IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CRR-953-2019 (O & M)
Date of decision: 06.11.2025

Sanjay Gambhir

.... Petitioner

V/s

Mehar Chand son of Sh. Ballu (since deceased) now represented by Subhash son of Mehar Chand

...Respondent

CORAM: HON'BLE MR. JUSTICE JASJIT SINGH BEDI

Present: Mr. Gautam Dutt, Sr. Advocate,
with Mr. Amitoj Singh Sidhu, Advocate,
for the petitioner.

Mr. Ram Bilas Gupta, Advocate,
For respondent.

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JASJIT SINGH BEDI, J. (Oral)

The present revision petition has been filed against the judgment dated 25.03.2019 passed by the Additional Sessions Judge, Faridabad vide which the appeal bearing CIS No.99 of 2014 dated 25.03.2019 preferred by the accused-petitioner against the judgment of conviction and order of sentence dated 26/31.03.2014 passed by the Judicial Magistrate Ist Class, Faridabad has been dismissed.

2. The brief facts of the case are that the complainant-Mehar Chand alongwith his relatives had sold total 22 kanal 10 marlas of land in favour of the accused vide a registered sale deed No.20172 dated 10.03.2006 and in respect of the share of the complainant, accused issued a cheque bearing No.657036 dated 30.04.2006 for a sum of Rs.2,35,97,500/- drawn

on Indian Overseas Bank, New Rajender Nagar, New Delhi. The said cheque was dishonoured and consequently, a complaint under Section 138 of N.I. Act was filed by the complainant. In the said complaint, the parties had arrived at a settlement. Pursuant thereto, the accused issued another cheque bearing No.863532 dated 30.04.2007 for a sum of Rs.2,35,97,500/- Drawn on Indian Overseas Bank, New Rajender Nagar, New Delhi in favour of the complainant. On presentation, the said cheque was dishonoured with the remarks insufficient funds' vide a bank memo dated 08.09.2007. On the assurance of the accused-petitioner, the complainant- presented the same cheque once again for encashment but it was again dishonoured due to 'insufficient funds' vide bank memo dated 25.10.2007. A legal notice was served upon the accused-petitione to make the aforesaid payment in the stipulated period of 15 days, but he failed to do so, leading to initiation of proceedings under Section 138 of the Negotiable Instruments Act, 1881.

3. In the complaint under Section 138 of the Negotiable Instruments Act, 1881 filed by the complainant/respondent, the accused No.2/petitioner-Sanjay Gambhir being the authorized signatory of accused No.1-DD Merchant Bankers Limited, was summoned to face trial. The evidence was led and ultimately, the accused/petitioner was held guilty and accordingly, convicted for the offence punishable under Section 138 of the Negotiable Instruments Act, 1881. He was sentenced to undergo rigorous imprisonment for a period of one year and to pay a compensation amounting to Rs.2,75,00,000/- to the complainant-respondent within one month from passing of the order and in default of payment of the said compensation, to further undergo SI for a period of 03 months.

4. Aggrieved against the said judgment of conviction and order of sentence, the accused No.2/appellant-Sanjay Gambhir (present petitioner) and the accused No.1/D.D. Merchant Bankers Limited through its authorized representative Shri Tarun Kumar preferred two separate appeals bearing Nos. CRA-99-2017 and in CRA-98-2014 before the Additional Sessions Judge, Fardiabad which came to be dismissed vide a common judgment dated 25.03.2019. As the accused No.2/appellant-Sanjay Gambhir (the present petitioner) failed to appear before the Court, he was declared a proclaimed person.

5. Still aggrieved, the present revision petition has been preferred by the petitioner.

6. The learned Senior counsel for the petitioner contends that during the pendency of the present petition, a compromise has been effected between the parties, pursuant to which the settled amount/payment has been made to the respondent-complainant. Thus, nothing remain due towards the complainant. He further contends that in view of Section 147 of the Negotiable Instruments Act read with Section 320 Cr.P.C. where a settlement has been effected, the offence under Section 138 of the Negotiable Instruments Act can be compounded on account of the fact that a mutual compromise has been effected between the parties.

7. The learned counsel for the complainant-respondent contends that as the matter has been settled between the parties, he has no objection if the prayer of the learned counsel for accused-petitioner for compounding the offence under Section 138 N.I. Act is allowed and the petitioner is acquitted of the charges framed against him.

8. I have heard the learned counsel for both the parties.

9. This Hon'ble Court in 'Ramesh Chander Vs. State of Haryana and another, 2007(1) RCR (Criminal) 245' held as under:-

> *"4. As per the provisions of Section 147 of the Act, the offence under Section 138 is compoundable. Section 147 reads as under:*
>
> *"Offence to be compoundable-*
>
> *Notwithstanding anything contained in the Criminal Procedure Code, 1973(2 of 1974), every offence punishable under this Act shall be compoundable".*
>
> *5. The compounding of the offence under Section 138 can be done during the trial of the case as well as by the High Court or Court of Session while acting in the exercise of its power of revision under Section 401 Criminal Procedure Code Reference may be made to Section 320(6) Criminal Procedure Code in this regard.*
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> *6. Further, under Section 320(8) Criminal Procedure Code the composition of an offence shall have the effect of acquittal of the accused with whom the offence has been compounded."*

10. This Court in 'Vatsa Electronics Vs. Pala Ram & Anr. decided on 09.03.2022 in CRR-1585-2019' has also held that once a settlement is being effected, then in terms of Section 147 of the Negotiable Instruments Act and Section 320 Cr.P.C., the accused ought to be acquitted as the offence stands compounded.

11. In view of the above, since, the parties have voluntarily settled the disputes between themselves, it is a fit case for allowing them to compound the offence.

12. Accordingly, the revision petition is allowed and subject to payment of Rs.50,000/- as costs to be deposited with Punjab State Legal

Services Authority-Disaster Relief Fund, Account No.44426937384, IFSC Code:SBIN0014656, State Bank of India, Sector 68, SAS Nagar, the judgment dated 25.03.2019 passed by the Additional Sessions Judge, Faridabad as well as the judgment of conviction and order of sentence dated 26/31.03.2014 passed by the Judicial Magistrate Ist Class, Faridabad are hereby set aside. The petitioner is acquitted of the charge under Section 138 of the Negotiable Instruments Act.

13. Since the main petition has been disposed of no order needs to be passed in the pending application(s), if any.

(JASJIT SINGH BEDI)
JUDGE

November 06, 2025
sukhpreet

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No