



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

216

CRR-2489-2025

Date of decision: 01.04.2026

LALIT KUMAR

.....Petitioner

VERSUS

ANIL VERMA

.....Respondent

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

Present: - Mr. Aseem Aggarwal, Advocate
for the petitioner.

Mr. S.K. Tripathi, Advocate and
Ms. Muskan Chandra, Advocate for the respondent(s).

VINOD S. BHARDWAJ, J. (Oral)

1. The instant revision petition has been filed against the impugned judgment of conviction dated 15.02.2023 and order of sentence dated 20.02.2023 passed by the Judicial Magistrate First Class, Gurugram vide which the petitioner had been convicted for commission of offence under section 138 of the Negotiable Instruments Act, 1881 and had been sentenced to undergo simple imprisonment for a period of six months and has also been directed to pay a compensation of Rs.25,00,000/- i.e the cheque amount to the complainant and in default thereof to undergo further simple imprisonment for a period of one month.

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, Gurugram, vide judgment dated 12.03.2025 passed in Criminal Appeal No.170 of 2023. Aggrieved thereof, the instant petition has been filed.

3. Counsel appearing on behalf of the appellant have placed on record the original compromise deed alongwith cash receipt of Rs. 1,20,000/- and the same are taken on record as Mark 'A'. The relevant part of the compromise deed is extracted as under:-

“This compromise has been executed at Gurugram on this 30th day of December, 2025 between Lalit Kumar S/o Rajender Prashad R/o H. No- 1759, Sector-4, Urban Estate, Gurugram at present 574/3 post office main chowk, Bijwasan Village- Delhi. (hereinafter called the "First party"), which expression shall include their representative, assignee, executors & administrator etc.

AND

Anil Verma S/o Balbir Singh R/o H.No-628/22, Ward No. 21, Shivji Park, Gurugram (hereinafter called the "Second Party"), which expression shall include their representative, administrator, assignee, authorized signatory etc.

whereas, the First party discharge his legal liability towards the First Party, has issued cheque bearing No. 154405 dated 18.04.2016 of Rs. 25,00,000/- (Rupees Twenty Five Lakhs only) drawn on Axis Bank, Sector-14, Gurugram in favour of Second Party i.e. Anil Verma.

And Whereas the Second Party also served a legal notice and filed complaints which was decided vide case no. NACT/6269/2016 and Appeal CRA-170-2023 and also filed a

Revision vide CRR/2489/2025 which was pending before the Hon'ble court of Punjab and Haryana High Court, Chandigarh to the first party for recover the aforesaid amount. In said dispute, now both the parties have arrived at a compromise amicably in the matter in following terms and conditions:-

Whereas both the parties agreed the following terms and condition of the compromise:-

- 1. That the first party has transfer through RTGS vide UTR bearing No. PUNBR52025123011191782 30.12.2025 of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) drawn on Punjab National Bank, Sector-4, Gurugram vide A/c No. 4785000300000522 issued in favour of Second Party (Anil Verma) and remaining Rs.1,20,000/- has been paid by cash as payment of full and final settlement amount. Total 3.70,000/- (Rupees Three Lakhs Seventy Thousands only)*
- 2. That after encashment of aforesaid RTGS, Cash amount of full and final payment, the Second party shall not proceed any police complaints, court cases or legal remedies towards the first Party regarding aforesaid payment and cases and nothing is due towards the first party as the payment/claims/ and now there is no dispute in relation to outstanding dues and claims between the parties have fully and finally settled.*
- 3. That now nothing dues are remaining towards each other and all the account has been settled with amicably and peaceful mind.*
4. Thus, from a perusal of the above, it is evident that the dispute between the parties has been amicably resolved, However, Counsel appearing on behalf of the appellant submits that the remaining payment shall be made within a period of 04 weeks of the receipt of certified copy of the order.

5. Counsel for the respondent/complainant, on instructions also does not dispute the aforesaid fact and thus has no objection to the compounding of the offence.

6. 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"

7. 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.

8. In view of the aforesaid, judgment of conviction dated 15.02.2023 and order of sentence dated 20.02.2023 passed by the Judicial Magistrate First Class, Gurugram, and the judgment dated 12.03.2025 passed by the Additional Sessions Judge, Gurugram 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.

9. In the event, the payment is not made within the period as aforesaid, Counsel for the respondent shall be at liberty to take recourse to his remedies in accordance with law.

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

11. Pending application(s), if any, also stand disposed of.

APRIL 01, 2026
Vishal Sharma

(VINOD S. BHARDWAJ)
JUDGE

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No