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

**CRR-477-2024 (O&M)
Date of decision: 03.03.2025**

Jasbir Singh**...Petitioner**

Versus

M/S Ess Ess Fabrics**...Respondent****CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR**

Present: Mr. Vaibhav Sehgal, Advocate
for the petitioner.

Mr. Abhimanyu Kalsy, Advocate
for the respondent.

HARPREET SINGH BRAR, J. (ORAL)

1. Present is a revision petition filed against the judgment dated 22.02.2024 passed by learned Additional Sessions Judge, Ludhiana, affirming the order of conviction and sentence dated 11.06.2018 passed by Judicial Magistrate First Class, Ludhiana stemming from criminal complaint bearing COMA No.8073 of 2015 under Section 138 Negotiable Instruments Act, 1881.

2. Succinctly, the facts of the case are that the petitioner-accused purchased one computerised embroidery machine for the value of Rs.4,98,435/- from the complainant/respondent and repaid a part of the same in installments. Thereafter, in discharge of the liability of the remaining sum of Rs.3,23,435/-, the petitioner issued 05 cheques and assured that the said cheques would be encashed as and when presented by the respondent for payment. However, the said cheques were dishonoured on presentation for



encashment vide memo bearing remarks “funds insufficient”. Thereafter, a legal notice was served upon the petitioner. Since, he failed to make the payment in the stipulated time, complaint (*supra*) was filed against him.

3. The Learned Counsel for the petitioner *inter alia* contends that a compromise has been arrived at between the parties at Mediation and Conciliation Centre of this Court and the same has also been verified by the learned counsel for the respondent as well. The terms of the compromise have been reproduced as below:

“The following settlement has been arrived at between the Parties hereto:

a. That Both the parties agreed to settle the matter for full and final payment. The first party had agreed to pay a sum of Rs.3,35,000/- (Rupees Three Lacs and Thirty Five Thousand only) in total as full and final settlement.

b. Out of which Rs.2,15,000/- (Rupees Two Lacs and Fifteen Thousand only) was paid by way of Demand Draft to respondent No.2. A sum of Rs.20,000/- (Twenty Thousand only) was paid to second party on 30.01.2025. Subsequently a sum of Rs. 10,000/- (Rupees Ten Thousand only) was paid on 18.02.2025.

c. The first party has deposited an amount of Rs.50,000/- (Rupees Fifty Thousand only) vide Demand Draft No.000312 dated 14.03.2024 before Ld. Trial Court. The first party has agreed to get that draft back and get it renewed from the Bank and then handed over to second party.

d. That both the parties agreed that last two installments of Rs.20,000/- (Rupees Twenty Thousand only) each by first party to second party on 28.03.2025 and 28.04.2025 respectively.



e. That both the parties agreed that the first party can file an appropriate application for compounding before this Hon' ble Court and second party shall give his consent accordingly.

f. The parties further undertake not to initiate or institute any further litigation against each other arising out of the matter in dispute.

g. As per knowledge of both the parties, there is no other pending litigation between the parties qua the present dispute. It has been further agreed between the parties that in case of coming into knowledge of any petition or case filed by any of the parties against each other, the same shall be withdrawn by either of the party who has filed it.

h. This compromise has been arrived at between the parties without any pressure, undue influence or misrepresentation and both the parties have agreed to abide by the terms and conditions of the agreement. Both the parties shall be bound with the terms and conditions of this compromise.”

4. 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.

5. In view of the compromise and the ratio of law laid down by the Hon'ble Supreme Court in ***Narinder Singh and others vs. State of Punjab and another, (2014) 6 SCC 466, Ramgopal and another Vs. State of Madhya Pradesh 2021 SCC OnLine SC 834*** and ***Shakuntala Sawhney (Mrs) Vs.***



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Kaushalya (Mrs.) and others (1980) 1 SCC 63 and Full Bench of this Court in ***Kulwinder Singh Vs. State of Punjab 2007 (3) RCR (Crl.) 1052***, this petition is allowed. Consequently, the judgment dated 22.02.2024 passed by learned Additional Sessions Judge, Ludhiana and judgment of conviction and order of sentence dated 11.06.2018 passed by learned Judicial Magistrate Ist Class, Ludhiana are set aside qua the petitioner. Petitioner be released from the custody, if not required in any other case.

6. Pending miscellaneous application(s), if any, shall also stand disposed of.

03.03.2025
manisha

(HARPREET SINGH BRAR)
JUDGE

(i)	Whether speaking/reasoned	Yes/No
(ii)	Whether reportable	Yes/No