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

CRR-622-2022 (O&M)

Date of Decision: 06.02.2026

M/s Ajit Machine Tools and another

..... Petitioners

Versus

Gurnam Singh

.....Respondent

CORAM: HON'BLE MR. JUSTICE RAJESH BHARDWAJ

Present: Mr. G.S.Sandhu, Advocate and
Mr. Nikhil Arora, Advocate, for the petitioners.

Complainant in person.

Mr.Adesh Pal, AAG, Punjab.

Rajesh Bhardwaj, J. (Oral)

1. Petitioners have approached this Court by way of filing the present revision petition impugning the order dated 20.01.2022 passed by learned Additional Sessions Judge, Gurdaspur whereby, the appeal against judgment and order dated 03.08.2019 passed by learned JMIC, Batala sentencing the petitioner to undergo rigorous imprisonment for a period of one year and to pay compensation equivalent to the cheque amount, has been dismissed.

2. The case as enumerated from the facts is that a complaint under Section 138 of the Negotiable Instruments Act, 1881 (for short, 'the Act') was filed against petitioner No.2 being proprietor of petitioner No.1-firm, by the respondent on the allegations of dishonouring of cheque No.281479/281480 dated 28.03.2016/25.07.2016 each for an amount of Rs.5,00,000/- issued by the petitioner in discharge of his liability and the said complaint was accepted vide order dated 03.08.2019 by learned JMIC, Batala, whereby petitioner Sukhwinder Singh was sentenced to undergo one



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year rigorous imprisonment and to pay compensation equivalent to the cheque amount to the complainant. The order of conviction and sentence dated 03.08.2019 was assailed by the petitioners by way of filing appeal before learned Appellate Court. Learned Appellate Court, finding no merit in the appeal, dismissed the same by upholding the conviction and sentence of petitioner Sukhwinder Singh vide its order dated 20.01.2022. Hence, the petitioners have approached this Court by way of filing the present revision petition challenging the above said orders.

3. At the outset, learned counsel for the petitioners has submitted that the appeal filed by the petitioner before learned Appellate Court has been dismissed in his absence. He submits that as on date, the parties have settled the dispute and entire amount has been paid by the petitioners to the complainant-respondent and now nothing is due against them. He further submits that in view of the settlement effected between the parties, the petitioner, Sukhwinder Singh be allowed to compound the offence and he be acquitted of the charges under Section 138 of the Act and the orders under challenge in the present revision petition be set aside. He has placed reliance on the law laid down by Hon'ble Supreme Court in **Raj Reddy Kallem vs. The State of Haryana and another**, Law Finder Doc Id# 2557645, wherein, it has been held that there is no bar to seek the compounding of the offence at later stage of criminal proceedings including after conviction. He has further submitted that the petitioner is unable to pay the compensation as per requirement in the judgment of Hon'ble Supreme Court in **Sanjabij Tari Vs. Kishore S. Borcar and Another, 2025 Livelaw**



(SC) 952. Thus, he prays for dispensing with the condition of deposit of 7.5% of the compensation amount keeping in view the poor financial condition of the petitioner. He further submits that even otherwise, the petitioner has already deposit Rs.20,000/- as costs as ordered by this Court vide order dated 31.05.2022.

4. Complainant is present in person. He has affirmed the contentions raised by learned counsel for the petitioner with regard to the settlement and has submitted that complainant-respondent has no objection, if the present petition is allowed and the orders under challenge are set aside/quashed.

5. Heard. As the parties have compromised the matter and have buried the hatchet, no purpose would be served by punishing the petitioner, who has already honoured the terms of the compromise, which fact has been affirmed by learned counsel for respondent-complainant. In **Raj Reddy Kallem's** case (supra), it has been held that the accused must try for compounding of the offence at the initial stages instead of later stages, however, there is no bar to seek the compounding of offence at later stage of criminal proceedings including after conviction.

6. So keeping in view above facts and the law settled by Hon'ble Supreme Court, the petitioner is allowed to compound the offence and he is ordered to be acquitted of the charges framed against him. As a consequences, the order dated 20.01.2022 passed by learned Additional Sessions Judge, Gurdaspur and order dated 03.08.2019 passed by JMIC, Batala, convicting and sentencing the petitioner under Section 138 of the NI Act, are set aside.

6. While taking into consideration the observations made by Hon’ble Supreme Court in Sanjabij Tari’s case (supra), and the contention raised by learned counsel for the petitioner regarding poor financial condition of the petitioner, this Court deems it appropriate to dispense with the condition of deposit of 7.5% of the cheque amount as compensation by the petitioner and he is allowed to compound the offence. However, the petitioner has already deposited Rs.20,000/- as costs as ordered by this Court vide order dated 31.05.2022.
7. The present petition stands allowed in view of the above-said terms.

06.02.2026

sharmila

(RAJESH BHARDWAJ)

JUDGE

Whether Speaking/Reasoned

:

Yes/No

Whether Reportable

:

Yes/No