

CRR-462-2026 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

CRR-462-2026 (O&M)

Amit Kumar @ Amit Pandit ...Petitioner(s).

Versus

State of Haryana and another ...Respondent(s).

Judgment reserved on	Judgment pronounced on	Operative Part Pronounced or full	Uploaded on
20.02.2026	05.03.2026	Fully pronounced	05.03.2026

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA

Present: Mr. Deepak Jaglan, Advocate
for the petitioner(s).

Mr. Shiva Khurmi, DAG, Haryana.

Ms. Nikita Sharma, Advocate
for respondent no.2.

ANOOP CHITKARA, J.

Case No.	Criminal Complaint No.RBT-36 of 2016 Date of decision:05.12.2016
Names of convict	Amit Kumar
Conviction under sections	138 of Negotiable Instruments Act
Sentence imposed	Simple imprisonment for six months and to pay compensation of Rs.40,000/-.

Criminal Appeal No.	3 of 2017 CIS No.CRA/8/2017 CNR No.HRKH01-000087-2017 Date of decision: 09.02.2018
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1. Challenging the judgment of conviction dated 05.12.2016 passed by the
Judicial Magistrate, Ist Class, Kaithal, affirmed by the Court of Additional Sessions

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Judge, Kaithal, dismissing the appeal, whereby the petitioner was convicted under Section 138 of Negotiable Instruments Act and sentenced, as mentioned above, the petitioner has come up before this Court by filing the present criminal revision petition.

2. Counsel for the petitioner submits that the petitioner has paid the entire loan amount and settled the matter with respondent no.2 out of Court and nothing is to be paid by him. He prayed for compounding of offence under Section 138 of N.I. Act and acceptance of the revision petition.

3. Counsel for the respondent no.2-complainant has admitted the factum of settlement between the parties and submits that he 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 the judgment of conviction and order of sentence are set aside.

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

5. As submitted by counsel for the parties, the petitioner-accused has paid the entire loan amount and now, nothing is due towards respondent no.2, which is conceded by learned counsel for respondent no.2.

6. The object and purpose of proceedings initiated under the Negotiable Instruments Act is to provide a compensatory mechanism for expeditious recovery of money and not just punishing the offender, which is a secondary concern.

7. 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.”

8. 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 dishonour of cheque in question. 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 petition is allowed and the impugned judgment of conviction dated 05.12.2016 and order of sentence dated 06.12.2016 passed by learned Judicial Magistrate Ist Class, Kaithal as well as the judgment dated 09.02.2018 passed by learned Additional Sessions Judge, Kaithal are set aside and the petitioner is acquitted. All pending CRM(s), if any, are also disposed of accordingly.

05.03.2026
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(ANOOP CHITKARA)
JUDGE

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