

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

118

2026:PHHC:064469



CRR-1051-2026 (O&M)
Date of decision: 28.04.2026.

KARAMJIT SINGH

...Petitioner(s)

VERSUS

STATE OF PUNJAB AND ANOTHER

...Respondent(s)

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

Present :- Mr. Imran Farooqi, Advocate,
for the applicant-petitioner.

Mr. Mohit Kapoor, Sr. DAG, Punjab.

Mr. Naveen Kumar, Advocate,
for respondent No.2.

VINOD S. BHARDWAJ, J. (Oral)

CRM-17296-2026

Application is allowed as prayed for subject to all just
exceptions.

Compromise Affidavit dated 02.04.2026 as Annexure A-1 is
taken on record.

The Registry is directed to tag the same at an appropriate place.

Main case

The present revision petition has been filed against the judgment of
conviction and order of sentence dated 22.01.2019 passed by the Judicial
Magistrate First Class, Malerkotla, whereby the petitioner had been convicted

for the commission of offence under Section 138 of the Negotiable Instruments Act, 1881 and had been sentenced to undergo rigorous imprisonment for a period of two years and has also been directed to pay compensation to the tune of double the cheque amount.

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, Malerkotla, vide judgment dated 16.03.2026 passed in Criminal Appeal bearing No.CRA/7/2024.

3 Aggrieved thereof, the instant petition has been filed accompanied with application bearing CRM-17297-2026 seeking suspension of the sentence awarded to the petitioner, on the basis of a compromise deed dated 02.04.2026 (Annexure A-1) arrived at between the petitioner and the respondent No. 2.

4 Notice of motion.

5 Mr. Mohit Kapoor, Sr. DAG, Punjab, accepts notice on behalf of respondent No.1-State.

6 Original affidavit of respondent No.2-complainant has also been placed on record which is taken on record as Mark A . The relevant part of the compromise deed is extracted as under:-

I, Ram Singh son of Nand singh resident of Village - Hathan, District - Malerkotla hereby solemnly declare and affirms as under -

1 That I am resident of above written address and I had filed a complaint of 138 Negotiable Instruments Act, 1881 against Karamjit Singh son of Harnek Singh resident of Village Hathan, District - Malerkotla in which he was convicted by Hon'ble trial court.

2. That Accused Karamjit Singh filed an Appeal against Judgement of Hon'ble trial court having number CRA/07/2024

which was dismissed and conviction was upheld by Hon'ble Appellate Court vide order dated 16.03.2026.

3 *That now I have compromised the matter with Accused Karamjit Singh and received the full and final amount from family of Accused Karamjit Singh and I do not want to pursue any criminal or civil proceeding against Karamjit Singh.*

4 *That I have no objection if Accused Karamjit Singh is released on bail or Acquitted by Hon'ble Court in above noted case.”*

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

8 Mr. Naveen Kumar, Advocate appears and files his memo of appearance on behalf on respondent No.2-complainant. He does not dispute the aforesaid fact and submits, on instructions, that he has no objection to the compounding of the offence. A separate statement of counsel for the respondent No.2-complainant has also been recorded stating that full and final payment has been received and that he has no objection to the compounding of the offence. The same is taken on record as Mark X .

9 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.”

10 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.

11 In view of the aforesaid, judgment of conviction and order of sentence dated 22.01.2019 passed by the Judicial Magistrate First Class, Malerkotla, and the judgment dated 16.03.2026 passed by the Additional Sessions Judge, Malerkotla, 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.

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

13 Since the main case itself has been decided, CRM-17297-2026 seeking suspension of sentence during the pendency of the present petition also stands disposed of accordingly.

April 28, 2026.
raj arora

(VINOD S. BHARDWAJ)
JUDGE

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