

CRR-1706-2024 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH

CRR-1706-2024 (O&M)

Smt. Manjeet .....Petitioner(s).

Versus

Lal Singh .....Respondent(s).

| Judgment reserved on | Judgment pronounced on | Operative Part Pronounced or full | Uploaded on |
|----------------------|------------------------|-----------------------------------|-------------|
| 19.01.2026           | 03.02.2026             | Fully pronounced                  | 03.02.2026  |

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA,

Present: Ms. Archana Chauhan, Advocate for  
Ms. Vasundhra Asija, Advocate  
for the petitioner(s).

Mr. Mohan Singh Rana, Advocate  
for the respondent.

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ANOOP CHITKARA, J.

|                    |                                                                                                                                         |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Criminal Complaint | CIS No. NIA-116 of 2017 under Section 138 of the Negotiable Instruments Act read with Section 420 IPC.<br>Date of decision: 24.01.2024. |
| Criminal Appeal    | CIS/CRA-101 of 2024 (CRA-25 of 2024)<br>Date of decision: 16.08.2024.                                                                   |

| Convict's name | Penal provision                                | Sentence                                                                                       |
|----------------|------------------------------------------------|------------------------------------------------------------------------------------------------|
| Smt. Manjeet   | S. 138 of the Negotiable Instruments Act, 1881 | Simple imprisonment for one year and to pay compensation of Rs.40,00,000/- to the complainant. |

1. This revision petition has arisen out of judgment dated 16.08.2024 passed by learned Additional Sessions Judge, Gurugram, vide which the judgment of conviction dated 24.01.2024 and order of sentence dated 03.02.2024 passed by learned Judicial Magistrate Ist Class, Sohana in CIS No.NIA-116 of 2017 have been upheld,

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whereby the petitioner-accused was held guilty for offence under Section 138 of Negotiable Instruments Act and was convicted and sentenced, as stated above.

2. Counsel for the petitioner submitted that an amicable settlement has arrived at between the parties and the respondent-complainant has received the amount of settlement from the petitioner and therefore, prayed for compounding of offence under Section 138 of N.I. Act and acceptance of the revision petition.

3. Learned counsel representing the complainant/respondent has admitted the factum of compromise between the parties and handed over affidavit dated 02.12.2025 of complainant Lal Singh, which is taken on record. He further submits that he has specific instructions from the complainant/respondent 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 petitioner, during the course of proceedings, a settlement was effected between the parties and full and final settlement has taken place. Learned counsel for the petitioner has submitted that disputed cheque(s) 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.....*

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.

9. For the foregoing reasons, the above-mentioned petition is allowed and the impugned judgment of conviction dated 24.01.2024 and order of sentence dated 03.02.2024 passed by learned Judicial Magistrate Ist Class, Sohna as well as the judgment dated 16.08.2024 passed by learned Additional Sessions Judge, Gurugram 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

\_\_\_\_\_.02.2026  
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Whether speaking/reasoned? : Yes  
Whether reportable? : No