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IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

2025:PHHC:161406



CRM-M-50726-2025 (O&M)

Date of decision: 19.11.2025.

M/S MANN MEDICITY AND ANOTHER

...Petitioner(s)

VERSUS

STATE OF PUNJAB AND ANOTHER

...Respondent(s)

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

Present :- Mr. Anurag Arora, Advocate,
for the petitioners.

Ms. Savi Nagpal, AAG, Punjab.

Mr. J.S. Kang, Advocate,
for respondent No.2.

VINOD S. BHARDWAJ, J. (Oral)

Prayer in the present petition under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023 is for quashing of complaint No.33152 dated 07.05.2013 under Section 138 of the Negotiable Instruments Act, 1881 as well as the judgment of conviction and order of sentence dated

08.12.2017 passed by the Judicial Magistrate 1st Class, Jalandhar and the judgment dated 26.05.2025 passed by the Additional Sessions Judge, Jalandhar whereby the appeal against the judgment of conviction and order of sentence dated 08.12.2017 was dismissed, along with all subsequent proceedings arising therefrom on the basis of compromise dated 26.07.2025 (Annexure P-5).

2. Briefly summarized, the facts of the case are that the complainant is M.B.B.S., M.D.(Anesthesia). Petitioner No.2-Dr. Jasbir Singh Mann @J.S. Mann has been running a hospital under the name and style of M/s. Mann Mediciiti at Ohri Hospital Complex, Shaheed Udham Singh Nagar, Jalandhar. Petitioner No.2 employed the complainant as a Cardiac and Neuro Anesthesia Expert w.e.f. 01.01.2006 on a monthly salary of Rs.80,000/-. The complainant was also paid for his services being availed for every surgical operation performed in the hospital. In August 2010, the complainant's monthly salary was enhanced from Rs.80,000/- to Rs.1,25,000/- and the complainant remained employed with the hospital upto February 2011. An amount of Rs.9,77,500/- on account of arrears of salary and share from surgical cases had become due and payable to the complainant on account of the professional services rendered to petitioner No.2 and Mann Mediciiti Wellness Centre(P) Ltd. share of the complainant besides his share from the remaining work done after 17.05.2008. A separate sum of Rs.3,75,000/- was also due and payable on account of arrears of salary for three months. Petitioner No.2 made part payments through two cheques of Rs.90,000/- each. However, petitioner No.2, acting for and on behalf of petitioner No.1, issued cheque No.070118 dated 19.03.2013 of

Rs.10,00,000/-, drawn on Citi Bank, N.A. Jalandhar, in favour of the complainant. But when the complainant presented the said cheque for encashment with the banker, the same was dishonoured vide memo dated 29.03.2013, with the remarks "Drawers Signature Differs".

3. The complainant then got served a Legal Notice dated 11.04.2013, calling upon the petitioner-accused to make the payment within 15 days of the receipt of legal notice. However, the same was not done and a complaint under Section 138 of the Negotiable Instruments Act came to be filed before the Judicial Magistrate, 1st Class, Jalandhar. The petitioner-accused pleaded not guilty and claimed trial.

4. Vide judgment and order of sentence dated 08.12.2017, petitioner No.2 was convicted and sentenced to undergo rigorous imprisonment for a period of two years along with a compensation of Rs.10,00,000/-, i.e. the cheque amount plus interest @9% per annum from the date of presentation of the cheque till the disbursement of the amount. Petitioner No.2 filed an appeal against the abovesaid judgment of conviction and vide judgment dated 26.05.2025, the Additional Sessions Judge, Jalandhar, dismissed the appeal. Thereafter, the present petition has been filed.

5. The parties were directed to appear before the learned trial Court/Illaq Magistrate vide order dated 10.09.2025 of this Court and to get their statements recorded regarding the compromise arrived at between the parties and a report in this regard was called for.

6. Pursuant to the said order, a report has been received from the Judicial Magistrate First Class, Jalandhar, vide Memo No.455 dated 01.11.2025. The relevant extract of the report is reproduced as under: -

“As per the record available with the court of undersigned and as per the statement of the complainant, there are two accused persons namely, 1) M/s Mann Medici c/o Mann Medici Wellness Center Private Limited, Village Khambra, Tehsil and District Jalandhar through Dr. Jasbir Singh Mann @ J.S Mann S/o Dr.R.S Mann authorized signatory and 2) Dr. Jasbir Singh Mann @ J.S Mann S/o R.S Mann, authorized signatory M/s Mann Medici, R/o 135, Doordarshan Enclave, Phase-II, Village Wadala, Jalandhar. Further from the record available with the court of the undersigned, there is only one complainant. It is further respectfully submitted that both the complainant and the accused person are parties to the compromise and have signed the same. Further, it is respectfully submitted that no affected person (accused and the complainant) has been left out or not arrayed as party in quashing petition for recording the statement as per the directions by the Hon’ble Punjab & Haryana High Court. Further, the accused has not been declared as proclaimed person in the present case. On the basis of statements given by the complainant and the accused person, this Court is of the considered view that compromise between the parties is genuine, voluntarily and out of free will and is effected without any pressure, coercion or undue influence from any quarter.”

7. At this stage, petitioner No.2 has been confronted with the fact that CRR-1482-2025, filed against the judgments impugned in the present petition, is already pending consideration before this Court for 17.12.2025 and that this Court, vide interim order dated 03.06.2025, had suspended the sentence of petitioner No.2 after acknowledging his *bona fide*, while directing him to deposit Rs.21,02,500/- by way of two demand drafts, i.e. Rs.10,00,000/- towards the principal amount of the cheque and

Rs.11,02,500/- towards its interest, with the Registrar General of this Court. However, learned counsel for the petitioners contends that there is a grave urgency in the matter and that petitioner No.2 would not be able to await the outcome of the pending criminal revision petition in view of the compromise that has already been effected between the parties.

8. Learned State counsel does not dispute the factum of the compromise amongst the parties and does not have any serious objection to the resolution of the dispute amongst the parties.

9. Learned counsel appearing on behalf of respondent No.2 reiterates the settlement and his concurrence to the FIR and all the other consequential proceedings being quashed.

10. The Hon'ble Supreme Court has upheld that the powers under Section 147 of the Negotiable Instruments Act can be invoked at any stage of the proceedings i.e. at the stage of trial, appeal or at the revisional jurisdiction and that the courts should be liberal in exercising such powers, more-so when the revision is pending.

11. It would be apposite to refer to the order passed by the Supreme Court in the matter of '*Gian Chand Garg vs Harpal Singh and Anr*' reported as **2025 SCC OnLine SC 2317**. The relevant part of the order is extracted hereunder:

“6. This court in *Meters and Instruments (P) Ltd. v. Kanchan Mehta (2018) 1 SCC 560* held that the nature of offence under section 138 of the NI Act is a mainly a civil wrong and has been made specifically compoundable by section 147 of the NI Act which was inserted by the 2002 amendment to the said Act. The relevant observations have been extracted for reference:

“This Court has noted that the object of the statute was to facilitate smooth functioning of business transactions. The provision is necessary as in many transactions' cheques were issued merely as a device to defraud the creditors. Dishonor of cheque causes incalculable loss, injury and inconvenience to the Vide the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988 payee and credibility of business transactions suffers a setback. At the same time, it was also noted that nature of offence under Section 138 primarily related to a civil wrong and the 2002 amendment specifically made it compoundable.”

*7. It is also apposite to reiterate the observations in **P. Mohanraj v. Shah Bros. Ispat (P) Ltd. (2021) 6 SCC 258** wherein this court referred the offence under section 138 NI Act as a “Civil Sheep” in “Criminal Wolfs Clothing” which meant issues agitated by the parties under the said provision are of private nature which are brought within the sweep of criminality jurisdiction in order to strengthen the credibility of the negotiable instruments.*

*8. Further in **Gimpex (P) Ltd. v. Manoj Goel (2022) 11 SCC 705** this court took into consideration the effect of settlement arrived between the parties and observed that:*

38. When a complainant party enters into a compromise agreement with the accused, it may be for a multitude of reasons- Higher Compensation, faster recovery of money, uncertainty of trial and strength of complaint, among others. A complainant enters into a settlement with open eyes and undertakes the risk of the accused failing to honour the cheques issued pursuant to the settlement, based on certain benefits that the settlement agreement postulates. Once parties voluntarily entered into such an agreement and agree to abide by the consequence of noncompliance of the settlement agreement,

they cannot be allowed to reverse the effects of the agreement by pursuing both the original complaint and the subsequent complaint arising from such non-compliance. The Settlement agreement subsumes the original complaint.....”

9. In *B.V. Seshaiiah v. State of Telangana (2023) 18 SCC 512* this court was of the view that when parties enter into an agreement and compound the offence, they do so to save themselves from the process of litigation and when such a step is taken by the parties, the law very well allows them to do so. Hence, the courts cannot override such compounding and impose its will.

10. Therefore, it is very clear that although dishonour of cheque entails criminal consequence, the legislature by virtue of section 147 of the NI Act has made it compoundable notwithstanding the provisions of the Code of Criminal Procedure, 1973 and the same can be compounded at any stage of the proceedings especially when the parties have themselves arrived at a voluntary compromise.

12. In view of the parties having settled the matter and the amount having been deposited by petitioner No.2 with the Registrar General of this Court, to be further disbursed to respondent No.2 from an FD in a Nationalized bank, and in light of the consent of the parties, 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.

13. Consequently, the judgments of both the Courts below i.e. impugned judgment and order dated 08.12.2017 passed by the Judicial

Magistrate First Class, Jalandhar in complaint Case bearing No.NACT/33152/2013 dated 07.05.2013 and the impugned judgment dated 26.05.2025 passed by Additional Sessions Judge, Jalandhar in CIS Case bearing No.CRA-11-2018 dated 05.01.2018 are set aside.

14 Let a copy of this order be placed in the file of pending criminal revision petition CRR-1482-2025 for appropriate orders, to be passed on the date fixed.

November 19, 2025.
raj arora

(VINOD S. BHARDWAJ)
JUDGE

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

RAJ KUMAR ARORA
2025.12.02 09:54
I attest to the accuracy and
integrity of this document