IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Cr. MP No. 5059 of 2026
IN
Cr. Revision No. 314 of 2026.
Date of Decision: 16.11.2026.

Mukesh Kumar ...Applicant/Petitioner

Versus

Rajan Chopra. ..Non-applicant Respondent Complainant

Coram

Hon'ble Mr Justice Chirag Bhanu Singh, Judge.

Whether approved for reporting?[1] No

For the Applicant/Petitioner : Ms. Anjali Soni Verma, Advocate.

For the Non-applicant/ Respondent/Complainant : Mr. Ashok Kumar, Advocate.

Chirag Bhanu Singh, Judge (Oral)

The learned counsel for the applicant has placed on record an application under Section 147 of Negotiable Instrument Act, 1881 alongwith a Compromise Deed reflecting that the parties have amicably settled the dispute inter se them and the applicant/petitioner is ready to pay the entire

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

compensation amount of Rs. 2,50,000/-. In pursuant thereto, the applicant/petitioner has paid an amount of Rs. 1,40,000/- to the respondent/complainant while an amount of Rs. 60,000/- is lying in deposit before the Registry of this Court and an amount of Rs. 50,000/- stands deposited with the learned Judicial Magistrate First Class, Manali. In case the aforesaid amounts are ordered to be released to the respondent/complainant, the entire compensation amount would stand paid to the respondent/complainant towards the full and final settlement of the claim.

2. Copy of the Compromise Deed has also been placed on record.

3. Learned Counsel for the respondent/complainant also submits that the dispute has indeed been compromised between the parties and in pursuant thereto the respondent/ complainant has received an amount of Rs. 1,40,000/- by way of a draft. In case, the amount lying in deposit before the Court of learned Judicial Magistrate First Class, Manali is ordered to be released in favour of the respondent/complainant, he would

receive the entire amount towards the full and final installment of the claim.

4. Seemingly, the parties have now buried the hatchet once and for all the learned counsel for the applicant/petitioner submits that since the parties have agreed to settle the matter in full and final settlement of the claim, the petition deserves to be allowed and the applicant/petitioner is entitled to be acquitted and released.

5. The Hon'ble Supreme Court, in the case titled **K.M. Ibrahim v. K.P. Mohammed and Another, (2010) 1 SCC 798,** has categorically held that offences under Section 138 of the NI Act can be allowed to be compounded even at the appellate stage.

6. The said view has been consistently followed from the year 2004, starting with ***Anil Kumar Haritwal v. Alka Gupta,*** (*2004) 4 SCC 366*, in a series of judgments up to K.M. Ibrahim's case referred to hereinabove.

7. It would be apposite to reproduce paragraph 9 of ***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."

8. The Hon'ble Supreme Court, thus, has categorically held that Section 147 of the NI Act does not in any way bar the parties from compounding an offence under the provisions of Section 138 of the NI Act, even at the appellate stage of the proceedings.

9. In view of the aforesaid, circumstances on record, the application preferred by the applicant/petitioner under Section 147 of Negotiable Instrument Act is allowed and the parties are permitted to compound the offence punishable under Section 138 of Negotiable Instrument Act. As a sequel, the judgment of conviction and sentence imposed by the learned Courts below are quashed and set aside. The accused stands acquitted of the charges and his bail bounds stands discharged accordingly. It is

however, directed that the Registry shall release the amount of Rs.60,000/- lying in deposit before it to the respondent/complainant and so shall the learned Judicial Magistrate First Class, Manali before whom an amount of Rs. 50,000/- is lying in deposit.

11. The revision petition stands disposed of accordingly, so also the pending application(s), if any.

(Chirag Bhanu Singh)
Judge

16th November, 2026.
(Anita)