IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Cr. Revision No.30 of 2026
Date of Decision: 20.11.2026

Jagir Singh ...Petitioner

Versus

Punjab National Bank ..Respondent

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

For the Petitioner : Mr. Arush Matlotia, Advocate.

For the Respondent : Mr. Arvind Sharma, Senior Advocate, with Mr. Amit Thakur,Advocate.

Chirag Bhanu Singh, Judge (Oral)

The petitioner has preferred the present revision assailing the judgment passed by the Additional Sessions Judge Dehra, District Kangra, H.P., dated 22.12.2025, in Criminal Appeal No. 7-G/X/2025, whereby the judgment of conviction dated 09.04.2025 and order of sentence dated 21.04.2025 passed by the learned Additional Chief Judicial Magistrate Court No.2, Dehra, District Kangra, H.P., in Criminal Case Reg. No. 74/2021, stands affirmed under Section 138 of the Negotiable Instruments Act (NI Act), whereby the petitioner

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

stands convicted and sentenced to undergo simple imprisonment for six months and to pay compensation of Rs.65,000/- (Rs. sixty five thousand only) to the complainant.

2. Learned counsel appearing for the petitioner submits that in pursuance to a One Time Settlement, the petitioner has paid the entire amount of compensation. In this regard, the respondent/Bank has also issued a No Objection Certificate dated 08.10.2026.

3. Learned counsel appearing for the respondent submits that the matter has indeed been settled and the petitioner has paid the amount due and payable, as full and final settlement of the term loan.

4. The learned counsel appearing for the petitioner would contend that the conviction and sentence imposed by the learned Courts below is thus liable to be quashed and set-aside.

5. Learned counsel appearing for the respondent/complainant also submits that the lis has indeed been compromised and the respondent/complainant has received the entire amount of compensation.

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

7. Since the parties have not only settled the matter but the respondet/complainant 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.***

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 present proceedings.

10. 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, the parties are allowed 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.

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

(Chirag Bhanu Singh)
Judge

20th November, 2026
(Subhash sharma)