

**CRR-271-2022****1****IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

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CRR-271-2022**Date of decision: 14.05.2026****MADAN SINGH****.... PETITIONER(S)****VERSUS****GAURISH TRADING COMPANY & ANR.****...RESPONDENT(S)****CORAM: HON'BLE MR. JUSTICE JASJIT SINGH BEDI****Present:** Mr. Jaspreet Kaur Somal, Advocate for the petitioner.Mr. Manglesh Kumar, Advocate for
Mr. Shakti Mehta, Advocate for respondent No.1.Mr. Anil Kumar Lamdharia, Advocate
for respondent No.2-State.

JASJIT SINGH BEDI, J. (Oral)

The present revision petition has been filed against the judgment dated 21.12.2021 passed by the Additional Sessions Judge, Chandigarh vide which the appeal preferred by the accused-petitioner against the judgment of conviction and order of sentence dated 04.09.2018/05.09.2018 passed by the Judicial Magistrate Ist Class, Chandigarh has been dismissed.

2. The brief facts of the case are that the accused-petitioner in discharge his liability issued a cheque bearing No.016588 dated 07.01.2017 for a sum of Rs.3,99,107/- drawn at IDBI Bank, Sohana, in favour of the complainant-respondent No.1. On presentation of the aforesaid cheque by the complainant with his banker, the same was not encashed and was dishonoured with the remarks 'Funds Insufficient' vide a return memo dated 11.01.2017. The accused-petitioner was served with

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a legal notice dated 25.01.2017 for making the payment but the accused-petitioner failed to do so, 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.1, the accused/petitioner was summoned to face trial under Section 138 of the Negotiable Instruments Act. 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 sentenced to undergo imprisonment for one year along with compensation equivalent to the cheque amount, and in default of payment of compensation along with interest, further undergo simple imprisonment for two months.

4. Aggrieved against the said judgment of conviction and order of sentence, the accused/petitioner preferred an appeal before the Additional Sessions Judge, Chandigarh which came to be dismissed vide a judgment dated 21.12.2021.

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 present petition, a compromise has been effected between the parties. As against the cheque amount of Rs.3,99,107/-, Rs.4,50,000/- has been paid to the learned counsel for the complainant-respondent No.1 as full and final payment. A copy of the compromise is taken on record as Annexure A-2. Thus, nothing remains due towards the

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complainant-respondent No.1. 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 State-respondent No.2 and the counsel for the complainant-respondent No.1 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

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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 Spinal Rehab Centre, Chandigarh, Plot No.1, Madhya Marg, Sector 28-A, Chandigarh, the judgment dated 21.12.2021 passed by the Additional Sessions Judge, Chandigarh as well as the judgment of conviction and order of sentence dated 04.09.2018/05.09.2018 passed by the Judicial Magistrate Ist Class, Chandigarh, 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

14.05.2026*Kusum*

<i>Whether speaking/reasoned</i>	<i>Yes/No</i>
<i>Whether Reportable</i>	<i>Yes/No</i>