IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

Criminal Revision No.535 of 2025
Date of Decision: 28.4.2026

Ganga Ram

.....Petitioner

Versus

Himachal Pradesh State Cooperative Agriculture and Rural Development Bank and Anr. .....Respondents

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Coram
Hon'ble Mr. Justice Sandeep Sharma, Judge.
Whether approved for reporting?
For the Petitioner: Mr. G.N. Verma, Advocate.

For the Respondent: Mr. Deepak Sharma, Advocate.

Sandeep Sharma, J. *(Oral)*

Instant criminal revision petition, lays challenge to judgment dated 26.7.2025, passed by the learned Additional Sessions Judge-I, Mandi, District Mandi, Himachal Pradesh in Criminal Appeal No. 183/23, affirming judgment of conviction and order of sentence dated 3.10.2023, passed by the learned Judicial Magistrate First Class, Karsog, District Mandi, Himachal Pradesh in Criminal Complaint No. 103 of 2021, whereby the learned trial Court while holding the petitioner-accused guilty of having committed offence punishable under Section 138 of the Negotiable Instruments Act (in short the "Act"), convicted and sentenced her to undergo simple imprisonment for a period of two months and pay compensation to the tune of Rs. 1,40,000/- to the complainant.

2. Precisely, the facts of the case, as emerge from the record are that respondent-complainant instituted a complaint under Section 138 of the Act, in the court of competent court of law, alleging therein that accused with a view to discharge his liability issued cheque amounting to Rs. 1,28,300/- but fact remains that aforesaid cheque on its presentation, was dishonoured on account of insufficient funds. Since petitioner-accused failed to make the payment good within the time stipulated in the legal notice, respondent/complainant was compelled to initiate proceedings before the competent Court of law under Section 138 of the Act.

3. Learned trial Court on the basis of material adduced on record by the respective parties, vide judgment/order dated 3.10.2023 held the petitioner-accused guilty of having committed offence under Section 138 of the Act and accordingly, convicted and sentenced her as per the description given herein above.

4. Being aggrieved and dissatisfied with the aforesaid judgment of conviction recorded by the court below, accused preferred an appeal in the court of learned first appellate court, which also came to be dismissed vide judgment dated 26.7.2025, as a consequence of which, judgment of conviction recorded by the learned trial Court came to be upheld. In the aforesaid background, present petitioner-accused has approached this

Court by way of instant proceedings, seeking therein his acquittal after setting aside the judgments of conviction recorded by the courts below.

5. Mr. Guna Nand Verma, learned counsel for the petitioner-accused, states that in view of the compromise arrived inter-se parties, amount lying deposited with the learned trial Court can be released in favour of the respondent/complainant. He submits that in view of the above, this Court while exercising power under Section 147 of the Act, may proceed to compound the offence and acquit the accused.

6. Mr. Deepak Sharma, learned counsel appearing for the respondent-complainant, states that his client has no objection in compounding the offence in case amount lying deposited with the learned trial Court by the petitioner-accused in the case at hand, is ordered to be released in favour respondent/complainant. He further submits that since respondent-complainant was unnecessarily dragged into litigation for realization of its own money, this Court may also award some litigation cost.

7. Having taken note of the fact that entire amount of compensation stands paid/agreed to be paid to the respondent-complainant and respondent has no objection in compounding the offence, this Court sees no impediment in accepting the prayer made on behalf of the petitioner for compounding of offence while exercising power under

Section 147 of the Act as well as in terms of guidelines issued by the Hon'ble Apex Court *in* ***Damodar S. Prabhu V. Sayed Babalal H. (2010) 5 SCC 663***, wherein it has been categorically held that court, while exercising power under Section 147 of the Act, can proceed to compound the offence even after recording of conviction by the courts below.

8. Consequently, in view of the above, present matter is ordered to be compounded and impugned judgments of conviction and sentence dated 3.10.2023 and 26.7.2025, passed by the courts below are quashed and set-aside and the petitioner-accused is acquitted of the charge framed against him under Section 138 of the Act. Interim order, if any, is vacated. Bail bonds, if any, are discharged. Since respondent-complainant was unnecessarily compelled to institute legal proceedings against the accused that too for realization of its own money, this court deems it fit to direct the accused to pay sum of Rs. 5,000/- as litigation cost, to the respondent-complainant, payable within eight weeks. Ordered accordingly. Apart from above, petitioner shall also be liable to pay 3,000/- as compounding fee with the Himachal Pradesh State Legal Services Authority, within aforesaid period, failing which, accused besides rendering herself liable for penal consequences would also invite contempt proceedings. Learned trial Court is directed to release the amount lying deposited with it in favour of the complainant on filing appropriate application within one week, providing

therein account details of the complainant. The petition is disposed of along with pending applications, if any.

April 28, 2026 **(Sandeep Sharma),**
(manjit) **Judge**