



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

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CRR-3302-2025 (O&M)
Date of decision: 01.04.2026

JAGMINDER SINGH

.....Petitioner

VERSUS

INDUSIND BANK LTD AND ANOTHER

.....Respondent

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

Present: - Ms. Shalini Attri, Advocate
for the petitioner.

Mr. Sandeep K. Sharma, Advocate,
Mr. Lakshya Saini, Advocate and
Mr. Ritesh Sharma, Advocate
for respondent No.1.

Mr. Omkar Singh Wahla, Sr. DAG, Haryana.

VINOD S. BHARDWAJ, J. (Oral)

1. The present revision petition has been filed against the judgment of conviction dated 04.05.2018 and order of sentence dated 05.05.2018 passed by the Judicial Magistrate First Class, Hisar whereby 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 three months and has also been directed to pay a compensation of Rs. 38,928/- i.e the cheque amount to the complainant.

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, Hisar, vide judgment dated 06.12.2025 passed in Criminal Appeal No.76 of 2018. Aggrieved thereof, the instant petition has been filed.

3. Mr. Lakshya Saini, Advocate, has entered appearance on behalf of respondent No. 1 and has submitted a written statement before this Court. The same has been placed on record and is taken on record as Mark 'A'. The same is extracted as under:

“Stated that I have been authorized by my client (respondent N.1) IndusInd Bank Ltd. to state that the respondent No.1/Complainant Bank has received the entire cheque amount from the petitioner and as such it has no objection if the matter is compounded and petitioner is released as the matter stands settled between the parties.”

4. Thus, from a perusal of the above, it is evident that the dispute between the parties has been amicably resolved. Counsel appearing on behalf of respondent No.1-complainant has admittedly received the entire cheque amount and now nothing remains due or payable by the petitioner.

5. Counsel for the respondent No.1-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 04.05.2018 and order of sentence dated 05.05.2018 passed by the Judicial Magistrate First Class, Hisar, and the judgment dated 06.12.2025 passed by the Additional Sessions Judge, Hisar 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. The petitioner, if confined in jail and is not required in any other case, shall be released forthwith, in accordance with law.

10. 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