



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

CRR-2959-2025 (O & M)
Date of decision: 26.11.2025

**M/S DEVGAN RICE AND GENERAL MILLS THROUGH ITS
PARTNER TILAK RAJ**

...REVISIONIST

V/S

M/S HARPAL SINGH AND COMPANY AND ANOTHER

...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SUBHAS MEHLA

Present: Mr. Raju Arora, Advocate for the revisionist.

SUBHAS MEHLA, J. (ORAL)

CRM-47526-2025

1. This application has been filed for compounding of offence under Section 138 of Negotiable Instruments Act, 1881 (for short 'NI Act') has been filed on the basis of compromise dated 07.11.2025 (Annexures P-1).
2. Learned counsel for the applicant/revisionist submitted that compromise has been effected between the parties and the revisionist has paid the compensation amount to respondents.
3. Notice of motion.
4. Mr. Gurpreet Singh, Advocate has put in appearance on behalf of respondent No.1 and filed his *Vakalatnama*, which is taken on record. Learned counsel for respondent No.1 admits to the factum of compromise and submits that respondents have received the whole amount. He further submits that respondents have no objection in case, the offence under Section 138 of NI Act is compounded.
6. Heard.



7. For the reasons given in the application and in view of the fact that compromise has been effected between the parties and further respondents have received the entire amount due towards the applicant/revisionist and has no objection, in case the present application is allowed.

8. As the offences under the NI Act are compoundable as per the provisions of Section 147 of NI Act which is reproduced as under:-

“147. Offences to be compoundable.— Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), every offence punishable under this Act shall be compoundable.”

9. The offence under Section 138 of NI Act as a “Civil Sheep” in “Criminal Wolfs Clothing” which means 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 NI Act. The Hon’ble Apex Court in ***Gian Chand Garg vs. Harpal Singh, SLP (Crl.) No.8050 of 2025, decided on 11.08.2025*** held that 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 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. Further, the Court observed that once the complainant has signed the compromise deed accepting the amount in full and



final settlement of the default sum the proceedings under Section 138 of the NI Act cannot hold water, therefore, the concurrent conviction rendered by the Courts below has to be set-aside.

10. While exercising powers under Section 528 of BNSS and in view of the afore-stated position, the present application is allowed.

MAIN CASE

1. This revision petition has been filed for quashing of the judgment of conviction and order of sentence dated 26.04.2022 passed by learned Judicial Magistrate Ist Class, Patti in case bearing CIS No.NACT/250/2016 as well as the judgment dated 27.10.2025 passed by learned Additional Sessions Judge, Tarn Taran in Criminal Appeal bearing CRA No.29 of 2022, on the basis of compromise dated 07.11.2025 (Annexure P-1).

2. Keeping in view of the fact that application for compounding of offence has been allowed, and the factum of compromise dated 07.11.2025 is manifested from the material i.e. compromise deed on record and respondents have received the entire amount due towards the revisionist and have no objection, in case the impugned judgments are set-aside and the present petition is allowed. Offence under Section 138 of NI Act stands compounded. Accordingly, impugned judgments along with all subsequent proceedings arising therefrom are hereby set-aside. The revisionist is acquitted of the notice of accusation served upon him.

3. The cost of 7.5% of the amount in question has already been imposed upon the revisionist-firm vide order dated 18.11.2025 passed in connected case bearing ***CRR No.2926 of 2025.***



4. The trial Court/successor Court is directed to issue release warrants of partners of the revisionist-firm, forthwith, after production of receipt of cost, as imposed vide order dated 18.11.2025 passed in connected case bearing **CRR No.2926 of 2025**.
5. A copy of this order be sent to learned trial Court/successor Court for necessary compliance.
6. Pending miscellaneous application(s), if any, also stand(s) disposed of.

November 26, 2025
manisha

(SUBHAS MEHLA)
JUDGE

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|------|---------------------------|--------|
| (i) | Whether speaking/reasoned | Yes/No |
| (ii) | Whether reportable | Yes/No |