

CRR-1070-2026 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CRR-1070-2026 (O&M)

Jia Lal @ Jiya LalPetitioner(s).

Versus

Azad Singh(since deceased) through LR & anotherRespondent(s).

Judgment reserved on	Judgment pronounced on	Operative Part Pronounced or full	Uploaded on
23.04.2026	<u>29</u> .04.2026	Fully pronounced	<u>29</u> .04.2026

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA,

Present: Mr. Ravinder Bangar, Advocate
for the petitioner(s).

Ms. Veenus Malik, Advocate for the complainant.

Mr. Shiva Khurmi, DAG, Haryana.

ANOOP CHITKARA, J.

Criminal Complaint	NACT/52/2015 HRAMA10003232015 Date of decision: 10/13.01.2020
Criminal Appeal	CIS No.13 of 2020-CRA CNR No.HRAM010009382020 Date of decision: 02.04.2026

Convict's name	Penal provision	Sentence
Jia Lal	Section 138 of the Negotiable Instruments Act, 1881	Simple imprisonment for two years and to pay compensation of Rs.8,00,000/- to the complainant and in default, to further undergo simple imprisonment for three months.

1. This revision petition has arisen out of judgment dated 02.04.2026 passed by Additional Sessions Judge, Ambala, vide which the judgment of conviction

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dated 10.01.2020 and order of sentence dated 13.01.2020 passed by Sub Divisional Judicial Magistrate, Naraingarh, have been upheld, whereby the petitioner-accused was held guilty for offence under Section 138 of Negotiable Instruments Act, 1881 and was convicted and sentenced, as stated above.

2. At the outset, counsel for the respondent-complainant has submitted that she has instructions to state that the matter has been settled between the parties and they have received the entire amount of compensation, as per the compromise deed dated 22.04.2026, which she has handed over in Court and therefore, prayed for compounding of offence under Section 138 of N.I. Act and acceptance of the revision petition. The compromise deed is taken on record.

3. A perusal of the compromise deed shows that the matter stands settled between the parties, voluntarily without any pressure or coercion or undue influence. The complainant is stated to have received the entire due amount and nothing remains to be paid and the complainant has no objection in case the present revision petition is allowed and the petitioner-convict is acquitted in this case.

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

5. As submitted by counsel for the complainant, a compromise has been effected and full and final settlement has taken place between the parties and the disputed cheque(s) amount/compensation amount has already been paid by the petitioner to respondent-complainant and now, nothing is due towards him.

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

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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 per Section 147 of the Negotiable Instruments Act, which is a replica of Section 320 CrPC/359 BNSS, and as such, no permission of this Court is required to compromise the matter. 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 dated 10.01.2020 and order of sentence dated 13.01.2020 passed by learned Sub Divisional Judicial Magistrate, Ambala as well as the judgment in appeal dated 02.04.2026 passed by learned Additional Sessions Judge, Ambala 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

29.04.2026
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Whether speaking/reasoned	:	Yes
Whether reportable	:	No