



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

**CRR NO.1681 OF 2025 (O&M)  
DATE OF DECISION: JULY 14, 2025**

**Sukhwinder Singh**

**....Petitioner**

**Versus**

**M/s Savi Finance Co. and another**

**....Respondents**

**CORAM : HON'BLE MS. JUSTICE LAPITA BANERJI**

Present: Mr. J. S. Bhandohal, Advocate and  
Ms. Manveer Kaur, Advocate,  
for the petitioner.

Mr. Sukhmeet Singh, Advocate for  
Mr. H. S. Sandhu, Advocate,  
For the respondents.

**LAPITA BANERJI, J.**

**CRM NO.26343 OF 2025**

This is an application seeking condonation of delay of 112 days in preferring the petition.

For the reasons stated in the application, same is allowed and delay of 112 days in preferring the petition is condoned.

**CRM NO.26342 OF 2025**

This is an application for compounding the offence in view of the fact that the parties have amicably settled their dispute.

Since the prayer made in this application has direct bearing on the main revision petition, the application is disposed of and let the main case, which is also listed today, be taken up.

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The present revision petition has been filed against the judgment of conviction dated September 22, 2017 passed by learned Judicial Magistrate 1st Class, Phagwara in complaint bearing CIS No.NACT-25-2014 dated December 24, 2013 “*M/s Savi Finance Co. and another v. Sukhwinder Singh*” filed under Section 138 of the Negotiable Instruments Act, 1881 (for short “N.I.Act”), wherein the petitioner was held guilty for commission of offence under Section 138 of N.I. Act. The petitioner has also challenged judgment dated December 21, 2024 passed by learned Additional Sessions Judge-II, Kapurthala, in CRA No.186 of 2017, whereby appeal of the petitioner was dismissed.

2. Brief facts of the case are narrated hereinafter:

i) The accused-petitioner took loan of an amount of Rs.5,00,000/- from the complainants. In discharge of his legal liability towards the complainants, he issued cheque bearing No.385935 dated 11.11.2013 drawn on Capital Local Area Bank, Phagwara, in favour of the complainants and assured that the cheque would be honoured as and when presented for encashment. The complainant No.1 is a sole proprietorship firm of the complainant No.2.

ii) The complainants presented the cheque immediately but the same was dishonoured vide memo dated 12.11.2013 with the remarks “*Funds Insufficient*”. The complainants being aggrieved, served a legal notice dated November 14, 2013 through registered post and requested the petitioner to make payment of the stipulated amount, within 15 days. Since the petitioner did not make any payment within the stipulated time,



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the complainants filed the aforesaid complaint under Section 138 of the N.I. Act.

3. The petitioner was held guilty and convicted for the offence punishable under Section 138 of the N.I. Act and was sentenced as under:

Offence under Section	Sentence	Fine/ Compensation
138 of N.I. Act	Rigorous imprisonment for six months	Compensation u/s 357(3) Cr.P.C of the cheque amount i.e Rs.5,00,000/-

4. Aggrieved by the judgment of conviction and the order of sentence, the accused-petitioner preferred an appeal before the Court of learned Additional Sessions Judge-II, Kapurthala. By an order/judgment dated December 21, 2024, the said appeal was dismissed.

5. Being aggrieved by the judgment/order passed in appeal by the Court below, the present revision petition has been preferred by the petitioner.

6. Learned counsel appearing on behalf of the petitioner submits that an amicable settlement has been arrived between the petitioner and the proprietor (complainant No.2) of complainant No.1-finance Company. It is recorded in the said compromise entered on July 02, 2025 (Annexure P-1) that the petitioner had already paid a sum of Rs.3,10,000/- in cash on May 18, 2021 and a sum of Rs.1,90,000/- on July 02, 2025.

7. Learned counsel further contends that since nothing remained due and payable towards the complaint in view of Section 147 of the N.I. Act, the offence under Section 138 of the N.I. Act should be compounded.



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8. Issue notice.

9. Learned counsel for the respondents-complainants, who is present in Court, has affirmed the factum of receipt of the entire disputed amount from the petitioner and the factum of compromise between the parties. He submits that he has no objection if the offence is compounded in favour of the petitioner and the judgment of conviction and order of sentence recorded by the learned trial Court and affirmed by the learned Appellate Court, are quashed and set-aside.

10. Section 147 of the N.I. Act makes all offences under the Act, compoundable offences. It is well settled proposition of law that in view of the provisions contained under this Section read with Section 359 of BNSS (Section 320 of the Cr.P.C.), a compromise arrived *inter se* parties can be accepted and the offence committed under Section 138 of the N.I. Act can be ordered to be compounded even after conviction. Reference in this regard can be made to the judgment dated March 02, 2022 passed by the High Court of Himachal Pradesh in Criminal Misc. (main) Petition No.107 of 2022 under Section 482 of the Cr.P.C in “**Hiranand Shastri v. Ram Rattan Thakur and another**” wherein it was observed that the judgment of conviction recorded under Section 138 of the N.I. Act can be recalled, in view of the specific provisions contained under Section 147 of the Act, which provides for compounding of offence allegedly committed under Section 138 of the N.I. Act. Similar proposition of law was laid down in the judgment dated December 21, 2021 passed in **CRM-M-2499 of 2021 “Geeta Devi v. Surinder Singh and another**” wherein it was observed by the High Court of Himachal



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Pradesh that the Court has ample powers under Section 147 of the N.I. Act to compound the offence in those cases where the accused already stands convicted. Reference can also be made to judgment passed in “*Sube Singh and another v. State of Haryana and another*” 2013 (4) RCR (Criminal) 102, wherein a Division Bench of this Court has held that even after the conviction, if the parties have settled the dispute amicably and have decided to live in peace and harmony, this Court in exercise of powers under Section 482 of the Cr.P.C, can compound the offence.

11. In “*Damodar S. Prabhu v. Sayed Babalal H.*” 2010 (2) RCR (Criminal) 851, the Hon’ble Supreme Court had laid down several guidelines with regard to the proceedings conducted in connection with complaints filed under Section 138 of the N.I. Act. It was observed that the interest of the complainant lied primarily in recovering the money rather than seeing the drawer of the cheque in jail with respect to the offence of dishonor of the cheque and it is compensatory aspect of the remedy which should be given priority over the punitive aspect. In “*Raj Reddy Kallen v. State of Haryana and another*”, (2024) 5 SCR 203, it was observed by the Hon’ble Supreme Court that keeping in mind that ‘compensatory aspect’ of remedy shall have priority over the ‘punitive aspect’, courts should encourage compounding of offences under the N.I. Act, if the parties are willing to do so.

12. In the instant case, as discussed above, the parties have settled their dispute amicably, in pursuance of which the entire disputed amount has been paid by the petitioner to the respondents-complainants.



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This fact is affirmed by learned counsel for the respondents. He has stated that the complainants have no objection if the offence is compounded. This amicable settlement has arrived between the parties after passing of the judgment by the learned Appellate Court. There is no doubt that the petitioner and the respondents have reached at a settlement permissible by law.

13. In view of the above, since the parties have voluntarily settled the dispute between themselves, it is a fit case for allowing them to compound the offence. Accordingly, the revision petition is allowed, subject to payment of costs assessed at Rs.25,000/- to be deposited with PGI Poor Patient Welfare Fund. Subject to payment of costs, the judgment passed by learned Additional Sessions Judge-II, Kapurthala dated December 21, 2024 and judgment of conviction and order of sentence passed by learned trial Court dated September 22, 2017, are hereby set-aside. The offence for which the petitioner was convicted stands compounded and the petitioner is acquitted on account of such compounding.

14. Since the main petition is being disposed of, pending applications, if any, have been rendered infructuous.

15. Let a copy of the order be sent to the learned trial Court for necessary compliance and action.

**(LAPITA BANERJI)**  
**JUDGE**

JULY 14, 2025  
Shalini

Whether Speaking/reasoned:  
Whether reportable:

Yes/No  
Yes/No