



IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CRR-1932-2010 (O & M)
Date of decision: 25.04.2025

Jagtar Singh

.... Petitioner

V/s

Som Nath and anr.

...Respondents

CORAM: HON'BLE MR. JUSTICE JASJIT SINGH BEDI

Present: Mr. Paras Choudhary, Advocate,
with Ms. Ramanpreet Kaur, Advocate, for the petitioner.

Mr. Arjun Pratap Atma Ram, Advocate,
for the respondent No.1.

Mr. Harkanwar Jeet Singh, AAG, Punjab,
for respondent No.2.

JASJIT SINGH BEDI, J. (Oral)

The present revision petition has been filed against the judgment dated 05.07.2010 passed by the Additional Sessions Judge, Fast Track Court, Patiala vide which the appeal preferred by the accused-petitioner against the judgment of conviction and order of sentence dated 23.07.2007 passed by the Judicial Magistrate 1st Class, Patiala has been dismissed.

2. The brief facts of the case are that the complainant-respondent No.1/Som Nath (since deceased) was the sole proprietor of firm-M/s Som Nath and Bros. and was engaged in the business of commission agent for the sale of agricultural crops. Accused-petitioner/Jagtar Singh was a farmer and he approached the complainant-respondent No.1 for the grant



of a loan of Rs.13,00,000/- for the purchase of agricultural land and undertook to return the loan amount within one month alongwith interest @ 2% p.m. The complainant paid a sum of Rs.7,00,000/- and Rs.6,00,000/- (totalling Rs.13,00,000/-) to the accused on 23.04.2003 and 28.04.2003 respectively. After one month, when the complainant approached the accused for repayment of the loan amount, the accused showed his inability to pay the same. But on continuous persuasion of the complainant/respondent No.1-Som Nath (since deceased), the accused issued a cheque dated 03.06.2003 for a sum of Rs.7,00,000/- drawn at State Bank of Patiala, Industrial Estate, MGM Branch, Patiala and 2nd cheque dated 15.08.2003 towards repayment of the balance amount and interest. The complainant presented the cheque dated 03.06.2003 for a sum of Rs.7,00,000/- with his bank i.e. State Bank of Patiala which was returned by the banker of the accused-petitioner on account of 'insufficient funds'. The accused/petitioner was served with a legal notice dated 11.06.2023 for the repayment of the aforesaid amount (Rs.7,00,000/-) 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 by way of complaint bearing No.248T of 08.07.2003.

3. In the complaint under Section 138 of the Negotiable Instruments Act, 1881 filed by the complainant/respondent No.1-Som Nath (deceased), the accused/petitioner was summoned to face trial. The evidence was led and ultimately, the accused/petitioner-Jagtar 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 bearing Criminal Appeal No.51-T dated 10.08.2007/17.04.2009 whereas the complainant-respondent No.1/Som Nath had filed a Criminal Revision Petition No.20-T dated 26.09.2007/12.12.2008 before the Additional Sessions Judge (Fast Track Court), Patiala which came to be dismissed vide a common judgment dated 05.07.2010.

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 on instructions from Satish son of the complainant-respondent No.1/Som Nath (deceased) 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.25,000/- as costs to be deposited with Sadhna Society for the Mentally Handicapped, Near Housing Board Chowk, Raen Basera Building Manimajra, Sector 13, Chandigarh, the impugned judgment dated 05.07.2010 passed by the Additional Sessions Judge (Fast Track Court), Patiala as well as the judgment of conviction and order of sentence dated 23.07.2007 passed by the Judicial Magistrate 1st Class, Patiala, 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

April 25, 2025
sukhpreet

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No