



IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CRR-2595-2008 (O & M)
Date of decision: 10.02.2025

Amrik Singh

.... Petitioner

V/s

Chamunda Financial Services

...Respondent

CORAM: HON'BLE MR. JUSTICE JASJIT SINGH BEDI

Present: Mr. Ashok Giri, Advocate, for the petitioner.

Mr. Naveen Sharma, Advocate, for the respondent.

JASJIT SINGH BEDI, J. (Oral)

The present revision petition has been filed against the judgment dated 18.11.2008 passed by the Additional Sessions Judge (Adhoc), Fast Track Court, Jalandhar, vide which the appeal preferred by the accused-petitioner against the judgment of conviction and order of sentence dated 24.09.2007 passed by the Judicial Magistrate 1st Class, Jalandhar has been dismissed.

2. The brief facts of the case are that the accused-petitioner/Amrik Singh approached the complainant firm-Chamunda Financial Services in July, 2002 to let out on hire purchase vehicle TATA 407, bearing No.PB-08-F-8851, Model 1992. The complainant-respondent firm hired the said vehicle vide agreement dated 02.08.2002 and the accused was to pay Rs.2,44,500/- inclusive of interest and other charges in 36 instalments vide agreement dated 02.08.2002. The accused-petitioner paid only four instalments and subsequently, failed to pay the same. Therefore, his account became irregular and the agreement was



terminated. The aforesaid vehicle was seized, sold and its sale proceeds were adjusted in the account of the accused-petitioner. Thus, a sum of Rs.1,15,000/- stood outstanding in his account. This fact was brought to the notice of the accused-petitioner and in order to discharge his liability of Rs.1,15,000/-, he issued a cheque bearing No.263952 dated 16.06.2000 drawn on Oriental Bank of Commerce, Adarsh Nagar, Jalandhar. The complainant-respondent presented the aforesaid for encashment through his Banker which was returned to the complainant/respondent as dishonoured with remarks “Not arranged for” vide memo dated 16.06.2003. The accused/petitioner was served with a legal notice dated 27.06.2003 for the repayment of the aforesaid amount but he failed to make the payment within the stipulated period of 15 days, 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/petitioner 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, and was sentenced as under:-

Offence under Section	Sentence	Fine	In default of payment of fine
138 of the N.I. Act	RI for 01 year	Rs.5,000/-	RI for 04 months

4. Aggrieved against the said judgment of conviction and order of sentence, the accused/petitioner preferred an appeal before the Additional



Sessions Judge (Adhoc), Fast Track Court, Jalandhar, which came to be dismissed on 18.11.2008.

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

6. The learned counsel for the petitioner contends that during the pendency of the revision petition, a compromise has been effected between the parties and in terms of the order dated 28.01.2025 passed by this Court, only a sum of Rs.20,000/- remained to be paid to the complainant/-respondent as full and final settlement. He further contends that as per the order dated 07.02.2025, against the outstanding amount of Rs.20,000/-, the accused-petitioner has paid a sum of Rs.40,000/- by way of Bankers Cheque bearing No.067469 dated 07.02.2025 to the learned counsel for the complainant-respondent. A photocopy thereof has been placed on record. Therefore, nothing is due towards the complainant-respondent firm. 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.

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.20,000/- as costs to be deposited with Punjab and Haryana



High Court Bar Association, Chandigarh, Account No.65035682434, SBI High Court Branch, IFSC:-SBIN0050306, the judgment dated 18.11.2008 passed by the Additional Sessions Judge (Adhoc), Fast Track Court, Jalandhar, as well as the judgment of conviction and order of sentence dated 24.09.2007 passed by the Judicial Magistrate 1st Class, Jalandhar, 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

February 10, 2025
sukhpreet

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No