IN THE SUPREME COURT OF INDIA

CRIMINAL APPELLATE JURISDICTION

CRIMINAL APPEAL NO. 5060 OF 2025
[@ SPECIAL LEAVE PETITION (CRIMINAL) NO. 18429 OF 2025]

VIRENDER SINGH DONGWAL **.....APPELLANT**

VERSUS

MANJU AGGARWAL ....**RESPONDENT**

O R D E R

1. Leave granted.

2. The appellant, Virender Singh Dongwal, has invoked the criminal appellate jurisdiction of this Court under Article 136 of the Constitution of India, challenging the order dated 15.09.2025 passed by the High Court of Punjab and Haryana at Chandigarh in CRR-2294-2025 (O&M). *Vide* the impugned order, the High Court dismissed the appellant's revision petition, thereby affirming the judgment of conviction dated 18.07.2023 and the order of sentence dated 20.07.2023

passed by the Judicial Magistrate First Class (JMIC), Faridabad.

3. The foundational proceedings stem from a criminal complaint (NACT/10200/2018) filed by the respondent, Manju Aggarwal, under Section 138 of the Negotiable Instruments Act, 1881 (hereinafter referred as “the NI Act”).

4. The primary contention raised by the appellant at this stage is of compounding the offence in light of a compromise reached between the parties, pursuant to the judicial guidelines governing such matters.

5. The respondent/complainant alleged that her firm, M/s Shiv Shakti Packing Industries supplied iron materials to the appellant’s firm, M/s Shivam Tools. Following these business dealings, an amount of Rs. 11,37,827/- was found to be outstanding as per the settlement of accounts.

6. To discharge this liability, the appellant issued four post-dated cheques totalling Rs. 11,37,827/-. These cheques were dishonoured by the bank on 05.10.2018 with the remarks

"funds insufficient". A statutory notice was issued on 11.10.2018.

7. The Trial Court (JMIC, Faridabad) found the appellant guilty, relying on the fact that the appellant's own Sales Tax and VAT returns reflected the receipt of material from the complainant's firm, totalling Rs. 11,37,827/-. The Trial Court rejected the appellant's defence, noting his inconsistent stand: initially, claiming in the reply to the legal notice that payment was made time to time after receiving the material, and later, asserting that no material was received at all, or that the cheques were security for a friendly loan. The Trial Court held that the appellant failed to rebut the presumptions under Section 118 and 139 of the NI Act.

8. Consequently, the appellant was convicted on 18.07.2023 and sentenced on 20.07.2023 to undergo a simple imprisonment for six months and directed to pay compensation of Rs. 14,50,000/- to the complainant.

9. The appellant challenged the said order of conviction by filing Criminal Appeal, being CRA No. 335 of 2023, before Additional Sessions Judge, Faridabad. The Appellate Court *vide* order dated 25.08.2025 dismissed the said appeal. The appellant, therefore, filed the Criminal Revision Application, being CRR No. 2294 of 2025, before the High Court. The High Court dismissed the said revision application *vide* order dated 15.09.2025. Hence, the present petition.

10. The records indicate that the appellant has been in custody since 25.08.2025 and has already undergone sentence of more than 2 months.

11. Heard learned counsel for the appellant and the respondent and perused the material available on record.

12. Learned counsel for the appellant submits that despite the concurrent findings, the interest of justice is best served by compounding the instant offence. It is brought to the notice of this Court that the parties have entered into a

Memorandum of Settlement/Compromise dated 29.10.2025 for a settlement sum of Rs. 6,65,000/-.

13. It is recorded that the appellant has already paid Rs. 4,00,000/- through DD No. 823742 on 08.10.2025.

14. The appellant assures this Court that the Demand Draft (DD No. 823748) has been created for the remaining compromise amount of Rs. 2,65,000/-, which is ready for payment to the respondent at the time of the final order of this Court.

15. The respondent/complainant does not oppose the compounding of the offence in light of the settlement, provided the costs and balance amount are paid.

16. It is a well-established principle that the offence under Section

138 of the NI Act is quasi-criminal in nature and is explicitly made compoundable under Section 147 of the Act. The legislative intent is to ensure the payment of money and promote the credibility of cheques.

17. Recently, this Court has rendered the judgment dated 25.09.2025 in the case of ***Sanjabij Tari v. Kishore S. Borcar & Anr., 2025 SCC OnLine SC 2069***, wherein this Court evaluated the guidelines issued in ***Damodar S. Prabhu v. Sayed Babalal H., 2010 (5) SCC 663***, and held as under:

> *"38. Since a very large number of cheque bouncing cases are still pending and interest rates have fallen in the last few years, this Court is of the view that it is time to 'revisit and tweak the guidelines'. Accordingly, the aforesaid guidelines of compounding are modified as under:-*
>
> > *(a) If the accused pays the cheque amount before recording of his evidence (namely defence evidence), then the Trial Court may allow compounding of the offence without imposing any cost or penalty on the accused.*
> >
> > *(b) If the accused makes the payment of the cheque amount post the recording of his evidence but prior to the pronouncement of judgment by the Trial Court, the Magistrate may allow compounding of the offence on payment of additional 5% of the cheque amount with the Legal Services Authority or such other Authority as the Court deems fit.*
> >
> > *(c) Similarly, if the payment of cheque amount is made before the Sessions Court or a High Court in Revision or Appeal, such Court may compound the offence on the condition that the accused pays 7.5% of the cheque amount by way of costs.*
> >
> > *(d) Finally, if the cheque amount is tendered before this Court, the figure would increase to 10% of the cheque amount.*

18. In view of the aforesaid decision rendered by this Court and considering the facts and circumstances of the case, we are of the opinion that the present appeal deserves to be allowed. Accordingly, the appeal is allowed.

19. The impugned judgment and order passed by the Trial Court and confirmed by the High Court are hereby quashed and set aside. The appellant is ordered to be released from prison forthwith, if his presence is not required in any other case.

20. However, at the same time, as per the decision passed by this Court in ***Sanjabij Tari (supra),*** the appellant is directed to pay 10% of the cheque amount as compounding cost, i.e. Rs. 1,13,783/- (Rupees One Lakh Thirteen Thousand Seven Hundred Eighty Three Only). The appellant shall deposit the said amount with the Supreme Court Legal Services Committee within a period of four weeks.

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

………………………………, J.
[SANJAY KAROL]

……………………………….J.
[VIPUL M. PANCHOLI]

New Delhi
November 18, 2025

ITEM NO.46   COURT NO.12   SECTION II-B

S U P R E M E C O U R T O F I N D I A

RECORD OF PROCEEDINGS

PETITION(S)FOR SPECIAL LEAVE TO APPEAL (CRL.) No(s). 18429/2025

[Arising out of impugned final judgment and order dated 15-09-2025 in CRR No. 2294/2025 (O&M) passed by the High Court of Punjab & Haryana at Chandigarh]

VIRENDER SINGH DONGWAL   Petitioner(s)

VERSUS

MANJU AGGARWAL   Respondent(s)

Date : 18-11-2025 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SANJAY KAROL

HON'BLE MR. JUSTICE VIPUL M. PANCHOLI

For Petitioner(s):Ms. Sugandh Rathor, Adv.

Mr. Mayank Dahiya, Adv.

Mr. Sangram Singh Rathore, Adv.
Mr. Ajay Pal, AOR

For Respondent(s) :Mr. Kustubh Singh, Adv.
Mr.Subhro Prokas Mukherjee,AOR

UPON hearing the counsel the Court made the following

O R D E R

1. Leave granted.

2. Appeal is allowed in terms of signed order and operative part of the order is extracted below:

> "19. The impugned judgment and order passed by the Trial Court and confirmed by the High Court are hereby quashed and set aside. The appellant is ordered to be released from prison forthwith, if his presence is not required in any other case.
>
> 20. However, at the same time, as per the decision passed by

> **this Court in *Sanjabij Tari (supra),* the appellant is directed to pay 10% of the cheque amount as compounding cost, i.e. Rs. 1,13,783/- (Rupees One Lakh Thirteen Thousand Seven Hundred Eighty Three Only). The appellant shall deposit the said amount with the Supreme Court Legal Services Committee within a period of four weeks.”**

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

(RAJNI MUKHI) **(ANU BHALLA)**
ASTT.REGISTRAR-cum-PS **COURT MASTER (NSH)**

(Signed order is placed on the file)