

CRR-4680-2016 (O & M)

2026:PHHC:032103



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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CRR-4680-2016 (O & M)
Date of decision: 24.02.2026

Harmail Singh

.... Petitioner

V/s

The Primary Co-op. Agricultural Development Bank Ltd. and anr.

...Respondents

CORAM: HON'BLE MR. JUSTICE JASJIT SINGH BEDI

Present: Mr. Mohit Shukla, Advocate,
for Mr. Inderjit Sharma, Advocate,
for the petitioner.

Mr. Prashant Kumar Kapila, Advocate,
for respondent No.1.

Mr. Harkanwarjeet Singh, AAG, Punjab,
for respondent No.2.

JASJIT SINGH BEDI, J. (Oral)

The present revision petition has been filed against the judgment dated 17.10.2016 passed by the Additional Sessions Judge, Bathinda vide which the appeal preferred by the accused-petitioner against the judgment of conviction and order of sentence dated 23.05.2016 passed by the Judicial Magistrate Ist Class, Talwandi Sabo has been dismissed.

2. The brief facts of the case are that the accused-petitioner in order to discharge his legal liability of repaying the loan amount availed from the complainant-respondent, issued a cheque No.209983 dated



18.08.2012 for a sum of Rs.1,71,900/- drawn at Punjab & Sind Bank, Raman Mandi. On presentation of the aforesaid cheque by the complainant, the same was returned unpaid being dishonoured vide memo dated 24.08.2012 with the remarks 'Funds Insufficient'. The accused-petitioner was served with the legal notice dated 12.09.2012 asking him to repay the loan amount within stipulated period of 15 days but he failed to do so which led to initiation of proceedings under Section 138 of the Negotiable Instruments Act, 1881 read with Section 420 IPC.

3. In the complaint under Section 138 of the Negotiable Instruments Act, 1881 read with Section 420 IPC filed by the complainant/respondent No.1-Bank, 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 was sentenced to undergo rigorous imprisonment for a period of one year and to pay a fine of Rs.1,000/- and in default of payment of fine, to further undergo simple imprisonment for a period of 02 months.

4. Aggrieved against the said judgment of conviction and order of sentence, the accused/petitioner preferred an appeal which came to be dismissed vide judgment dated 17.10.2016.

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, the matter was referred to the Mediation



and Conciliation Centre of this Court vide order dated 09.07.2025. In pursuance of the said order, the parties appeared before the said Forum and a compromise has been effected between the parties and a report (Mark-A) in this regard has been placed on record. A perusal of the aforesaid report would reveal that the accused-petitioner has paid a total sum of Rs.1,72,900/- (i.e. Rs.1,71,900/- cheque amount and Rs.1,000/- fine imposed on the petitioner) to the complainant/respondent No.1-Bank as a full and final settlement. Thus, nothing remains due towards the complainant-respondent No.1/Bank. 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 respondent No.1/Bank and the counsel for the State-respondent No.2 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 judgment dated 17.10.2016 passed by the Additional Sessions Judge, Bathinda as well as the judgment of conviction and order of sentence dated 23.05.2016 passed by the Judicial



Magistrate Ist Class, Talwandi Sabo 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

February 24, 2026
sukhpreet

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No