

IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Cr. Revision No. 586 of 2026

Date of Decision: 05.10.2026

Dharam Chand

...Petitioner

Versus

Kishori Lal (since deceased) through LRs.

...Respondents

Coram

Hon'ble Mr Justice Chirag Bhanu Singh, Judge.

Whether approved for reporting?¹

For the Petitioner : Mr. Dheeraj K. Verma,
Advocate.

For the Respondents : NEMO.

Chirag Bhanu Singh, Judge (Oral)

By way of the present revision, the petitioner has assailed his conviction and sentence passed by the learned Judicial Magistrate First Class, Kangra, District Kangra, H.P., vide judgment dated 30.11.2024, whereby the petitioner stands convicted and sentenced to simple imprisonment for a period of one month and further directed to pay Rs.1,00,000/- (Rs. One Lakh Only) as compensation to the complainant for having committed an offence punishable under Section 138 of the

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

Negotiable Instruments Act (NI Act), which has been duly affirmed in appeal by the learned Additional Sessions Judge (II), Kangra at Dharamshala, vide judgment dated 23.06.2026. Hence, the present revision.

2. It transpires from the record that the petitioner had borrowed a sum of Rs.50,000/- (Rs. Fifty Thousand Only) from the respondent/complainant to fulfil some domestic necessity and had assured to return the same within a period of two weeks. Having failed to do so, he issued a cheque, which came to be dishonoured, resulting in the present proceedings.

3. It further transpires from the record that the parties have now compromised the *lis* and in furtherance of the compromise, an amount of Rs.70,000/- (Rs. Seventy Thousand Only) has already been paid to the legal heirs of respondent/complainant towards full and final settlement of the claim. The compromise deed (Annexure P-3 Colly.), along with the receipts and no-objection affidavit/statement duly signed by all the respondents, i.e. the legal representatives of respondent Kishori Lal, has been placed on record. Thus, the entire agreed

amount of Rs.70,000/- (Rs. Seventy Thousand Only) stands paid towards the full and final settlement of the claim.

4. The legal representatives of respondent/complainant have been duly served. However, since the matter stands compromised and the amount already received by them, they have not put in appearance before this Court. The compromise deed entered into by them and the receipts are already on record.

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

6. Seemingly, the parties have now buried the hatchet.

7. Since the parties have not only settled the matter but the respondents have also received the full and final settlement of the claim, the revision deserves to be allowed and the petitioner-accused entitled to be acquitted. In this behalf, reliance can be placed on a judgment of the Hon'ble Supreme Court, *titled as K.M. Ibrahim vs. K.P. Mohammed and Another, 2010 (1) SCC 798*.

8. It would be apposite to reproduce para-9 of the K.M. Ibrahim's judgment, (supra) 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 Banks, 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 charges 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 Negotiable Instruments Act, there is no bar for the parties in compounding the offense under Section 138 of the Negotiable Instruments Act even at the stage of the present proceedings.

10. Thus, keeping in view the aforesaid judgment and the fact that the parties have indeed resolved to bury their differences, and the petitioner/accused having made the full and final settlement of the claim, based on a one-time settlement offered by the respondents/complainants, the parties are allowed to compound the offense and as a sequel, the judgments

of the learned Courts below are set aside and the accused is acquitted of the charges. The conviction and sentence passed by the learned Judicial Magistrate First Class, Kangra, District Kangra, H.P., vide judgment of conviction and order of sentence dated 30.11.2024, whereby the petitioner/accused stands convicted and sentenced to simple imprisonment for a period of one month and further directed to pay Rs.1,00,000/- (Rs. One Lakh Only) as compensation to the complainant for having committed an offence punishable under Section 138 of the NI Act, which has been duly affirmed in appeal by the learned Additional Sessions Judge (II), Kangra at Dharamshala, vide judgment dated 23.06.2026 are quashed and set aside. The petitioner shall stand acquitted. Ordered accordingly.

11. The petition is disposed off in the aforesaid terms, so also the pending application, if any.

(Chirag Bhanu Singh)
Judge

05th October, 2026

(Shamsh Tabrez)