



IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH
(161)

CRR-1376-2024 (O & M)
Date of decision: 04.05.2026

M/s Classic Lighting Industry through its Proprietor, namely, Sudhir Kumar
.... Petitioner

V/s

M/s Sai Nath Enterprises through its Proprietor Capt. S.P. Chopra
...Respondent

CORAM: HON'BLE MR. JUSTICE JASJIT SINGH BEDI

Present: Mr. Neeraj Jain, Advocate, for the petitioner.

Mr. Rahi Mehra, Advocate, for the respondent.

JASJIT SINGH BEDI, J. (Oral)

The present revision petition has been filed against the judgment dated 12.07.2024 passed by the Additional Sessions Judge, Gurugram vide which the appeal preferred by the accused-petitioner against the judgment of conviction and order of sentence dated 30.01.2023/03.02.2023 passed by the Judicial Magistrate Ist Class, Gurugram has been dismissed.

2. The brief facts of the case are that the accused-petitioner has purchased certain electronic components from the complainant firm-respondent for a total sum of Rs.3,23,120/- vide three separate bills dated 30.09.2016 and two bills dated 13.12.2016 each. Accused-petitioner firm through its proprietor-Sudhir Kumar has repaid a sum of Rs.26,499/- only and in discharge of his liability, he issued two cheques bearing No.077622 dated 13.12.2016 for a sum of Rs.30,621/- and cheque No.077623 dated



Branch. On presentation of the aforesaid cheques, the same were returned with the remarks 'Funds Insufficient' vide return memo dated 24.01.2017. The accused-petitioner was served with the legal notice dated 06.02.2017 asking him to repay the loan amount within 15 days but he failed to do so which led 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 through its Proprietor-Capt. S.P. Chopra, the accused/petitioner firm through its Proprietor-Sudhir Kumar 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 simple imprisonment for a period of four months and to pay both the cheques amount of Rs.30,621 and Rs.3,06,000/- to the complainant as compensation.

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 12.07.2024 passed by the Additional Sessions Judge, Gurugram.

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 and as agreed the entire payment has been made to the complainant-respondent firm as full and final settlement. Thus, nothing



remains 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 counsel for the complainant-respondent firm contends 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.10,000/- as costs to be deposited with Spinal Rehab Centre, Chandigarh Plot No.1, Madhya Marg, Sector 28-A, Chandigarh, 0172-4610311, the judgment dated 12.07.2024 passed by the Additional Sessions Judge, Gurugram as well as the judgment of conviction and order of sentence dated 30.01.2023/-3.02.2023 passed by the Judicial Magistrate Ist Class, Gurugram 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

May 04, 2026
sukhpreet

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No