

CRR-631-2026 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CRR-631-2026 (O&M)

Mayur Poultry FarmPetitioner(s).

Versus

AFI Agro Pvt. Ltd.Respondent(s).

Judgment reserved on	Judgment pronounced on	Operative Part Pronounced or full	Uploaded on
10.03.2026	<u>16.03.2026</u>	Fully pronounced	<u>16.03.2026</u>

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA,

Present: Mr. Manoj Pundir, Advocate
for the petitioner(s).

Mr. Aditya Partap Singh, Advocate
for the respondent.

ANOOP CHITKARA, J.

Criminal Complaint	Comp.No.435 dated 24.10.2016 NACT No.359/16 Date of decision: 13.07.2022.
Criminal Appeal	CIS No.CRA-262-2022 CNR No.PBLD01-014038-2022 Date of decision: 26.09.2025.

Convict's name	Penal provision	Sentence
Mayur Poultry Farm through its partner Sh. Mokam Singh	Section 138 of the Negotiable Instruments Act, 1881	Rigorous imprisonment for two years and to pay compensation of Rs.2,19,200/- to the complainant

1. This revision petition has arisen out of judgment dated 26.09.2025 passed by Additional Sessions Judge, Ludhiana, vide which the judgment of conviction and order of sentence dated 13.07.2022 passed by Sub-Divisional Judicial Magistrate, Ludhiana, have been upheld, whereby the petitioner-accused was held guilty for

CRR-631-2026 (O&M)

offence under Section 138 of Negotiable Instruments Act, 1881 and was convicted and sentenced, as stated above.

2. Counsel for the petitioner submitted that an amicable settlement has arrived at between the parties vide compromise deed dated 28.01.2026 and the petitioner has paid the amount of settlement to the respondent-complainant and therefore, he prayed for compounding of offence under Section 138 of the Negotiable Instruments, Act, 1881 and acceptance of the revision petition.

3. Mr. Aditya Partap Singh, Advocate has put in appearance on behalf of the respondent-complainant and filed his *vakalatnama* in Court, which is taken on record. He has admitted the factum of compromise between the parties and receipt of the compensation amount. He has submitted that he has specific instructions from the complainant/respondent that he has 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 petitioner, a compromise was effected and full and final settlement has taken place between the parties. Learned counsel for the petitioner has submitted that disputed cheque(s) amount/compensation amount has already been paid by the petitioner to respondent and now, nothing is due towards him, which is conceded by learned counsel for the respondent.

6. The object and purpose of proceeding 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.....

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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.

9. For the foregoing reasons, the above-mentioned petition is allowed and the impugned judgment of conviction and order of sentence dated 13.07.2022 passed by learned Sub Divisional Judicial Magistrate, Ludhiana as well as the judgment in appeal dated 26.09.2025 passed by learned Additional Sessions Judge, Ludhiana are set aside and the petitioner is acquitted. Bail bond(s)/suety bond(s), if any furnished, shall stand discharged. All pending CRM(s), if any, are also disposed of accordingly.

(ANOOP CHITKARA)
JUDGE

16.03.2026
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Whether speaking/reasoned? : Yes
Whether reportable? : No