

2026:PHHC:105939



CRR-1958-2012 (O&M)

CRR-1959-2012 (O&M)

Date of Decision: 04.08.2026

1.CRR-1958-2012 (O&M)

RAM KISHAN

...Petitioner

Vs.

ANOOP KUMAR

...Respondent

2.CRR-1959-2012 (O&M)

RAM KISHAN

...Petitioner

Vs.

ANOOP KUMAR

...Respondent

CORAM:- HON'BLE MR. JUSTICE VIRINDER AGGARWAL

Present: Ram Kishan-petitioner in person,
Mr. H.S. Sulla, Advocate for the petitioner.

Anoop Kumar-respondent in person,
Mr. Mansur Ali, Advocate with
Mr. Vaibhav Garg, Advocate
for the respondent.

VIRINDER AGGARWAL, J. (Oral)

1. These revision petitions have been filed to challenge the impugned order dated 18.01.2012 and 23.02.2012 passed by learned Additional Sessions Judge, Ambala in case arising out of complaint Nos.231/2 and 230/2 filed in the court of Judicial Magistrate Ist Class, Ambala Cantt in which the petitioner was ordered to undergo simple imprisonment for a period of one year under Section 138 of the Negotiable Instrument Act. The petitioner was further directed to pay Rs.3,12,000/- and Rs.1,00,000/- respectively, to the complainant as compensation which is double the amount of the cheque in question.

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2. Brief story is that the petitioner had business dealings with complainant and used to purchase cattle feed from time to time. The complainant maintained the accounts of the petitioner in the ordinary course of business. Towards discharge of his outstanding liability, the petitioner allegedly issued four cheques amounting to Rs.2,06,000/- as part payment. On presentation, the cheques were dishonoured, leading to the filing of the complaints under Section 138 of the Negotiable Instruments Act. The defence of the petitioner is that the complainant had forcibly obtained two cheques of Rs.60,000/- each, one cheque of Rs.36,000/- towards interest, and one blank cheque of Rs.50,000/- as security. The petitioner claims that no amount was ever received against these cheques and that the complainant also executed an affidavit to that effect. The petitioner further asserts that he had instructed his bank to stop payment of the cheques. He also pleads that he is a retired Army personnel suffering from a brain tumour and has been bedridden for most of the time. According to the petitioner, he was not afforded an adequate opportunity to rebut the complainant's case, resulting in a miscarriage of justice. His appeals against conviction were also dismissed by the learned Additional Sessions Judge, Ambala, vide judgment dated 18.01.2012 and 23.02.2012, leading to the filing of the present revision petitions.

3. The matter was referred to the mediation centre as per order dated 30.07.2025. Report of the mediator has been received. As per the report of the mediator, the parties have settled the dispute and as per the settlement agreement which is duly signed by both the parties, the matter has been settled for a total amount of Rs.1,15,000/- which is to be paid by the petitioner to the respondent by way of cheque/demand draft. Today, in the

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Court, a cheque bearing No.553964 dated 04.08.2026 amount to Rs.1,15,000/- drawn on Canara Bank has been handed over to the learned counsel for the respondent. The respondent is also present in the Court.

4. He relies upon the judgment passed by the Hon'ble Supreme Court in ***Ghanshyam Gautam and another vs. Usha Rani (since deceased) through LRs***, 2024(1) CriCC 564 to contend that once the compromise has been effected and the settled amount has been received by the complainant/respondent, the offence under Section 138 of NI Act can be compounded.

5. He relies upon the judgment of the Hon'ble Supreme Court of India passed in Special Leave Petition (Criminal) No.8050 of 2025 titled as '***Gian Chand Garg Vs. Harpal Singh and another***' and submits that the Hon'ble Supreme Court has considered the controversy which is also involved in the present case. The facts in the above mentioned case are identical in nature. Further, after the dismissal of the revision petition by Hon'ble Supreme Court in the above said case, the parties arrived at a compromise/settlement on 06.04.2025 whereupon, the complainant had given his no objection to the accused/petitioner therein who filed an application for modification of the order of the Revisional Court and sought acquittal by filing CRM No.15127 of 2025. Hon'ble Supreme Court has dismissed the application seeking modification on 09.04.2024 on the ground of non-maintainability. Further, the Hon'ble Supreme court considered the compromise effected between the parties therein.

6. Learned counsel for respondent submits that the settlement has been effected between the petitioner and respondent. He further submits that the respondent has received the entire settled amount and nothing is due

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towards the petitioner. He also submits that he has no objection if the offence under Section 138 of NI Act is compounded and the petitioner is acquitted of the notice of accusation framed served upon him.

7. Having heard learned counsel for the parties and after perusing the record with their able assistance, it transpires that a compromise has been effected between the parties. The petitioner-accused has paid an amount of Rs.1,15,000/- to respondent in furtherance of the said compromise. The case of the petitioner is squarely covered even on facts by the judgment of the Hon'ble Supreme Court in ***Gian Chand Garg's case (supra)*** which observes the following:-

'10. Therefore, it is very clear that although dishonour of cheque entails criminal consequence, the legislature by virtue of section 147 of the NI Act has made it compoundable notwithstanding the provisions of the Code of Criminal Procedure, 1973 and the same can be compounded at any stage of the proceedings especially when the parties have themselves arrived at a voluntary compromise. 11. In the present case, the compromise deed dated 06.04.2025 and the Affidavit on behalf of the Respondent No.1 dated 16.04.2025 is annexed to the present petition as Annexure P3 and P6, respectively. Upon careful perusal of the recitals contained in the said documents, it clearly emerges that the Respondent No.1 in consideration of Two Demand Drafts bearing no(s). 004348 dated 04.04.2025 and 004303 dated 11.02.2025 for Rs. 2.5 lakhs each along with three cheques bearing no(s). 354412 dated 10.05.2025, 354413 dated 10.06.2025 and 354414 dated 10.07.2025 of Rs. 1 lakh each has arrived at a compromise with appellant without any coercion and at his own will and voluntarily. Once the complainant has signed the compromise deed accepting the amount in full and final settlement of the default sum the proceedings under Section 138 of the NI Act cannot hold water; therefore, the

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concurrent conviction rendered by the Courts below has to be set-aside.

12. Therefore, in the light of aforesaid discussion, we are of the considered view that the present appeal deserves to be allowed. Accordingly, the same stands Allowed and consequently the impugned order dated 27.03.2025 in CRR 2563 of 2025 is set aside and the order of conviction and sentence imposed on appellant is quashed.'

8. It is settled law that the proceedings initiated under Section 138 of the NI Act are quasi-criminal in nature and the object and purpose of this enactment is to provide a compensatory mechanism for expeditious recovery of money as opposed to punishing the accused. The Hon'ble Supreme Court in ***R. Vijayan Vs. Baby*** (2012) 1 SCC 260 has considered the said issue and come to the conclusion that punishing the offender is secondary concern.

9. Moreover, the amendment carried out in the year 2002 in the NI Act intended to make the nature of offence under Section 138 of the NI Act as a civil wrong while making it compoundable. A two Judge Bench of the Hon'ble Supreme Court in ***M/s Meters and Instruments Private Limited and another Vs. Kanchan Mehta*** (2018) 1 SCC 560, it has been 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

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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.”

10. Reliance can also be placed upon the judgment rendered by the Hon’ble Supreme Court in ***P. Mohanraj and others Vs. M/s Shah Brothers Ispat Pvt. Ltd.*** (2021) 6 SCC 258.

11. Moreover, a two Judge Bench of the Hon’ble Supreme Court in ***JIK Industries Limited and others Vs. Amar Lal V. Jumani and another*** (2012) 3 SCC 255 has examined the issue whether for compounding of an offence, consent of aggrieved party is required and held as under:-

“82. A perusal of Section 320 makes it clear that the provisions contained in Section 320 and the various sub-sections is a code by itself relating to compounding of offence. It provides for the various parameters and procedures and guidelines in the matter of compounding. If this Court upholds the contention of the appellant that as a result of incorporation of Section 147 in the NI Act, the entire gamut of procedure of Section 320 of the Code are made inapplicable to compounding of an offence under the NI Act, in that case the compounding of offence under the NI Act will be left totally unguided or uncontrolled. Such an interpretation apart from being an absurd or unreasonable one will also be contrary to the provisions of Section 4(2) of the Code, which has been discussed above. There is no other statutory procedure for compounding of offence under the NI Act. Therefore, Section 147 of the NI Act must be reasonably construed to mean that as a result of the said section the offences under the NI Act are made compoundable, but the main principle of such compounding, namely, the consent of the person aggrieved