

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

191

2025:PHHC:177454



CRR-3305-2025 (O&M)
Date of decision: 22.12.2025.

DEEPAK

...Petitioner(s)

VERSUS

STATE OF HARYANA AND ANOTHER

...Respondent(s)

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

Present :- Mr. Sandeep Saini, Advocate,
for the applicant-petitioner.

Dr. (Ms.) Malvika Singh, DAG, Haryana.

Ms. Simran, Advocate,
for LR's of respondent No.2-Kuldeep Singh (since deceased).

VINOD S. BHARDWAJ, J. (Oral)

The present revision petition has been filed against the judgment of conviction and order of sentence dated 19.11.2019 passed by the Judicial Magistrate First Class, Jind, whereby the petitioner had been convicted for the commission of offence under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881 and had been sentenced to undergo simple imprisonment for a period of one year and has also been directed to pay a compensation of Rs.2 lakhs and fine of Rs.2,000/- and in default thereof to undergo further simple imprisonment for a period of one month.

2 The appeal preferred by the petitioner against the aforesaid judgment of conviction and order of sentence was also dismissed by the

Additional Sessions Judge, Jind, vide judgment dated 27.11.2025 passed in Criminal Appeal No.01 of 2019.

3 Aggrieved thereof, the instant petition has been filed accompanied with applications seeking compounding of the offence and suspension of the sentence awarded to the petitioner, on the basis of a compromise deed dated 01.12.2025 arrived at between the petitioner and the legal representatives of respondent No. 2, namely Kuldeep Singh (since deceased).

4 Notice of motion.

5 Dr. (Ms.) Malvika Singh, DAG, Haryana, accepts notice on behalf of respondent No.1-State.

6 Ms. Simran, Advocate, enters appearance and files power of attorney on behalf of legal representatives of respondent No.2.

7 Affidavit of Pinki, widow of respondent No.2 as well as Original compromise deed dated 01.12.2025 have also been placed on record which are taken on record as Mark 'A' and 'B'. The relevant part of the compromise deed is extracted as under:-

"1. The Complainant Kuldeep had filed a complaint u/s 138 of NI Act bearing no. NACT/390/2016 qua cheque no. 225872 dt. 23.05.2016 drawn on Dena Bank branch at Jind which had been decided by the Hon'ble Court of Ms Sarita Solanki, the then Ld. JMIC, Jind vide Judgement/Order dt. 19/20.11.2019 whereby the accused was guilty and he was punished with One year Imprisonment and fine of Rs. 2000/-.

2. That thereafter the accused filed a criminal appeal bearing no. CRA/347/2019 against the afore said Judgement/Order dt. 19/20.11.2019 which has also been dismissed vide order dt. 27.11.2025 passed by the Hon'ble Court of Sh. Jaibir Singh, Addl. Sessions Judge, Jind (Haryana).

3. Now both parties have engaged in discussions and have reached an amicable understanding regarding their dispute qua cheque in question. The parties to the present agreement/compromise have entered into a compromise and the LR's of the complainant Kuldeep have received the amount of cheque in question and now nothing is due towards the accused and hence both parties agree that this matter should be resolved amicably without any further legal proceedings.

4. That the parties to the present agreement/compromise have mutually settled that the LR's of Complainant Kuldeep have no objection, in case the conviction of the accused qua cheque in dispute, is set aside by the Hon'ble High Court for Punjab and Haryana at Chandigarh. The LR's of the complainant Kuldeep have further undertook that they would appear and make statement, if any required, for getting the conviction of the accused set aside. The parties to the present agreement/compromise deed further affirms that no future actions or claims will be brought against the each other in relation to this matter and acknowledges that this compromise constitutes a complete resolution.

This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes any prior discussion or any agreement whether oral or written."

8 Thus, from a perusal of the above, it is evident that the dispute between the parties has been amicably resolved. The legal representatives of the complainant, Kuldeep Kumar, have admittedly received the entire amount of the cheque in question and no sum now remains due or payable by the petitioner.

9 Counsel for the legal representative of respondent No.2-complainant, on instructions also does not dispute the aforesaid fact and thus she has no objection to the compounding of the offence. A separate statement of the counsel has also been recorded stating that the amount of the cheque has been

received by the legal representatives and that she has no objection to the compounding of the offence.

10 This Court, vide **judgment dated 17.12.2025 passed in CRM-5142-2025 in CRR-1436-2022 titled Gursewak Singh v. Punjab Agriculture Development Ltd.**, has held that the complete and comprehensive resolution of a dispute marks the finest hour of justice. In proceedings arising out of cheque dishonour, once the liability arising from the dishonoured cheque stands discharged in its entirety and the complainant has received the amount due, in such circumstances, the continuation of criminal proceedings would not advance any cause of justice. The relevant extract thereof reads thus: -

“32. The object and purpose underlying the NI Act, particularly post- 2002 amendments, further fortify this conclusion. Cheque dishonour cases are predominantly compensatory in nature. The penal provision is intended as a deterrent to ensure the credibility of negotiable instruments and the smooth functioning of commercial transactions and not as a means of retributive incarceration. Once the monetary liability stands discharged, the continuation of criminal proceedings would neither advance public interest nor subserve the ends of justice. On the contrary, it would frustrate the very legislative policy of de-clogging courts and encouraging early resolution of commercial disputes.”

11 Thus, the settled position of law is that the offence punishable under Section 138 of the Negotiable Instruments Act, 1881 is rendered compoundable by virtue of Section 147 of the said Act. The legislative intent underlying the incorporation of Section 147 is to facilitate amicable resolution of disputes arising out of dishonour of cheques and to accord primacy to the compensatory object of the statute over its penal consequences. Once the

parties have voluntarily settled their dispute and the liability under the dishonoured cheque stands fully discharged, the compounding of the offence not only aligns with the statutory mandate but also subserves the ends of justice by bringing finality to the litigation and avoiding needless continuation of criminal proceedings.

12 In view of the aforesaid, judgment of conviction and order of sentence dated 19.11.2019 passed by the Judicial Magistrate First Class, Jind, and the judgment dated 27.11.2025 passed by the Additional Sessions Judge, Jind dismissing the appeal preferred by the petitioner are set aside. The petitioner is acquitted of the offence under Section 138 of the Negotiable Instruments Act.

13 The petitioner, if confined in jail and is not required in any other case, shall be released forthwith, in accordance with law.

14 The present revision petition as well as CRM-52319-2025 stand allowed in above terms.

15 Since the main case itself has been decided, CRM-52318-2025 also stands disposed of accordingly.

December 22, 2025.
raj arora

(VINOD S. BHARDWAJ)
JUDGE

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