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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH  
(279)

CRR-2043-2024 (O & M)  
Date of decision: 20.04.2026

GURMEET SINGH

.... Petitioner

V/s

THE JALALABAD PRIMARY COOPERATIVE AGRICULTURE  
DEVELOPMENT BANNK LTD. AND ANOTHER

...Respondent

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

Present: Mr. Kuldip Singh, Advocate,  
for the applicant-petitioner.

Mr. Rakesh Kumar, Advocate  
for the complainant/respondent No.1.

Mr. Athar Ahmed, DAG, Punjab  
for respondent No.2-State.

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**JASJIT SINGH BEDI, J. (Oral)**

The present revision petition has been filed against the order dated 10.08.2023 passed by the Sessions Judge, Fazilka vide which the appeal preferred by the petitioner against the judgment of conviction and order of sentence dated 01.02.2023 passed by the Judicial Magistrate Ist Class, Jalalabad (West), District Fazilka, has been dismissed.

2. The brief facts of the case are that the accused-petitioner/Gurmeet Singh had obtained Bee Keeping Loan amounting of Rs.5,00,000/- from the complainant-respondent/the Jalalabad Primary Cooperative Agriculture Development Bank Ltd.. In order to discharge said partial legal liability, the accused-petitioner issued cheque



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No.284810 dated 26.03.2018 for a sum of Rs.2,76,000/- in favour of the complainant-respondent. On presentation of the aforesaid cheque for encashment, the same was returned back dishonoured vide bank memo with the remarks “funds insufficient”. The accused was served with a legal notice dated 23.04.2018 to make the payment of the aforesaid cheque amount within 15 days but he failed to make the same, leading to initiation of proceedings under Section 138 of the Negotiable Instruments Act.

3. In the complaint under Section 138 of the Negotiable Instruments Act, 1881 filed by the complainant, the petitioner-accused was summoned to face the trial. The evidence was led and ultimately, 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 rigorous imprisonment for a period of two year and to pay a compensation to the complainant to the tune of Rs.2,76,000/-.

4. That aggrieved against the said judgment of conviction and order of sentence, the petitioner preferred an appeal before the Sessions Judge, Fazilka, which came to be dismissed on 10.08.2023.

5. Still aggrieved, the present revision petition has been preferred by the accused-petitioner. Alongwith the present criminal revision, an application (CRM-41558-2024) under Section 147 of the Negotiable Instruments Act, 1881 has been filed for permitting the compounding of the offences under Section 138 of the Negotiable Instruments Act as the parties have amicably settled the dispute with intervention of respectable persons of the society. Further, in compliance of the order dated 27.03.2026, the parties have appeared before the Court of the Sub Divisional Judicial Magistrate,



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Jalalabad(W) and got recorded their respective statements with regard to the compromise having been arrived at between them. Pursuant to the said compromise, the entire payment of the cheque amount has been made to the complainant-bank. It would be relevant to mention here that a reading of Section 147 of the Negotiable Instruments Act read with Section 320 Cr.P.C. would show that 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, even after conviction by the Appellate/Revisional Court.

6. The learned counsel for complainant-respondent No.1 and the State counsel for respondent No.2 contend that as the matter has been settled between the parties, they have no objection if the prayer made in the application for compounding the offence under Section 138 N.I. Act is allowed and the petitioner is acquitted of the charges framed against him.

7. I have heard the learned counsel for both the parties.

8. 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*



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*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.”*

9. 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.

10. 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.

11. Accordingly, the revision petition alongwith the application for compounding the offence is allowed and subject to payment of Rs.25,000/- as costs to be deposited with Punjab and Haryana High Court Bar Association, Chandigarh, Account No.65035682434, SBI High Court Branch, IFSC:-SBIN0050306, the order dated 10.08.2023 passed by the Sessions Judge, Fazilka, as well as the judgment of conviction and order of sentence dated 01.02.2023 passed by the Judicial Magistrate Ist Class, Jalalabad (W) are hereby set aside. The petitioner is acquitted of the charge under Section 138 of the Negotiable Instruments Act.

12. The petitioner is ordered to be released forthwith in case he is not required in any other case.



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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

**April 20, 2026**  
vishal/sukhpreet

Whether speaking/reasoned : Yes/No

Whether reportable : Yes/No