



CRR-1032-2026 (O&M)

-1-

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

CRR-1032-2026 (O&M)

Date of Decision:21.05.2026

Raj Kumar

..... Petitioner

Versus

Madan Lal Garg (HUF)

.....Respondent

CORAM: HON'BLE MR. JUSTICE RAJESH BHARDWAJ

Present: Mr. Surinder Garg, Advocate
for the petitioner.

Mr. Lalit Goyal, Advocate
for the respondent.

Rajesh Bhardwaj, J. (Oral)

1. Present revision petition has been filed by the petitioner impugning the order of conviction and sentence dated 02.03.2024 passed by learned Judicial Magistrate First Class, Bathinda and order dated 11.02.2026, whereby, appeal filed by the petitioner against the order dated 02.03.2024, was 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 NI Act') was filed against the petitioner by the respondent on the allegations that the respondent advanced Rs.3,61,995/- to the petitioner. In order to clear his debt, the petitioner issued cheque bearing No.495269 dated 01.10.2019 amounting to Rs.3,61,995/-, drawn on State Bank of India, Branch PSB Model Town, SCO 11-12, Phase-II, Urban Estate, Bathinda which on presentation by the complainant-respondent got dishonoured with the remarks 'Funds Insufficient'. Thereafter, the respondent served legal notice



CRR-1032-2026 (O&M)

-2-

dated 09.10.2019 upon the petitioner, but despite that he failed to make the payment and ultimately complaint was filed. After trial, the trial Court convicted the petitioner and sentenced him to undergo rigorous imprisonment for a period of 02 years. The petitioner was also burdened with fine of Rs.3,61,995/-. Aggrieved by the conviction and sentence awarded by learned Judicial Magistrate Ist Class, Bathinda, the petitioner assailed the same by way of filing an appeal before the learned Appellate Court. Learned Appellate Court, finding no merit in the appeal, dismissed the same by upholding the conviction and sentence of the petitioner vide its order dated 11.02.2026. Hence, the petitioner has approached this Court by way of filing the present revision petition challenging the above said orders.

3. Learned counsel for the petitioner has submitted that now the parties have settled the dispute and the entire amount has been paid by the petitioner to the complainant-respondent and now nothing is due against him. He further submits that in view of the settlement effected between the parties, the petitioner 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 petitions 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.

4. *Vakalatnama* has been filed on behalf of the respondent, today



CRR-1032-2026 (O&M)

-3-

in the Court and same is taken on record. Learned counsel for the respondent 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. That the Hon'ble Supreme Court in Judgement of **'Damodar S. Prabhu's case (supra)** has issued certain guidelines to deposit certain amount when the compounding is effected at a belated stage in matters pertaining to Negotiable Instruments Act however, in a recent Judgement of Hon'ble Supreme Court in **Rajeev Khandelwal Versus State of Maharashtra and another**, has been held that the conditions laid down in the **Damodar S. Prabhu's case (supra)** do not constitute binding precedents and held as under:-

“The law laid down in the aforementioned judgment cannot be regarded as a binding precedent, as every case must be considered on its own facts. In the present case, we are inclined to hold that the direction imposing



CRR-1032-2026 (O&M)

-4-

costs on the appellant, to be paid to the Legal Services Authority cannot be sustained in the eye of law, particularly when the 3 complainant does not want any further amount and the appellant has expressed his inability to comply with the same, which aspect is not in dispute.”

7. 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 consequences, the order dated 11.02.2026 passed by the learned Additional Sessions Judge, Bathinda and order dated 02.03.2024 passed by the learned Judicial Magistrate First Class, Bathinda, convicting and sentencing the petitioner under Section 138 of the NI Act, are set aside.

8. Revision petition is allowed in above terms and the pending applications, if any, are also disposed of.

9. The petitioner be set at liberty forthwith, if not required in any other case.

10. Needless to say that the parties shall remain bound by the terms and conditions of the compromise effected between the parties.

21.05.2026

ps-I

(RAJESH BHARDWAJ)
JUDGE

Whether Speaking/Reasoned
Whether Reportable

: Yes/No
: Yes/No