about six months, he presented the above-mentioned two cheques bearing No. 402694 and 402695, both dated 21.12.2018 and amounting to Rs. 3,00,000/- and Rs. 25,00,000/- respectively, on 24.12.2018 in his savings bank account at Indian Overseas Bank, DLF Phase-1, Gurugram for realization. But again, to the utter surprise of the respondent, both cheques were dishonoured by the banker of the petitioner through their return memo dated 28.12.2018 with the reason "Funds Insufficient," and the intimation from the bank was received by the respondent on 29.12.2018.

4. The respondent stated that the accused was liable to pay a sum of Rs. 28,00,000/- (Rupees Twenty-Eight Lakhs only) towards the aforesaid cheques since the petitioner was and had been illegally withholding the aforesaid legitimate payment knowingly and intentionally. He further submitted that the cheques were issued to discharge part of the liability towards the loan received by the petitioner from the respondent and were dishonoured for the reasons stated above. The respondent stated that thereafter he contacted the petitioner and informed him about the dishonour of the cheques. The respondent submitted that he had sent a legal notice dated 31.12.2018 through his counsel by registered post to the accused demanding the cheque amounts of Rs. 28,00,000/- within fifteen days from the date of receipt of the notice, but despite receiving the notice,

the petitioner had not made payment of the cheques in question till date, deliberately and willfully. Hence, complaint under Sections 138 and 142 of the Negotiable Instruments Act was instituted.

5. After hearing both the parties and perusing the evidence on record, learned Judicial Magistrate Ist Class, Gurugram, vide judgment of conviction dated 12.07.2022 and order of sentence dated 14.07.2022 convicted and sentenced the petitioner under Section 138 of the Act to undergo rigorous imprisonment for a period of 06 months and to pay compensation equivalent to Rs. 56,00,000/- and in case of default of payment of compensation to undergo rigorous imprisonment for a period of 01 month.

6. The aforesaid judgment and order dated 12.07.2022 and order of sentence dated 14.07.2022 were challenged by the petitioner in appeal before the learned Additional Sessions Judge, Gurugram, who, vide judgment dated 14.07.2025, dismissed the same finding it without any merit.

7. Feeling aggrieved, petitioner has filed the instant revision petition with a prayer that both the aforesaid judgments passed by the Courts below be set aside and the petitioner may be acquitted of the charges levelled against him.

8. Now the petitioner has filed an application under Section 147 of the Negotiable Instruments Act seeking permission from this Court to compound the offence and be acquitted of the charges under Section 138 of Negotiable Instruments Act.

9. Learned counsel for the complainant/respondent appeared and stated that the matter has been compromised, the amount stands paid and he has no objection, if the present application is allowed.

10. Learned counsel for the petitioner relies upon the judgment in the case of ***Tilak Kataria vs. State of Haryana and another, 2021 (3) RCR (Criminal) 404***, wherein, after considering various judgments of the Apex Court, it has been held that when the complainant does not have any objection, the proceedings should come to an end.

11. The Hon’ble Supreme Court in ***A.T. Sivaperumal vs. Mohammed Hyath (D) by LRs***, decided on 27.03.2017, has held that once the settlement between the parties has been arrived at, the conviction can also be set aside and the litigation too. Similar view has been taken by a Coordinate Bench of this Court in the case of ***Jagmohan Vs. Sandeep Aggarwal and another, 2021(4) RCR (Criminal) 86***.

12. Learned counsel for the petitioner and learned counsel for the respondent, are ad-idem and submit that as the matter stands compromised and the petitioner may be allowed and permission may be granted to the parties to compound the offence under Section 138 of the Act in view of the law laid down by the Hon'ble Supreme Court in ***Damodar S. Prabhu vs. Sayed Babalal H, 2010 (2) RCR (Criminal) 851***; the impugned judgments and order passed by the learned trial Court and the learned Appellate Court may be set aside and the petitioner be acquitted of the charge.

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

14. In the present case, the cheque(s) amount is Rs.28,00,000/-. In view of the law laid down in ***Damodar S. Prabhu's*** case (supra), compounding of the present offence can be allowed provided the petitioner-accused pays 15% of the cheque amount by way of costs. On calculation, 15% of the cheque amount comes to be Rs.4,20,000/-. As noticed above, the parties have settled the dispute by way of compromise. Thus, this Court grants permission to compound the offence punishable under section 138 NI Act.

15. In view of the above, the impugned judgment of conviction dated 12.07.2022 and order of sentence dated 14.07.2022 passed by the learned Judicial Magistrate, 1st Class, Gurugram, and the judgment dated 14.07.2025 passed by the learned Additional Sessions Judge, Gurugram, are set aside; the complaint under Section 138 of the Act stands dismissed and the petitioner stands acquitted of the charge, subject to his depositing the costs of Rs.4,20,000/- with the Punjab State Legal Services Authority, in view of the law laid down by the Hon'ble Supreme Court in ***Damodar S. Prabhu's*** case (supra), within 15 days from the receipt of the certified copy of this order. The present petition is allowed in the aforementioned terms. Needless to say that the parties shall remain bound by the terms and conditions of the compromise.

16. Pending application(s), if any, stand disposed of in view of the abovesaid judgment.

(RUPINDERJIT CHAHAL)
JUDGE

08.09.2025
Mohit Bishnoi

i) Whether speaking/reasoned? Yes/No
ii) Whether reportable? Yes/No