

IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Cr. MP No. 3701 of 2026 in

Cr. Revision No. 679 of 2025

Date of Decision: 07.10.2026

Smt. Sumitra

...Applicant/petitioner

Versus

Sh. Mukesh Panta

...Non-applicant/Respondent

Coram

Hon'ble Mr Justice Chirag Bhanu Singh, Judge.

Whether approved for reporting?¹

For the Applicant/petitioner :

Ms. Kajal, Advocate, vice
Mr. P. S. Chandel,
Advocate.

For the Non-applicant/Respondent:

Ms. Anita, Advocate.

Chirag Bhanu Singh, Judge (Oral)

The applicant/petitioner has preferred the present application under Section 147 of the Negotiable Instruments Act seeking compounding of the offence punishable under Section 138 of the Negotiable Instruments Act (NI Act).

2. The present application has been preferred after this Court dismissed the revision petition, i.e. Cr. Revision No. 679 of 2025, vide judgment dated 22.07.2026, thereby upholding the

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

judgments passed by the learned Courts below, whereby the applicant/petitioner stands convicted and sentenced to undergo simple imprisonment for fifteen days and to pay a fine of Rs. 60,000/- (Rs. Sixty Thousand Only) to the respondent/complainant.

3. Learned vice counsel for the Applicant/petitioner submits that the applicant/petitioner had deposited a sum of Rs.30,000/- before the learned Trial Court, i.e. the learned Additional Chief Judicial Magistrate, Court No. 3, Shimla, H.P. and the balance amount of Rs.30,000/- stands deposited before the Registry of this Court on 12.08.2026.

4. It is thus the contention of the applicant/petitioner that since the entire compensation amount stands deposited and the respondent has agreed to compound the offence, the matter may be compounded, the respondent having received the entire compensation amount in full and final settlement of his claim.

5. Learned counsel for the respondent submits that the matter has been compromised with the applicant/petitioner and that respondent would be satisfied if the entire amount lying

deposited with the Registry of this Court and before the learned Trial Court is ordered to be released in his favour. In that eventuality, the respondent is willing to compromise and compound the aforesaid offence.

6. Keeping in view the statement made by learned counsel for the respondent, it is apparent that the parties have now buried the hatchet.

7. Since the parties have not only settled the matter but the respondent has also received the full and final settlement of the claim, the application deserves to be allowed and the applicant/petitioner is entitled to be acquitted. In this behalf, reliance can be placed on the judgment passed by the Hon'ble Supreme Court in the case titled as *K.M. Ibrahim versus K.P. Mohammed and another*, (2010) 1 SCC 798.

8. It would be apposite to reproduce para-9 of the *K.M. Ibrahim's 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.”

9. It is thus crystal clear that, keeping in view the mandate of the aforesaid judgment and the provisions of Section 147 of the N.I. Act, there is no bar for the parties in compounding the offence under the provisions of Section 138 of the N.I. Act, even at the stage of the present proceedings.

10. Thus, keeping in view the aforesaid judgment and the facts and circumstances discussed hereinabove, and the parties having indeed buried their differences and the accused having made full and final settlement of the claim, the parties are permitted to compound the offence. As a sequel thereto, the judgments passed by the learned Courts below are quashed and set aside. The accused is acquitted of the charges. Bail bond stands discharged.

11. The amount lying deposited before the Registry of this Court and the learned Trial Court, i.e. the learned Additional Chief Judicial Magistrate, Court No. 3, Shimla, H.P., is ordered to be released in favour of the respondent. The amount shall be transferred to the bank account of the respondent, the details

whereof shall be furnished by learned counsel for the respondent, within a period of two weeks.

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

(Chirag Bhanu Singh)
Judge

07th October, 2026
(Shamsh Tabrez)