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

CRR No.2737 of 2025 (O&M)

Date of Decision: 01.05.2026

Vikram Singh Yadav

--Petitioner

Versus

Krishan Yaduvanshi and another

--Respondents

CORAM:- HON'BLE MR. JUSTICE RAJESH BHARDWAJ

Present:- Mr. Vishal Yadav, Advocate
for the petitioner.

Mr. Tarun Yadav, Advocate
for respondent No.1.

Ms. Diya Sodhi, Sr. DAG, Haryana.

RAJESH BHARDWAJ.J (Oral)

CRM-16421-2026

Allowed as prayed for. Annexures P-1 to P-3 are ordered to be taken on record.

CRR-2737-2025

1. Instant revision petition has been filed praying for setting aside the impugned judgment of conviction dated 19.04.2019 and order of quantum of sentence dated 20.04.2019 passed by the learned JMIC, Rewari vide which the petitioner has been convicted under Section 138 of Negotiable Instruments Act for a period of 01 year and was directed to pay Rs.5,00,000/- as compensation to respondent No.1/complainant and the judgement dated 23.10.2025 passed by the learned Additional Sessions



Judge, Rewari vide which the appeal filed by the petitioner against the judgment of conviction dated 19.04.2025 and order of quantum of sentence dated 20.04.2025 was dismissed and the appeal filed by respondent No.1 was partly allowed by modifying the order passed by the learned JMJC, Rewari to the extent that the compensation amount was enhanced from Rs.5,00,000/- to Rs.5,50,000/-.

2. Brief facts of the present case are that respondent No.1, i.e the complainant, was filed the complaint in question against the petitioner-accused. It was alleged that the accused-petitioner took friendly loan of Rs.5,00,000/- from the complainant-respondent No.1 and in order to discharge his legal liability, the accused/petitioner issued cheque bearing No.062051 dated 24.06.2015 for an amount of Rs.5,00,000/- drawn over Axis Bank Ltd., Sector 14, Gurgaon in favour of the complainant/respondent No.1. It was undertaken that on the presentation of the cheque, the same would be honored. However, on the presentation of the cheque, the same was returned by the Bank with the remarks "Funds insufficient". The complainant, i.e. respondent No.1 issued a legal notice dated 08.07.2015 through his counsel to the accused-petitioner, however the amount was not paid and hence, it was prayed that the petitioner be punished for the offence according to the law under Section 138 of the Negotiable Instruments Act.

3. On conclusion of trial, the petitioner was convicted and sentenced under Section 138/142 of the Negotiable Instruments Act to undergo rigorous imprisonment for a period of 01 year. The petitioner was also burdened with compensation of Rs.5,00,000/-, i.e. equivalent to the cheque amount, to be payable to the complainant-respondent No.1. Aggrieved by the conviction and sentence awarded by learned Judicial



Magistrate Ist Class, Rewari, the petitioner assailed the same by way of filing an appeal before the learned Additional Sessions Judge, Rewari. Learned Additional Sessions Judge, Rewari finding no merit in the appeal, dismissed the same vide order dated 23.10.2025 by upholding the conviction and sentence of the petitioner. The learned Appellate Court has also allowed the appeal filed by the complainant-respondent No.1 and modified the amount of compensation awarded to the petitioner from Rs.5,00,000/- to Rs.5,50,000/- Hence, the petitioner has approached this Court by way of filing the present petition challenging the above said orders.

4. Learned counsel for the petitioner has submitted that the prosecution of the petitioner is nothing but an abuse of the process of the Court. He has submitted that though the petitioner has already been convicted by the Court of competent jurisdiction, however, now the parties have arrived at a compromise and respondent No.1 does not want to prosecute the petitioner any more. Thus, the conviction and order of sentence dated 19/20.04.2019 passed by the learned Judicial Magistrate Ist Class, Rewari as well as the judgment dated 23.10.2025 passed by the learned Additional Sessions Judge, Rewari may kindly be quashed. He has further submitted that the petitioner has already been granted the concession of interim bail by this Court vide order dated 11.11.2025.

5. However, learned counsel for the State has fairly submitted that the petitioner has not misused the concession of interim bail granted to him by this Court vide order dated 11.11.2025.

6. Learned counsel for respondent No.1 has supported the contentions of learned counsel for the petitioner and has submitted that the matter has been amicably settled between the parties. He has further



submitted that he has no objection if the present petition is allowed, offence is compounded and orders, dated 19.04.2019, 20.04.2019 and 23.10.2025 are quashed.

7. However, learned counsel for the State has opposed the same.

8. Perusal of the record shows that the matter between the parties has already been compromised for an amount of Rs.7,00,000/- and on account of the same, the petitioner has already paid an amount of Rs.5,50,000/- to the complainant through demand draft on 07.04.2026.

9. Today, learned counsel for the petitioner has handed over the demand draft bearing No.539416, dated 28.04.2026 amounting to Rs.1,50,000/- to learned counsel for complainant/respondent No.1 and learned counsel for respondent No.1 has accepted the same without prejudice to their rights. Photocopy of the abovesaid demand draft produced by learned counsel for the petitioner is ordered to be taken on record.

10. Learned counsel for the petitioner has submitted that once the parties have settled the dispute amicably, then in view of the law settled, the petitioner be allowed to compound the offence and he be acquitted of the charge under Section 138 of NI Act. 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 a later stage of criminal proceedings including after conviction.

11. 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 No.2/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.

12. I have heard learned counsel for the parties, perused the record with their able assistance

13. 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 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.”

14. 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 23.10.2025 passed by the learned Additional Sessions Judge, Rewari, order of conviction dated 19.04.2019 and order of quantum of sentence dated 20.04.2019 passed by the learned Judicial Magistrate First Class, Rewari, convicting and sentencing the petitioner under Section 138 of the NI Act, are hereby set aside.

15. Learned counsel for the petitioner has further contended that an amount of Rs.1,00,000/- has already been deposited with the concerned Sessions Court as 20% of the cheque amount during the pendency of the appeal. He has further submitted that he has compromised the matter with the complaint and the complainant is duly compensated, therefore, the said amount may kindly be released to the petitioner.

16. The learned Appellate Court concerned is directed to take the necessary action for releasing the amount to the petitioner as per law.

17. Revision petition is allowed in above mentioned terms. Pending applications, if any, also stand disposed of.

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

01.05.2026

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(RAJESH BHARDWAJ)
JUDGE

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