

IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA**Cr. Revision No.421 of 2026
Decided on 10.09.2026**

Parvej

...Petitioner

Versus

HPMFDC SDA Complex

...Respondent

Coram**Hon'ble Mr. Justice Chirag Bhanu Singh, Judge.****¹Whether approved for reporting?**

For the petitioner: Ms. Anita, Advocate.**For the respondent:** Ms. Shashi Kiran, Advocate.

Chirag Bhanu Singh, Judge (Oral)

By way of present revision, the petitioner has assailed his conviction and sentence passed by the learned Judicial Magistrate First Class, Court No.3, Shimla, District Shimla, H.P. vide order dated 29.04.2022, whereby the petitioner stands convicted to undergo simple imprisonment for a period of one year and six months and to pay compensation double of the cheque amount of Rs.3,68,000/-, which was partially modified by the learned Additional Sessions Judge-I, Shimla, H.P., to the extent that the accused petitioner is sentenced to undergo simple imprisonment for a period of six months and to pay the compensation to the tune

of Rs.3,68,000/-, However, compensation amount remained unaltered.

2. Feeling aggrieved by the said judgment, the petitioner before this Court.

3. In brief, the genesis leading to the complaint was that the accused/petitioner had sought the loan for the sum of Rs.1,20,000/- for the purpose of running his business of utility/general store from the respondent-Corporation, which has been constituted for upliftment of minorities and handicapped persons.

4. Seemingly, the accused/petitioner could not repay the loan and consequently, he issued a cheque amounting to Rs.1,84,000/- in favour of the respondent-corporation, which unfortunately returned unpaid as dishonoured.

5. The complainant having approached the learned trial Court resulted into the aforeaid conviction and sentence, which was partially modified by the learned Appellate Court. The learned Courts below after due deliberations sentenced the accused/petitioner and as per substantive sentence referred herein-above.

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

7. It is however, transpires that during the pendency of the revision petition, the accused/petitioner has paid the entire amount. The respondent-Corporation has agreed to compound the proceedings in case, the cheque amount of Rs.1,84,000/- is paid by the petitioner. In this regard, the petitioner had deposited an amount of Rs.1,00,000/-. Subsequently, an amount of Rs.38,000/- had been deposited by the petitioner on 02.09.2026. The petitioner has further agreed that amount of Rs.46,000/- lying deposited in the learned trial Court, be ordered to be released in favour of respondent-Corporation and as such, the entire amount of Rs.1,84,000/- was stands paid.

8. Learned counsel appearing for the respondent-Corporation does not stand objection in the aforesaid proposition. In case, the amount lying deposited in the learned trial Court i.e. Rs.46,000/- has been released in favour of the respondent-Corporation. The entire cheque amount i.e. Rs.1,84,000/- shall stand paid to the respondent-Corporation.

9. Since the entire cheque amount will stand paid, the matter will and should be put to rest, as has been mutually agreed by the parties. The learned counsel appearing for the petitioner would also thus, contend that since the parties have agreed to settle the matter in full and final settlement of the claim. The petitioner be acquitted of the charges.

10. 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.

11. 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).

12. 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."

13. 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.

14. 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, 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 the charges. However, the learned trial Court shall release a sum

of Rs.46,000/- lying deposited before it, in favour of the respondent-Corporation forthwith.

15. The petition is disposed of accordingly, so also the pending application(s), if any.

(Chirag Bhanu Singh)
Judge

10th September, 2026
(subhash)