

IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Cr. Revision No. 4193 of 2013

Date of Decision: 16.09.2026

Dhan Dev

...Petitioner

Versus

H.P. Gramin Bank & Anr.

...Respondents

Coram

Hon'ble Mr Justice Chirag Bhanu Singh, Judge.

Whether approved for reporting?¹

For the Petitioner : Ms. Shivani, Advocate, vice
Mr. Ashwani K. Sharma,
Advocate.

For the Respondents : Mr. K. B. Khajuria, Advocate,
for respondent No.1.
Mr. Rajpal Thakur, Additional
Advocate General, for
respondent No.2.

Chirag Bhanu Singh, Judge

By way of the present revision, the petitioner has assailed his conviction and sentence passed by the learned Chief Judicial Magistrate, Mandi, District Mandi, H.P., vide judgment of conviction and order of sentence dated 23.12.2009/30.12.2009, respectively, whereby the petitioner

¹ Whether reporters of Local Papers may be allowed to see the judgment? Yes.

stands convicted for a period of six months and further directed to pay the cheque amount as compensation to the complainant for having committed an offence punishable under Section 138 of the Negotiable Instruments Act (NI Act), which has been duly affirmed in appeal by the learned Sessions Judge, Mandi, vide judgment dated 13.06.2013. Hence, the present revision.

2. In brief, the genesis leading to the complaint was that the petitioner/accused had sought a cash credit limit to the extent of Rs.1,00,000/- (Rs. One Lakh Only) for running his business operations as the sole proprietor of M/s. Shiva Offset Printers, College Road, Mandi Town, Tehsil Sadar, District Mandi, H.P. Having failed to repay the amount, the petitioner/accused issued a cheque for an amount of Rs.75,000/- (Rs. Seventy Five Thousand Only) on 12.06.2007 in favour of the respondent-bank (CW1/A), which came to be dishonoured and hence, the proceedings.

3. During the pendency of the present proceedings, the petitioner/accused approached the bank for a one-time settlement and paid an amount of Rs.1,00,000/- (Rs. One Lakh Only) towards full and final settlement of the claim. In this

behalf, the respondent-Bank issued a no-dues certificate on 07.08.2024. Admittedly, the cheque amount was Rs.75,000/- (Rs. Seventy Five Thousand Only).

4. I have heard learned counsel for the parties and have gone through the record carefully.

5. Seemingly, the parties have now buried the hatchet. The learned counsel for the respondent-complainant also submits that the entire cheque amount has been received by the respondent-complainant.

6. The learned counsel for the petitioner submits that since the parties had agreed to settle the matter in full and final settlement of the claim, the petition deserves to be allowed and the petitioner entitled to be released.

7. Hon'ble Supreme Court, in case *titled as "K.M. Ibrahim versus K.P. Mohammed and another, 2010 (1) SCC 798."* has categorically gone on to hold that the offences under Section 138 of the N.I. Act, can be allowed to be compounded even at the appellate stage.

8. The said view has been consistently followed from the year 2004, starting with *Anil Kumar Haritwal versus Alka*

Gupta, reported in 2004 (4) SCC 366, in a series of judgments till K.M. Ibrahim's case referred hereinabove (supra).

9. It would be apposite to reproduce para-9 of the K.M, Ibrahim case, which reads as under:-

“9. The golden thread in all these decisions is that once a person is allowed to compound a case as provided for under Section 147 of the Negotiable Instruments Act, the conviction under Section 138 of the said Act should also be set aside. In the case of Vinay Devanna Nayak (supra), the issue was raised and after taking note of the provisions of Section 320 Cr.P.C., this Court held that since the matter had been compromised between the parties and payments had been made in full and final settlement of the dues of the Bank, the appeal deserved to be allowed and the appellant was entitled to acquittal. Consequently, the order of conviction and sentence recorded by all the courts were set aside and the appellant was acquitted of the charge leveled against him.”

10. The Hon'ble Supreme Court thus, has categorically gone on to hold that Section 147 of the N.I. Act, does not in any way bar the parties from compounding an offence under the provisions of Section 138 of the N.I. Act, even at the appellate stage of the proceedings.

11. Thus, keeping in view the aforesaid judgment and facts and circumstances discussed herein-above (supra), the

parties having indeed buried their differences, the matter having been compromised and the entire cheque amount having been paid to the respondent on 07.08.2024, in full and final settlement of the claim, the parties are allowed to compound the offence and as a sequel, the judgments of the learned Courts below, are quashed and set-aside. The accused is acquitted of the charges. Bail bonds stands discharged accordingly.

12. Accordingly, the petition is disposed off in the aforesaid terms.

(Chirag Bhanu Singh)
Judge

16th September, 2026

(Shamsh Tabrez)