



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

1) CRR-2717-2024 (O&M)
Date of decision: 30.07.2025

Harvinder Pal Singh Petitioner

Versus

Rajinder Kaur ...Respondent

2) CRR-2716-2024 (O&M)

Charanjit Kaur Petitioner

Versus

Rajinder Kaur ...Respondent

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Daljeet Singh Randhawa, Advocate for
Mr. A.S. Manaise, Advocate
for the petitioners.

Mr. Dinesh Maurya, Advocate
for the respondent.

HARPREET SINGH BRAR, J. (ORAL)

This common order shall dispose of the aforementioned revision petitions as they arise from a similar factual matrix. However, for the sake of brevity, the facts are taken from CRR-2717-2024.

The present revision petition(s) has been filed for setting aside the impugned judgment dated 23.12.2024 passed by the learned Additional Sessions Judge, Chandigarh, vide which the appeal(s) filed by the petitioner(s) against the impugned judgment of conviction and order of sentence dated 31.10.2018 (in CRR-2717-2024) and impugned judgment of conviction dated 04.07.2017 and order of sentence dated 05.07.2017 (in CRR-2716-2024) passed by the learned Judicial Magistrate 1st Class, Chandigarh, has been dismissed.



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The factual background of the case is that a complaint under Section 138 of NI Act was filed against the petitioner(s) on the ground of dishonouring of a cheque bearing No.394012 dated 30.09.2015 amounting to Rs.10,00,000/- (in CRR-2717-2024) and a cheque bearing No.104741 dated 30.08.2015 amounting to Rs.15,00,000/- (in CRR-2716-2024), issued in favour of the complainant/respondent by the petitioner(s) in discharge of his/her liability. Further, the petitioner(s) was summoned under Section 138 of NI Act vide summoning order. Vide judgment of conviction and order of sentence dated 31.10.2018 (in CRR-2717-2024) and impugned judgment of conviction dated 04.07.2017 and order of sentence dated 05.07.2017 (in CRR-2716-2024), petitioners, namely, Harvinder Pal Singh and Charanjit Kaur, were convicted and sentenced to undergo rigorous imprisonment for a period of 06 months and 02 years, respectively and were further directed to pay compensation to the tune of Rs.10,00,000/- and Rs.15,00,000/-, respectively. Thereafter, the petitioner(s) preferred an appeal(s) against the said judgment of conviction and order of sentence before the learned Additional Sessions Judge, Chandigarh, which was dismissed vide judgment dated 23.12.2024 and the learned Appellate Court upheld the respective judgment of conviction and confirmed the order of sentence.

Learned counsel for the petitioner(s) submits that during the pendency of the present revision petition, a compromise has been effected between the parties before the Mediation and Conciliation Centre of this Court on 15.05.2025 and the settlement is reproduced as below:-

a) It is mutually agreed between the parties that the present settlement shall be arrived at, by the first party making a payment



of Rs.25,00,000/- (Rupees Twenty Five Lakhs only) to the second party as full and final settlement to the present dispute.

b) It is mutually agreed between the parties that the first party had paid an amount of Rs.5,00,000/- (Rupees Five Lakhs only) duly received by the second party, which is also recorded in the order dated 10.01.2025 passed in CRR-2716 of 2024 and CRR-2717 of 2024.

c) The first party has brought two demand drafts No.005611 and 005610 dated 13.05.2025 of Rs.1,60,000/- (Rupees One Lakh Sixty Thousand only) and Rs.2,40,000/- (Rupees Two Lakhs Forty Thousand only) respectively drawn on Axis Bank in favour of second party/Rajinder Kaur, which have been handed over to the second party today i.e. 15.05.2025 in the Mediation & Conciliation Centre upon arriving at the present settlement. Photo copy of the demand drafts is attached herewith.

d) It has been mutually agreed between the parties that the remaining balance amount of Rs.16,00,000/- (Rupees Sixteen Lakhs only) shall be paid by the first party to the second party in Bank Account of the second party-Rajinder Kaur in Account No.55620100000142, Bank of Baroda branch Sector-30, Chandigarh, IFSC Code-BARBOSECTOE (Fifth character is Zero) photocopy of the cheque mentioning bank details is attached herewith, on or before the following dates:-

(i) First instalment of Rs.4,00,000/- (Rupees Four Lakhs only) shall be paid on or before 15.07.2025.

(ii) Second instalment of Rs.4,00,000/- (Rupees Four Lakhs only) shall be paid on or before 15.09.2025.

(iii) Third instalment of Rs.4,00,000/- (Rupees Four Lakhs only) shall be paid on or before 15.11.2025.

(iv) Fourth/final instalment of Rs.4,00,000/- (Rupees Four Lakhs only) shall be paid on or before 15.01.2026.

e) It is mutually agreed between the parties that upon arriving at the present settlement that the second party shall have no objection, in case the present Criminal Revision Petitions bearing Nos. CRR-2717 of 2024 titled as Harvinder Pal Singh Vs. Rajinder Kaur and CRR-2716 of 2024 titled as Charanjit Kaur Vs. Rajinder Kaur filed by the first party are allowed by the Hon'ble High Court in view the present settlement/agreement. The second party undertakes to make a statement/file an affidavit in the Hon'ble High Court, in case the Hon'ble High Court directs the second party to do so.

f) The parties further undertake not to initiate or institute any unwanted litigation henceforth against each other and their family with regard to the cheque amount. The parties further undertake not to use any document etc. against each other which have been left in their possession after this date of settlement/agreement or used as an evidence against each other in any Court of Law.



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g) 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 settlement/agreement. Both the parties shall be bound with the terms and conditions of this compromise.

h) That it is mutually agreed between the parties that they shall not breach the terms of settlement and if any party does not abide by the terms of settlement then the other party shall have a right to take recourse in accordance with law and would be at liberty to get the present Revision Petitions revived by filing an appropriate application(s) before this Hon'ble High Court.

He further relies upon the judgment passed by the Hon'ble Supreme Court in ***Ghanshyam Gautam and another vs. Usha Rani (since deceased) through LRs, 2024(1) CriCC 564*** to contend that once the compromise has been effected and the settled amount has been received by the complainant/respondent, the offence under Section 138 of NI Act can be compounded.

Learned counsel for the complainant/respondent appears and submits that he has no objection if the offence under Section 138 of NI Act is compounded and the petitioner(s) is acquitted of the notice of accusation framed against him/her.

Having heard learned counsel for the parties and after perusing the record with their able assistance, it transpires that a compromise has been effected between the parties. The petitioner(s)-accused and the complainant/respondent have entered into a settlement before the Mediation and Conciliation Centre of this Court in terms of which, the accused/petitioner(s) shall pay the amount to the complainant/respondent as mentioned in the settlement agreement arrived between them.

It is settled law that the proceedings initiated under Section 138 of the NI Act are quasi-criminal in nature and the object and purpose of this



enactment is to provide a compensatory mechanism for expeditious recovery of money as opposed to punishing the accused. The Hon'ble Supreme Court in ***R. Vijayan Vs. Baby (2012) 1 SCC 260*** has considered the said issue and come to the conclusion that punishing the offender is secondary concern.

Moreover, the amendment carried out in the year 2002 in the NI Act intended to make the nature of offence under Section 138 of the NI Act as a civil wrong while making it compoundable. A two Judge Bench of the Hon'ble Supreme Court in ***Meters and Instruments Private Limited and another Vs. Kanchan Mehta (2018) 1 SCC 560***, speaking through Justice A.K. Goel has held as under:-

“7. 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. Dishonour 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.....

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18.2. The object of the provision being primarily compensatory, punitive element being mainly with the object of enforcing the compensatory element, compounding at the initial stage has to be encouraged but is not debarred at later stage subject to appropriate compensation as may be found acceptable to the parties or the court.

18.3. Though compounding requires consent of both parties, even in absence of such consent, the court, in the interests of justice, on being satisfied that the complainant has been duly compensated, can in its discretion close the proceedings and discharge the accused.”

Moreover, a two Judge Bench of the Hon'ble Supreme Court in ***JK Industries Limited and others Vs. Amar Lal V. Jumani and another (2012) 3 SCC 255*** has examined the issue whether for compounding of an



offence, consent of aggrieved party is required and speaking through Justice Asok Kumar Ganguli, following was held:-

“82. A perusal of Section 320 makes it clear that the provisions contained in Section 320 and the various sub-sections is a code by itself relating to compounding of offence. It provides for the various parameters and procedures and guidelines in the matter of compounding. If this Court upholds the contention of the appellant that as a result of incorporation of Section 147 in the NI Act, the entire gamut of procedure of Section 320 of the Code are made inapplicable to compounding of an offence under the NI Act, in that case the compounding of offence under the NI Act will be left totally unguided or uncontrolled. Such an interpretation apart from being an absurd or unreasonable one will also be contrary to the provisions of Section 4(2) of the Code, which has been discussed above. There is no other statutory procedure for compounding of offence under the NI Act. Therefore, Section 147 of the NI Act must be reasonably construed to mean that as a result of the said section the offences under the NI Act are made compoundable, but the main principle of such compounding, namely, the consent of the person aggrieved or the person injured or the complainant cannot be wished away nor can the same be substituted by virtue of Section 147 of the NI Act.”

Consequently, in view of the above discussion and settlement dated 15.05.2025, the present revision petitions are allowed. The judgment of conviction and the order of sentence dated 31.10.2018 (in CRR-2717-2024) and impugned judgment of conviction dated 04.07.2017 and order of sentence dated 05.07.2017 (in CRR-2716-2024) passed by the learned Judicial Magistrate 1st Class, Chandigarh, as well as impugned judgment dated 23.12.2024 passed by learned Additional Sessions Judge, Chandigarh, are hereby set aside. The petitioners, namely, Harvinder Pal Singh and Charanjit Kaur, are acquitted of

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the notice of accusation and their bail bonds and surety bonds also stand discharged.

However, liberty is granted to the respondent to revive the present petition in case, the petitioners fail to pay the settled amount as per the schedule given in the settlement/agreement.

Pending miscellaneous application(s), if any, shall also stand disposed of.

A photo copy of this order be placed on the file of connected case.

(HARPREET SINGH BRAR)
JUDGE

30.07.2025
Neha

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