

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH

232

2026:PHHC:084894



CRR-2318-2024 (O&M)

Date of decision: 26.05.2026.

BURH SINGH ALIAS BOOR SINGH

...Petitioner(s)

VERSUS

STATE OF PUNJAB AND ANOTHER

...Respondent(s)

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

Present :- None for the petitioner(s).

Ms. Aiman J. Chishti, AAG, Punjab.

Mr. Ajay Pal Singh, Advocate, for
Mr. H.S. Deol, Advocate,
for respondent No.2.

VINOD S. BHARDWAJ, J. (Oral)

The present revision petition has been filed against the judgment of conviction and order of sentence dated 24.07.2017 passed by the Judicial Magistrate First Class, Jalalabad (W), in Complaint No.NACT/194/2015 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 eight months along with fine of Rs.1,000/- and has also been directed to further undergo rigorous imprisonment for a period of ten days in default of payment of fine as well as the judgment dated 09.07.2024 whereby, the appeal bearing No.CRA/394/2017 preferred by the petitioner against the aforesaid judgment of conviction and order of sentence

was dismissed by the Additional Sessions Judge, Fazilka.

Aggrieved thereof, the instant petition has been filed accompanied with application bearing CRM-45966-2024 for seeking permission to compound the offence and for setting aside the judgment of conviction and order of sentence dated 24.07.2017 passed by the Judicial Magistrate First Class, Jalalabad (W) as well judgment dated 09.07.2024 passed in Criminal Appeal bearing No.CRA/394/2017 dated 22.08.2017 dismissing the appeal preferred by the petitioner.

There is no representation on behalf of the petitioner(s).

Learned counsel appearing on behalf of the respondent No.2 contends that as per the instructions imparted by his client, the matter has been compromised between the petitioner as well as respondent No.2 and that respondent No.2 has no objection in case permission to compound the offence is granted and the judgment passed by the trial Court as well as Appellate Court are set aside and the petitioner is acquitted. Learned counsel has also made a specific statement to the said effect which is taken on record as Mark 'X'. The same reads thus: -

“As per instructions received from Bank Manager, The Fazilka Central Cooperative Bank Ltd. (Head Office, Abohar), Branch Office Ghubaya, Tehsil Jalalabad (West), NOC has been issued to the petitioner and no outstanding amount is due against him. NOC is issued to petitioner in this case. Therefore, if present criminal revision is compounded then I have no objection.

Thus, from a perusal of the above, it is evident that the dispute between the parties has been amicably resolved and no amount remains due or payable by the petitioner towards respondent No.2-Bank and NOC to the

petitioner by the Bank also stands issued.

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.”

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.

In view of the aforesaid, CRM-45966-2024 seeking compounding of the offence is allowed and judgment of conviction and order of sentence dated 24.07.2017 passed by the Judicial Magistrate First Class, Jalalabad(W), in Complaint No.NACT/194/2015 and the judgment dated 09.07.2024 passed by the Additional Sessions Judge, Fazilka, in criminal appeal bearing No.CRA/394/2017 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.

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

Pending misc. application(s), if any, shall also stand(s) disposed of accordingly.

May 26, 2026.
raj arora

(VINOD S. BHARDWAJ)
JUDGE

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