IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Cr. MP(M) No. 1935 of 2026
Date of Decision: 30.09.2026

Geeta Ram ...Petitioner

Versus

H.P. State Co-operative Agriculture & Rural Development Bank Ltd.

...Respondent

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

For the Petitioner	:	Mr. D. N. Sharma, Advocate.
For the Respondent	:	Mr. Narender Singh Thakur, Advocate.

Chirag Bhanu Singh, Judge (Oral)

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Notice. Mr. Narender Singh Thakur, Advocate, appears and waives service of notice on behalf of the non-applicant/respondent.

2. No reply is intended to be filed on behalf of the non-applicant/respondent.

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

3. Learned counsel for the respondent has no objection to the delay being condoned.

4. For the reasons stated in the application and the submissions made by learned counsel for the parties, the delay of 116 days in filing the revision is condoned.

Application is allowed and disposed of.

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(Cr. RST/9028/2026)

5. **Be registered.**

6. The petitioner has preferred the present revision assailing the judgment passed by the Additional Sessions Judge, Nahan, District Sirmaur, H.P., in Criminal Appeal No. 38/2025, dated 01.06.2026, whereby the judgment of conviction and order of sentence dated 27.02.2025 passed by the learned Judicial Magistrate First Class, Rajgarh, District Sirmaur, H.P., in Criminal Case No. 250/3 of 2021, stands affirmed under Section 138 of the Negotiable Instruments Act (NI Act), whereby the petitioner stands convicted and sentenced to undergo simple imprisonment for one year and to pay compensation of Rs.2,00,000/- (Rs. Two Lakhs Only) to the complainant. In

default thereof to undergo simple imprisonment for two months.

7. In pursuance to the aforesaid conviction and sentence, the present petitioner is stated to be lodged in Model Central Jail, Nahan, District Sirmaur, H.P.

8. It transpires that during the pendency of the present proceedings, on 23.09.2026, as one-time settlement, the respondent/Bank has finally settled the *lis* with the petitioner. In pursuance thereof, the petitioner has deposited an amount of Rs. 3,82,074/- (Rs. Three Lakhs Eighty Two Thousand Seventy Four Only) with the respondent/Bank as full and final settlement, not only qua the cheque but also qua the entire loan amount. A certificate in this behalf has been annexed along with the petition as Annexure P-3.

9. Learned counsel for the respondent/Bank confirms that, as one-time full and final settlement, the petitioner has indeed paid an amount of Rs.3,82,074/- (Rs. Three Lakhs Eighty Two Thousand Seventy Four Only) to the respondent/bank and as such, once the amount is paid, the person may be allowed to compound the offence as per the provisions of Section 147 of the

Negotiable Instruments Act.

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

11. Since the parties have not only settled the matter but the respondet/bank has also received the full and final settlement of the claim, the revision deserves to be allowed and the 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.***

12. 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.*"

13. 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 Negotiable Instruments Act, even at the stage of present proceedings.

14. Thus, keeping in view the aforesaid judgment and the facts and circumstances discussed hereinabove, the parties having indeed buried 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 respondent bank, the parties are alllowed to compound the offence and, as a sequel, the judgments passed by the learned Courts below are quashed and set aside. The accused is acquitted of the charges. In case the petitioner is not required in any other case, he may be released. Release warrants be prepared accordingly.

15. Accordingly, the petition is disposed off in the aforesaid terms, pending application(s) so also, if any.

(Chirag Bhanu Singh)
Judge

30th September, 2026
(Shamsh Tabrez)

SHAMSH TABREZ

Digitally signed by SHAMSH TABREZ
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