



**IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH.**

CRR-2156-2025(O&M)

Date of Decision:-05.09.2025

Manjit Singh.

.....Petitioner.

Versus

Neeraj Kumar & Anr.

.....Respondents.

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

Present:- Mr. R.S. Bajaj, Advocate for the Petitioner.

Mr. Sanjeev K. Virk, Advocate for the respondent no.1.

Mr. M.S. Toor, AAG Punjab for respondent no.2.

JASJIT SINGH BEDI, J.(ORAL)

The present revision petition has been filed against the judgment dated 21.07.2025 passed by the Sessions Judge, Jalandhar, vide which the appeal preferred by the accused-petitioner against the judgment of conviction and order of sentence dated 22.08.2024 passed by the Judicial Magistrate 1st Class, Phillaur has been dismissed.

In view of the compromise dated 26.08.2025 (Annexure P-1) arrived at between the parties, the oral prayer for compounding of offence is allowed.

2. The brief facts of the case are that accused/petitioner-Manjit Singh issued a cheque bearing no.517073 dated 19.11.2019 for an amount of Rs.2,00,000/- (rupees two lacs only) drawn on State Bank of India in favour



of the complainant/respondent. On presentation, the aforesaid cheque was dishonoured with remarks “Funds Insufficient” vide memo dated 03.12.2019 and the same was returned to the complainant/respondent. The accused/petitioner was served with a legal notice dated 16.12.2019 for the repayment of the aforesaid amount but he failed to make the payment leading to the 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	Compensation amount	In Default of payment of Complensation
138 of the N.I. Act	RI for 01 Year	Rs.2,30,000/-	RI for 02 Months

4. Aggrieved against the said judgment of conviction and order of sentence dated 22.08.2024, the petitioner preferred an appeal before the Sessions Judge, Jalandhar, which came to be dismissed on 21.07.2025.

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 dated 26.08.2025 has been effected between the parties. He contends that towards the cheque amount of Rs.2,00,000/-, petitioner/accused has paid a sum of Rs.2,30,000/- as full and final payment to the respondent/complainant-Neeraj Kumar. Therefore, nothing is due towards him. 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 compromise dated 26.08.2025 has been effected between the parties.

7. The Counsel for the respondent/complainant accepts the factum of a compromise and states that the complainant has received a sum of Rs,2,30,000/- towards the cheque amount of Rs.2,00,000/- and 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 counsel for the parties.

9. This 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. The admitted position is that the matter stands settled on the basis of a compromise deed dated 26.08.2025 between the parties.
12. 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.
13. Accordingly, the revision petition is allowed and subject to payment of Rs.15,000/- as costs to be deposited with Punjab State Legal Services Authority-cum-Disaster Relief Fund Account No.44426937384 IFSC Code SBIN0014656 State Bank of India, Sector 68, SAS Nagar, the judgment dated 21.07.2025 passed by the Sessions Judge, Jalandhar as well as judgment of conviction and order of sentence dated 22.08.2024 passed by the Judicial Magistrate 1st Class, Phillaur are hereby set aside. The petitioner is acquitted of the charge under Section 138 of the Negotiable Instruments Act. The petitioner is further directed to inform the Registry of this Court about the deposit of Rs.15,000/- costs with the concerned office.
14. 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

September 05, 2025
Vinay

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No