



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

**CRR-725-2008 (O & M)**

**Date of decision: 04.07.2025**

Deepak Kapoor

.... Petitioner

V/s

State of Punjab and anr.

...Respondents

**CORAM: HON'BLE MR. JUSTICE JASJIT SINGH BEDI**

Present: Mr. Japjit Singh Johal, Advocate, for the petitioner.

Mr. Harkanwar Jeet Singh, AAG, Punjab.

Mr. Pratap Singh Gill, Advocate, as Amicus Curiae  
for the respondent No.2.

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**JASJIT SINGH BEDI, J. (Oral)**

The present revision petition has been filed against the judgment dated 17.03.2008 passed by the Additional Sessions Judge, Rupnagar vide which the appeal preferred by the accused-petitioner against the judgment of conviction and order of sentence dated 05.05.2004 passed by the Judicial Magistrate 1st Class, Kharar has been dismissed.

2. The brief facts of the case are that the complainant-respondent No.2/Kanta Devi had close friendly relation with the family of the accused-petitioner/Deepak Kapoor. He used to borrow money from the complainant from time to time and cleared all such debts timely. Thereafter, the accused-petitioner took a loan of Rs.85,500/- from the complainant-respondent No.2 to meet the expenses of the marriage. The complainant-respondent No.2 paid a sum of Rs.25,550/- on 15.02.2000 and Rs.60,000/-



on 07.07.2000. The accused-petitioner assured the complainant-respondent No.2 that he would repay the said amount within a period of 06 months. Thus, in order to discharge his liability, he issued a cheque No.168541 dated 24.03.2001 for a sum of Rs.85,550/- drawn on Punjab National Bank, Sector 16, Chandigarh. The complainant-respondent No.2 presented the aforesaid cheque for encashment on 24.03.2001 which was returned with the remarks “insufficient funds”. The complainant-respondent No.2 again on 26.07.2001 presented the said cheque through her banker Canra Bank for encashment, but the same was again dishonoured with the remarks “insufficient funds”. The accused/petitioner was served with a legal notice dated 08.08.2001 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 No.2, the accused/petitioner was summoned to face trial. The evidence was led and ultimately, the accused/petitioner-Deepak Kapoor 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 15 days                |

4. Aggrieved against the said judgment of conviction and order of sentence, the accused/petitioner preferred an appeal before the Additional Sessions Judge, Rupnagar, which came to be dismissed on 17.03.2008.



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

6. The learned counsel for the petitioner contends that in compliance of the order dated 17.03.2025, the parties had appeared before the Mediation and Conciliation Centre of this Court and a settlement was arrived at between them on 09.04.2025. Pursuant to the aforesaid settlement, the accused-petitioner has paid a sum of Rs.60,000 as against the cheque amount of Rs.85,550/- i.e. Rs.10,000/- in cash and Rs.50,000/- through online transactions dated 03.07.2025, 28.05.2025 and 30.04.2025 respectively as full and final settlement. A photocopy of the record/documents with regard to the aforesaid transactions is taken on record as Mark 'A-1'. Therefore, nothing remains due towards the complainant-respondent No.2. 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 State counsel alongwith the Amicus Curiae for the complainant-respondent No.2 contend that as the matter has been settled between the parties, they have 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.15,000/- as costs to be deposited with Society for the Care of Blind, Sector 26, Chandigarh Account No.10506615304, IFSC Code:- SBIN0003246, MICR Code:160002014, State Bank of India, the judgment



dated 17.03.2008 passed by the Additional Sessions Judge, Rupnagar as well as the judgment of conviction and order of sentence dated 05.05.2004 passed by the Judicial Magistrate 1st Class, Kharar, 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**

**July 04, 2025**  
sukhpreet

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No