

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

2025:PHHC:163833



Date of Decision: 26.11.2025.

105 CRR-2924-2025 (O&M)

M/s Devgan Rice & General Mills
Sangrana Sahib and another

...Petitioners.

Versus

M/s Harpal Singh & Company Mandi Amarkot
and another

...Respondents.

106 CRR-2948-2025 (O&M)

M/s Devgan Rice & General Mills Sangrana Sahib

..Petitioner.

Versus

M/s Harpal Singh & Company Mandi Amarkot
and another

...Respondents.

CORAM: HON'BLE MRS. JUSTICE SUKHVINDER KAUR

.....

Present: Ms. Rakhi Sharma, Advocate
for the petitioner (in CRR-2924-2025).

Mr. Raju Arora, Advocate
for the petitioner (in CRR-2948-2025).

Mr. Navdeep Singh, DAG, Punjab.

SUKHVINDER KAUR, J. (Oral)

1. This order shall dispose of the above mentioned two revision petitions arising out of judgment dated 27.10.2025 passed by learned Additional Sessions Judge, Tarn Taran, vide which the judgment of conviction and order of sentence dated 26.04.2022 passed by learned Judicial Magistrate Ist Class, Patti, has been upheld, whereby the firm M/s

Devgan Rice & General Mills Sangrana Sahib and its partners were held guilty for offence under Section 138 of Negotiable Instruments Act and were convicted.

2. In CRR-2924-2025, an application i.e. CRM-46429-2025 for compounding of offence under Section 138 of N.I. Act has been filed on the basis of compromise dated 07.11.2025 (Annexure A1 and A2).

3. In CRR-2948-2025, an application i.e. CRM-47377-2025 for compounding of offence under Section 138 of N.I. Act has been filed on the basis of compromise dated 07.11.2025 (Annexure P1).

4. Learned counsel for the petitioner(s) submitted that the compromise has been effected between the parties and as per the compromise all the dues had been paid by the petitioner(s) as such, he prays for compounding of the offence and acceptance of the revision petition.

5. Notice of motion.

6. Mr. Gurpreet Singh, Advocate accepts notice on behalf of the complainant/ respondent No.1.

7. Learned counsel representing the complainant/ respondent No.1 has admitted the factum of compromise and submits that he has specific instructions from the complainant/ respondent that he has no objection in case the revision petitions are allowed and the petitioners are acquitted of the notice of accusation.

8. I have heard learned counsel for the parties and have perused the relevant material placed on record.

9. As submitted by learned counsel for the petitioners, during the course of proceedings, settlement was effected between the parties. In CRR-2924-2025 compromise deed dated 07.11.2025 (Annexures A-1 and A-2)

and in CRR-2948-2025 compromise deed dated 07.11.2025 (Annexure P1) have been placed on record. Learned counsel for the petitioners has submitted that disputed cheque amount has already been paid by the petitioner to the respondents and now nothing is due towards them, which is conceded by learned counsel for the respondents.

10. The object and purpose of proceeding initiated under the Act is to provide a compensatory mechanism for expeditious recovery of money and not just punishing the offender, which is a secondary concern.

11. The Hon'ble Supreme Court in **Meters and Instruments Private Limited and another Vs. Kanchan Mehta (2018) 1 SCC 560**, 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.”

12. Offence punishable under Section 138 of the Act is a compoundable offence. As in the present case, parties have settled their dispute with regard to dishonouring of cheque in question, in the given circumstances, the petitioners deserves to be acquitted of the offence punishable under Section 138 of the Act, by compounding the same.

13. The compounding of offence will be subjected to cost of 7.5 % of the cheque amount in question to be deposited with DLSA, Tarn Taran, within a period of one month from the date of receipt of copy of this order.

14. For the foregoing reasons, both the petitions are allowed and the impugned judgment and order of sentence dated 26.04.2022 passed by learned trial Court as well as the judgment dated 27.10.2025 passed by learned Appellate Court are set aside and the petitioners are acquitted of the notice of accusation. They be released from the custody if not required in any other case.

15. Pending CRM(s), if any, are also disposed of accordingly.

16. A photocopy of this order be placed on the file of other connected case.

(SUKHVINDER KAUR)
JUDGE

26.11.2025.

Komal

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