



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

**CRR-1167-2009 (O & M)**  
**Date of decision: 15.05.2025**

Gurtej Singh

.... Petitioner

V/s

M/s Nasib Chand Sat Pal Commission Agent and anr.

...Respondents

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

Present: Mr. Gautam Dutt, Advocate, for the petitioner.

Mr. Ramandeep, Advocate,  
for the respondents.

Mr. Harkanwar Jeet Singh, AAG, Punjab.

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

The present revision petition has been filed against the judgment dated 20.04.2009 passed by the Additional Sessions Judge, Sangrur vide which the appeal preferred by the accused-petitioner against the judgment of conviction and order of sentence dated 04.07.2007 passed by the Judicial Magistrate 1st Class, Sunam has been dismissed.

2. The brief facts of the case are that in order to discharge the liability, the accused-petitioner issued a cheque bearing No.154981 dated 25.05.2004 for a sum of Rs.3,15,000/- in favour of the complainant-respondents. The complainant presented the said cheque for encashment to the Oriental Bank of Commerce, Branch Patran, the same was returned back dishonoured on 23.06.2004 due to 'insufficient funds. The accused/petitioner was served with a legal notice dated 07.06.2004 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/respondents, the accused/petitioner was summoned to face trial. The evidence was led and ultimately, the accused/petitioner-Gurtej Singh 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 01 month               |

4. Aggrieved against the said judgment of conviction and order of sentence, the accused/petitioner preferred an appeal before the Additional Sessions Judge, Sangrur which came to be dismissed vide a judgment dated 20.04.2009.

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

6. The learned counsel for the petitioner contends that during the pendency of the revision petition, a settlement has been effected between the parties. 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/respondents alongwith the learned counsel for the State 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.20,000/- as costs to be deposited with Spinal Rehab Centre, Chandigarh Plot No.1, Madhya Marg, Sector 28-A, Chandigarh, 0172-4610311, the impugned judgment dated 20.04.2009 passed by the Additional Sessions Judge, Sangrur as well as the judgment of conviction and order of sentence dated 04.07.2007 passed by the Judicial Magistrate 1st Class, Sunam, 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

May 15, 2025  
sukhpreet

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No