

CRR-51-2022 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CRR-51-2022 (O&M)

Seema

...Petitioner(s).

Versus

State of Punjab & another

...Respondent(s).

Judgment reserved on	Judgment pronounced on	Operative Part Pronounced or full	Uploaded on
20.01.2026	03.02.2026	Fully pronounced	03.02.2026

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA,

Present: Mr. Karan Singla, Advocate
for the petitioner (through VC).

Ms. Pooja Nayar Sharma, DAG, Punjab.

Ms. Bharti Gollen, Legal Aid Counsel
for respondent no.2.

ANOOP CHITKARA, J.

Criminal Complaint	No. 2904 of 7.11.2015 under Section 138 of the Negotiable Instruments Act read with Section 420 IPC. Date of decision: 06.03.2018
Criminal Appeal	CRA CIS No.174 of 19.03.2018 Date of decision: 26.11.2021.

Convict's name	Penal provision	Sentence
Seema Rani	S. 138 of the Negotiable Instruments Act, 1881	R.I. for six months and to pay compensation equivalent the cheque amount along with 12% interest, per annum from the date of transaction till actual realization + SI for three months in default of compensation.

1. This revision petition has arisen out of judgment dated 26.11.2021 passed by learned Additional Sessions Judge, Patiala, vide which the judgment of conviction

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dated 06.03.2018 and order of sentence dated 12.03.2018 passed by learned Judicial Magistrate Ist Class, Patiala in Compl.No.2904 of 7.11.2015 (Regn.No.3291/2015), have been upheld, whereby the petitioner-accused was held guilty for offence under Section 138 of Negotiable Instruments Act and was convicted and sentenced.

2. During the pendency of this revision petition, the petitioner filed an application i.e. CRM-49867-2025 for compounding of offence under Section 359(6) BNSS read with Section 147 of the Negotiable Instruments Act, on the basis of full and final settlement agreement dated 18.02.2022 (Annexure P-5) filed with CRM-11095-2022.

3. Learned counsel for the petitioner submitted that a compromise has been effected between the parties and as per the compromise, all the dues have been paid by the petitioner to the respondent no.2-complainant and the same was also observed in the order dated 19.12.2023 passed by this Court, however, on that date, counsel for respondent no.2 was not present and after that also, counsel for respondent no.2 was not appearing before this Court.

4. Vide order dated 14.01.2026, this Court appointed legal aid counsel on behalf of respondent no.2.

5. Learned legal aid counsel representing the complainant/respondent No.2 has admitted the factum of compromise and submits that she has specific instructions from the complainant/respondent No.2 that they have no objection in case the revision petition is allowed and the petitioner is acquitted and judgment of conviction and order of sentence are set aside.

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

7. As submitted by learned counsel for the petitioner, during the course of proceedings, settlement was effected between the parties and full and final settlement agreement dated 18.02.2022 (Annexure P5) has been placed on record. Learned counsel for the petitioner has submitted that disputed cheque amount has already been paid by the petitioner to respondent no.2 and now, nothing is due towards them, which is conceded by learned legal aid counsel for respondent no.2.

8. The object and purpose of proceeding initiated under the Negotiable

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Instruments Act is to provide a compensatory mechanism for expeditious recovery of money and not just punishing the offender, which is a secondary concern.

9. 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.....

xxxx xxxx xxxx

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.”

10. 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 and in the given circumstances, the petitioner deserves to be acquitted of the offence punishable under Section 138 of the Act, by compounding the same.

11. For the foregoing reasons, the above-mentioned revision petition is allowed and the impugned judgment of conviction dated 6.3.2018 and order of sentence dated 12.3.2018 passed by learned Judicial Magistrate Ist Class, Patiala as well as the judgment dated 26.11.2021 passed by learned Additional Sessions Judge, Patiala are set aside and the

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petitioner is acquitted. Bail bonds/surety bonds, if any furnished, shall stand discharged.

Parties shall remain bound by the terms of settlement. All pending CRM(s), if any, are also disposed of accordingly.

_____.02.2026

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(ANOOP CHITKARA)

JUDGE

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