

2025:PHHC:031798



CRR-3047-2010 (O & M)

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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CRR-3047-2010 (O & M)

Date of decision: 06.03.2025

M/s Trimohan Inns Pvt. Ltd., Phillaur and another

.... Petitioner

V/s

M/s Khalsa Bros. Ludhiana

...Respondent

CORAM: HON'BLE MR. JUSTICE JASJIT SINGH BEDI

Present: Mr. Uday Agnihotri, Advocate, for the petitioner.

Ms. Dheerja, Advocate as Amicus Curiae
for the respondent.

JASJIT SINGH BEDI, J. (Oral)

The present revision petition has been filed against the judgment dated 10.11.2010 passed by the Additional Sessions Judge, Ludhiana vide which the appeal preferred by the accused-petitioners against the judgment of conviction and order of sentence dated 09.01.2006 passed by the Judicial Magistrate 1st Class, Ludhiana has been dismissed.

2. The brief facts of the case are that the complainant/respondent No.2-M/s Khalsa Brothers was a proprietorship Firm and was doing the business of supplying tent, furniture material and the accused/respondent No.1-M/s Trimohan Inns Pvt. Ltd. was a Private Limited Company having Hotel Business at Phillaur, District Jalandhar. The accused/respondent No.2-Sham Mohan Sharma, Director of M/s Trimohan Inns Pvt. Ltd. (accused-respondent No.1) was responsible for all the acts, conducts and business of the company. The accused-petitioner No.2 ordered



the complainant firm to supply the tent furniture, catering and other goods and issued three cheques bearing No. 293113 dated 05.05.1999, 293111 dated 15.05.1999 and 293114 dated 25.05.1999 for a sum of Rs.50,000/- each (totalling Rs.1,50,000/-) drawn on State Bank of India, Phillaur on account of payment of the bill, in favour of the complainant-respondent firm with the assurance that the same would be encashed. The complainant-respondent presented the aforesaid cheques for encashment through his Banker which were returned to the complainant/respondent as dishonoured with remarks “Exceeds Arrangements” vide memo dated 12.06.1999. The accused/petitioner No.2 was served with a legal notice dated 29.06.1999 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 No.2 was summoned to face trial. The evidence was led and ultimately, the accused/petitioner No.2-Sham Mohan Sharma 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.4,000/-	RI for 01 month

4. Aggrieved against the said judgment of conviction and order of sentence, the accused/petitioners preferred an appeal before the Additional Sessions Judge, Ludhiana, which came to be dismissed on 10.11.2010.



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

6. The learned counsel for the petitioners contends that during the pendency of the revision petition, a compromise has been effected between the parties for a sum of Rs.3,00,000/- to be paid to the complainant-respondent firm by the petitioners. In pursuant thereof, he has handed over a cheque bearing No.119339 dated 06.03.2025 in the sum of Rs.1,50,000/- to the learned Amicus Curiae for the complainant-respondent in the Court today. A photocopy thereof has been placed on record. He further submits that the Trial Court be directed to release a sum of Rs.1,50,000/- (already deposited with it in compliance of the order dated 17.11.2010) in favour of the complainant-respondent on account of payment of the remaining amount of Rs.3,00,000/- as full and final settlement. Therefore, nothing shall remain 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 Amicus Curiae for the complainant-respondent contends that as the matter has been settled between the parties, she has no objection if the prayer of the learned counsel for accused-petitioner No.2 for compounding the offence under Section 138 N.I. Act is allowed and the petitioner No.2 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 and release of the amount of Rs.1,50,000/- by the Trial Court (already deposited with it in terms of the order dated 17.11.2010) in favour of the complainant-respondent, the judgment dated 10.11.2010 passed by the Additional Sessions Judge, Ludhiana as well as the judgment of conviction and order of sentence dated 09.01.2006 passed by the Judicial Magistrate 1st Class, Ludhiana, are hereby set aside. The petitioner No.2 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,

14. The Registry is directed to place on record a copy of the order passed by the Trial Court regarding release of payment of a sum of Rs.1,50,000/- in favour of the complainant-respondent-M/s Khalsa Bros., Near Main Gate Bus Stand, Ludhiana, which has been deposited with it in compliance with the order dated 17.11.2010.

(JASJIT SINGH BEDI)
JUDGE

March 06, 2025
sukhpreet

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No