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

**CRM-M No.44192 of 2025
Date of Decision: 18.08.2025**

Shishram @ Sheesh Ram Nehara

.....Petitioner

Versus

State of Haryana and another

....Respondents

CORAM: HON'BLE MR.JUSTICE RAJESH BHARDWAJ

Present: Ms. Alka Sharma, Advocate
for the petitioner.

RAJESH BHARDWAJ, J.(ORAL)

1. Instant petition has been filed under Section 528 of B.N.S.S. 2023 praying for quashing of complaint, i.e. Criminal Complaint No. 596 of 2014, dated 18.12.2014, registered under Sections 138 & 142 of the Negotiable Instruments Act, 1881 as well as subsequent proceedings arising therefrom on the basis of compromise dated 17.07.2025 as well as the law laid down by the Hon'ble Supreme Court in case titled 'Ghanshyam Gautam & Anr. vs. Usha Rani (since deceased) through LRs. Further prayer has been made for staying the further proceedings of the complaint during the pendency of the present petition.

2. It has been submitted by learned counsel for the petitioner that



petitioner was convicted under Sections 138 & 142 of the Negotiable Instruments Act and sentenced to undergo simple imprisonment for a period of 18 months along with compensation of Rs.25,00,000/- to be paid to the complainant by the learned Judicial Magistrate Ist Class, Narnaul vide order dated 01.11.2017. However, the same was affirmed by learned Additional Sessions Judge, Narnaul vide order dated 01.08.2024. However, now both the parties have amicably resolved their *inter se* dispute and the full and final payment has been paid to the complainant as per the compromise deed dated 17.07.2025 (Annexure P-6). She prays for compounding the offence and setting aside the order dated 01.08.2024 passed by learned Additional Sessions Judge, Narnaul, and order dated 01.11.2017 passed by Judicial Magistrate Ist Class, Narnaul.

3. Notice of motion.

4. On asking of the Court, Mr. Tanuj Sharma, AAG, Haryana accepts notice on behalf of respondent No.1-State. At this stage, Ms. Riya Kohli, Advocate has appeared and filed his power of attorney on behalf of respondent No.2. She has affirmed the factum of compromise and also suffered a statement before this Court regarding the compromise. She has stated that she has no objection if the present petition is allowed, offence is compounded and orders, dated 01.11.2017 and 01.08.2024 are quashed.

5. The case as enumerated from the facts and circumstances is that a complaint under Section 138 of the NI Act was filed against the petitioner by respondent No.2. It was alleged that the accused/petitioner took friendly loan of Rs.20,00,000/- from the complainant-respondent No.2 and in order



to discharge his legal liability, the accused/petitioner issued cheque bearing No.005519 dated 29.07.2014 for an amount of Rs.20,00,000/- drawn over Axis Bank, Branch Opp. Panchayat Bhawan, Narnaul in favour of the complainant/respondent No.2. It was undertaken that on the presentation of the cheque, the same would be honored. However on the presentation of the cheque, the same was returned by the Bank with the remarks “Account closed”. The respondent issued a legal notice dated 15.11.2014 through his counsel to the accused/petitioner, however the amount was not paid and hence, it was prayed that the petitioner be punished for the offence according to the law under Section 138 of the Negotiable Instruments Act.

6. On conclusion of trial, the petitioner was convicted and sentenced under Section 138 of the NI Act to undergo simple imprisonment for a period of 18 months. The petitioner was also burdened with compensation of Rs.25,00,000/- to be payable to the complainant. Aggrieved by the conviction and sentence awarded by learned Judicial Magistrate Ist Class, Narnaul, the petitioner assailed the same by way of filing an appeal before the learned Additional Sessions Judge, Narnaul. Learned Additional Sessions Judge, finding no merit in the appeal, dismissed the same on 01.08.2024 by upholding the conviction and sentence of the petitioner. Hence, the petitioner has approached this Court by way of filing the present petition challenging the above said orders.

7. Learned counsel for the petitioner has fairly submitted that after dismissal of the appeal, the matter has been compromised and the amount, as agreed in the compromise, has also been paid by the petitioner to the



complainant and now nothing is due against him. She has further submitted that once the parties have settled the dispute amicably, then in view of the law settled, the petitioner be allowed to compound the offence and he be acquitted of the charge under Section 138 of NI Act. She has placed reliance on the law laid down by Hon'ble Supreme Court in '**Raj Reddy Kallem vs. The State of Haryana and another**', Law Finder Doc Id# 2557645, wherein, it has been held that there is no bar to seek the compounding of the offence at a later stage of criminal proceedings including after conviction.

8. Learned counsel for respondent No.2 has affirmed the contentions raised by learned counsel for the petitioner and has submitted that respondent No.2 has received the cheque amount as per the compromise and have no objection, if the present petition is allowed.

9. As the parties have compromised the matter and have buried the hatchet, no purpose would be served by punishing the petitioner, who has already honoured the terms of the compromise, which fact has been affirmed by learned counsel for respondent No.2/complainant. In **Raj Reddy Kallem's** case (supra), it has been held that the accused must try for compounding of the offence at the initial stages instead of later stages, however, there is no bar to seek the compounding of offence at later stage of criminal proceedings including after conviction.

10. So keeping in view above facts and the law settled by Hon'ble Supreme Court, the petitioner is allowed to compound the offence and he is ordered to be acquitted of the charges framed against him. As a



consequences, the order dated 01.08.2024 passed by learned Additional Sessions Judge, Narnaul, and order dated 01.11.2017 passed by the learned Judicial Magistrate Ist Class, Narnaul, convicting and sentencing the petitioner under Section 138 of the NI Act, are set aside.

11. While taking into consideration the observations made by Hon'ble Supreme Court in '***Damodar S. Prabhu vs. Sayad Babalal H. 2010(2) RCR (Crl.) 851***', the present petition is allowed subject to payment of costs of Rs.3,00,000/- (being 15% of the cheque amount of Rs.20,00,000/-), **(Rs.1,00,000/- to be paid to the Punjab and Haryana High Court Bar Association, Chandigarh; Rs.1,00,000/- to be paid to the High Court Employees' Welfare Association, Chandigarh; Rs.25,000/- to be paid to the Day Care Centre for Elderly Disabled Home for Old & Destitute People, Sector 15, Chandigarh; Rs.25,000/- to be paid to the Society for the Care of Blind, Sector 26, Chandigarh and Rs.50,000/- to be paid to the complainant)** within two months from today.

12. Petitioner is directed to file receipt/proof of payment of abovesaid amount of Rs.3,00,000/- in the office/Registry of this Court within aforesaid period. In case the petitioner fails to deposit the abovesaid amount within two months from today, the orders, dated 01.08.2024, passed by learned Additional Sessions Judge, Narnaul, dismissing the appeal filed by the petitioner as well as order, dated 01.11.2017 passed by learned Judicial Magistrate Ist Class, Narnaul would become operational and the present petition would be deemed to have been dismissed.

13. Petitioner, if in custody, be set at liberty forthwith, if not required in any other case.
14. Present petition is allowed.

18.08.2025

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(RAJESH BHARDWAJ)

JUDGE

Whether speaking/reasoned

Whether reportable

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Yes/No

Yes/No