IN THE HIGH COURT OF HIMACHAL PRADESH AT SHIMLA

Cr. Revision No.599 of 2026
Decided on 29.10.2026

Rajesh Thakur …Petitioner

Versus

Om Prakash …Respondent

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

For the petitioner: Mr. Karun Negi, Advocate.

For the respondent: Mr. Praveen Chauhan, Advocate

Chirag Bhanu Singh, Judge *(Oral)*

By way of the present revision petition, the petitioner has assailed his conviction and sentence passed by the learned Judicial Magistrate, First Class, Rajgarh, District Sirmaur, H.P., vide an order dated 24.03.2025, whereby the petitioner stands convicted to undergo simple imprisonment for a period of one year and had also been burdoned with compensation to the tune of Rs.1,20,000/- for having committed an offence punishable under Section 138 of the Negotiable Instruments Act (NI Act), which has been duly affirmed in appeal by the learned Additional Sessions Judge,

Nahan, District Sirmaur, H.P., vide his judgment dated 04.05.2026.

2. In brief, the genesis leading to the complaint was that the petitioner/accused had borrowed a sum of Rs.1,20,000/- for personal and domestic purposes. The petitioner/accused had issued a cheque bearing No.357012, dated 12.09.2022 to the tune of Rs.1,20,000/-. The respondent/complainant had presented the same with his bankers, i.e. State Co-operative Bank Branch Habban, District Sirmour, H.P., which unfortunately was returned unpaid, having been dishonoured.

3. The respondent/complainant having appraoched the learned trial Court resulted into the aforeaid conviction and sentence. In appeal too, the conviction was upheld. The learned Courts below after due deliberations sentenced the petitioner/accused and imposed the substantive sentence referred above and hence the present revision petition.

4. During the course of the present proceedings, the parties have amicably settled the lis.

5. Today, both the parties are present in the Court and their statements have been recorded separately. In this behalf, a compromise deed, Annexure P-3, has also been placed on record. The petitioner/accused has paid a lump sum of Rs.80,000/- to the respondent/complainant as full and final settlement of the claim. There is no subsisting liability remaining and hence, the respondent/complainant does not intend to proceed any further in the matter.

6. Seemingly, the parites have now burried the hatchet. The learned counsel for the respondent/complainant also submits that he has received the entire amount of Rs.80,000/- agreed inter-se the parties.

7. The learned counsel for the petitioner submits that since the parties had agreed to settle the matter in full and final settlement of the claim, the petition deserves to be allowed and the petitioner is entitled to be acquitted and released.

8. Hon'ble Supreme Court, in case ***titled as "K.M. Ibrahim versus K.P. Mohammed and another, 2010 (1) SCC 798.***" has categorically gone on to hold that the offences

under Section 138 of the N.I. Act, can be allowed to be compounded even at the appellate stage.

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

10. 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."*

11. The Hon'ble Supreme Court thus, has categorically gone on to hold that Section 147 of the N.I. Act, does not in any way bar the parties from compounding an offence under

the provisions of Section 138 of the N.I. Act, even at the appellate stage of the proceedings.

12. Thus, keeping in view the aforesaid judgment and facts and circumstances discussed herein-above (supra), the parties having indeed buried their differences, the matter having been compromised and the amount having been paid to the respondent/complainant, in full and final settlement of the claim, the parties are allowed to compound the offence and as a sequel, the judgments of the learned Courts below, are quashed and set-aside. The accused is acquitted of the charges.

13. The petition is disposed of accordingly, so also the pending application(s), if any.

(Chirag Bhanu Singh)
Judge

October, 29, 2026
(subhash)