



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

CRR-1820-2024(O&M)

Date of decision : 02.04.2025

Gurpal Singh

.....Petitioner

Versus

Dhir Singh

...Respondent

CORAM: HON'BLE MR. JUSTICE MAHABIR SINGH SINDHU

Present: Mr. Arshpreet Khadial, Advocate (through video conferencing) for the petitioner.

Mr. Aditya Anand, Advocate for the respondent.

MAHABIR SINGH SINDHU, J.

Present revision petition has been filed for setting aside the impugned judgment and order on quantum of sentence dated 03.05.2018 passed by learned Sub Divisional Judicial Magistrate, Malout (for short 'SDJM') in complaint case bearing No.618 dated 17.10.2016 under Section 138 of Negotiable Instruments Act, 1881 (for short 'NI Act') whereby petitioner was sentenced to undergo imprisonment for a period of 02 years along with fine of Rs.1000/- and in default of payment of fine to further undergo imprisonment for 07 days for commission of offence punishable under Section 138 of NI Act and also to pay compensation to the tune of cheque amount i.e. Rs.1,70,000/- within a period of three months and in default of payment, to undergo simple imprisonment for 15 days; and judgment dated 06.01.2022 passed by learned Sessions Judge, Sri Muktsar Sahib, whereby appeal preferred against the aforesaid judgment of conviction and order on quantum of sentence dated 03.05.2018 was dismissed.



2. The facts of the case as recorded in the impugned judgment of conviction and order of sentence dated 03.05.2018 passed by learned SDJM are recapitulated as under:-

“2. Briefly averred, complainant's case is that the accused purchased Guna from the complainant on different dates i.e. from 29-03-2016 to 21-04-2016. The accused has made some payments and Rs.1,70,000/- is still due towards the accused as principal amount and in discharge of this debt, accused issued a cheque no.408935 dated 05-06-2016 of Rs.1,70,000/- in favour of complainant drawn upon Oriental Bank of Commerce, Branch Ghuda with the assurance that accused is having sufficient amount lying in his account. So, complainant presented the cheque in said bank for the purpose of realization of cheque amount but the same has been received back unrealized on the ground of Funds Insufficient vide memo dated 03-09-2016. The complainant received intimation regarding bouncing the cheque through his banker on the same day. The complainant contacted the accused but he did not respond, consequently legal notice dated 16-09-2016 was served upon him on his residential address and business address through his Advocate on 17-09-2016 raising demand of payment of cheque amount, which were received by the accused. But the accused did not make any payment of cheque amount and as such, present complaint has been filed. The complainant prayed for summoning and sentencing the accused for committing offence under Section 138 of the Negotiable Instrument Act.”

3. Learned counsel for the parties jointly stated that matter has been amicably settled between the parties i.e. petitioner as well as



respondent and report dated 27.03.2025 in this regard has been received from the Mediation and Conciliation Centre of this Court.

4. The operative part of the report dated 27.03.2025 of Mediator is reproduced as under:-

“6. The following settlement has been arrived at between the Parties hereto:

a) That the entire dispute between the parties has been fully and finally settled at an amount of Rs.2,20,000/- (Rupees Two Lacs Twenty Thousand only) to be paid by the first party to the second party, out of which the first party has already paid a sum of Rs. 1,70,000/- (Rupees One Lac Seventy Thousand only) vide demand draft No.020108 dated 03.03.2025 handed over to the counsel for the respondent-second party on 05.03.2025.

b) That it has been further agreed between the parties that remaining amount of Rs.50,000/- (Rs. Fifty thousand only) has been paid by the first party to the second party yesterday i.e. 26.03.2025, which has been duly received by the second party. Thereafter, no amount is due towards the first party as the entire amount due stands paid to the second party-complainant.

c) That it has been mutually agreed between the parties that the second party undertakes to make a statement/file an affidavit in the Court on the date fixed, if need arises.

d) That the parties further undertake not to initiate or institute any unwanted litigation against each other arising out of the matter in dispute, which has been fully settled between the parties.

e) That as per knowledge of both the parties, there is no other pending litigation between the parties qua the present dispute. It has been further agreed between the



parties that in case of coming into knowledge of any petition or case filed by any of the parties against other, the same shall be withdrawn by either of the party who has filed it.

f) That this compromise has been arrived at between the parties without any pressure, undue influence or misrepresentation and both the parties have agreed to abide by the terms and conditions of the agreement. Both the parties shall be bound with the terms and conditions of this agreement/settlement.”

5. Perusal of the above reveals that the parties have amicably settled the matter at their own level.

6. Hon’ble the Supreme Court in **‘Damodar S.Prabhu Vs. Sayed Babalal H.’ 2010(5) SCC 663**, while dealing with the matter regarding compounding of offence punishable under Section 138 of NI Act, issued certain guidelines and relevant part of Para No. 21 reads as under:-

“21..... The guidelines

(i) In the circumstances, it is proposed as follows:-

(a)

(b)

(c) Similarly, if the application for compounding is made before the Sessions Court or a High Court in revision or appeal, such compounding may be allowed on the condition that the accused pays 15% of the cheque amount by way of costs.

.....”



7. In view of the above, this Court deems it appropriate to allow the compounding of offence and to set aside the judgment of conviction and order of sentence of petitioner imposed in the impugned judgments dated 03.05.2018 and 06.01.2022 (*ibid*).

8. Consequently, petition is allowed; impugned judgments dated 03.05.2018 and 06.01.2022 passed by both the Courts below are set aside, subject to the condition that petitioner will deposit costs @ 15% of the cheque amount in terms of judgment of Hon'ble the Supreme Court in **Damodar S. Prabhu** (*supra*) and on doing so, petitioner shall stand acquitted.

9. Costs shall be deposited with High Court Legal Services Committee within a period of 08 weeks from today

Pending application(s), if any, shall also stand disposed off

02.04.2025

d.gulati

Whether speaking / reasoned :
Whether Reportable :

(MAHABIR SINGH SINDHU)
JUDGE

Yes	No
Yes	No