



**In the High Court for the States of Punjab and Haryana
at Chandigarh**

141

CRR-2937-2025 (O&M)

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

Versus

M/s Harbans Singh & Company and another
... Respondents

141-I

CRR-2956-2025 (O&M)

M/s Devgan Rice & General Mills Sangrana Sahib
... Revisionist

Versus

M/s Harbans Singh & Company and another
... Respondents

Date of Decision:- 19.11.2025

CORAM: HON'BLE MR. JUSTICE SUBHAS MEHLA

Present:- Ms. Rakhi Sharma, Advocate with
Mr. Aditya Dhawan, Advocate and
Mr. Manish, Advocate,
for the Revisionists in CRR-2937-2025.

Mr. Raju Arora, Advocate,
for the Revisionist in CRR-2956-2025.

Mr. Subhash Godara, Addl. A.G., Punjab.

SUBHAS MEHLA, J. (Oral)

This Court shall dispose of the above mentioned both these
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



CRR-2937-2025 (O&M)
CRR-2956-2025 (O&M)

(2)

Magistrate Ist Class, Patti, had been upheld, whereby the firm and its partners were held guilty for offence under Section 138 of Negotiable Instruments Act and were convicted.

2. In CRR-2937-2025, an application i.e. CRM-46676-2025 for compounding of offence under Section 138 of Negotiable Instruments Act, 1881 has been filed on the basis of compromise dated 7.11.2025 (Annexure A-1).

CRM-46676-2025 in CRR-2937-2025

3. At the very outset, learned counsel for the applicants/revisionists submitted that compromise dated 7.11.2025 (Annexure A-1) has been effected between the parties and the applicants/revisionists have paid the compensation amount to complainant/respondents.

4. Notice of motion.

5. Mr. Gurpreet Singh, Advocate has put in appearance on behalf of the complainant/respondent and has filed *Vakalatnama*, same is taken on record. Learned counsel for complainant/respondent admits the factum of compromise and submits that complainant/respondents have received the whole amount. He further submits that complainant/respondents have no objection in case, the offence under Section 138 of Negotiable Instruments Act, 1881 (for short '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



CRR-2937-2025 (O&M)

CRR-2956-2025 (O&M)

(3)

respondents have received the entire amount due towards the applicants-revisionists 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

*CRR-2937-2025 (O&M)**CRR-2956-2025 (O&M)*

(4)

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 aforestated position, the present application is allowed.

Main Case(s)

11. Keeping in view the fact that the application for compounding of offence in CRR-2937-2025 has been allowed, and the factum of compromise dated 07.11.2025 is manifested from the material i.e. compromise deed on record of another revision petition i.e. CRR-2956-2025, and complainant/respondents have received the entire amount due towards the revisionists and have no objection, in case the impugned judgments are set-aside, and the present revision petitions are allowed. Offences under Sections 138 of NI Act stands compounded, though one of the partner of accused firm is not impleaded as party to the revision petition. The impleadment of such partner is exempted as the compromise has been arrived at between the firms. However, the composition of the offence is subjected to the cost of 7.5% of the cheque amount in question (i.e. Rs.41,373/- of cheque amounting Rs.5,51,652.90/-) to be deposited by the accused firm, in Punjab State Legal Services Authority-Disaster Relief Fund, Account No.44426937384, IFSC Code- SBIN0014656, State Bank of India, Sector-68, SAS Nagar (Punjab) within a period of one month from the date of receipt of certified copy of this order. Receipt thereof shall be presented before the learned trial Court. Accordingly, impugned judgments along with all subsequent proceedings arising therefrom are hereby set-aside. All the convicts i.e. partners of the accused firm are acquitted of the notice of accusation served upon them.



CRR-2937-2025 (O&M)
CRR-2956-2025 (O&M) (5)

12. The trial Court/successor Court is directed to issue release warrants of the convicts after production of receipt of cost, as stated above, forthwith.
13. It is made clear that in case, the accused firm fails to deposit 7.5% of the compounding fee as aforesaid and to produce the receipt thereof, within the stipulated period i.e. one month, the present revision petitions shall be deemed to be dismissed.
14. A copy of this order be sent to learned trial Court/successor Court for necessary compliance.
15. Pending miscellaneous application(s), if any, stands disposed of accordingly.
16. A copy of this order be placed on the file of connected case.

19.11.2025
Geeta

(SUBHAS MEHLA)
JUDGE

Whether speaking /reasoned	Yes / No
Whether Reportable	Yes / No