



**IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA**

**Cr. Revision No.105 of 2026**

**Date of Decision: 24.02.2026**

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<b>M/s. Vashisth Enterprises</b>	<b>Versus</b>	<b>.....Petitioner</b>
<b>M/s. B.T. Enterprises and Another</b>		<b>.....Respondents</b>

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**Coram**

**Hon'ble Mr. Justice Sandeep Sharma, Judge.**

**Whether approved for reporting?**

**For the Petitioner:** Mr. Vijender Katoch, Advocate.

**For the Respondents:** Mr. Kapil Sharma, Advocate, for respondent No.1.

Mr. Rajan Kahol & Mr. Vishal Panwar, Additional Advocates General, with Mr. Ravi Chauhan and Mr. Anish Banshtu, Deputy Advocates General, for State/respondent No.2.

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**Sandeep Sharma, J.** *(Oral)*

Instant criminal revision petition filed under Section 438 read with Section 442 of BNSS, 2023, lays challenge to judgment dated 07.10.2025, passed by the learned Sessions Judge, Hamirpur, Himachal Pradesh, in Criminal Appeal No.111 of 2024, titled *M/s. Vashisth Enterprises Vs. M/s. B.T. Enterprises and Another*, affirming judgment of conviction and order of sentence dated 28.08.2024, passed by the learned Judicial Magistrate First Class, Court No.4, Hamirpur, Himachal Pradesh, whereby the learned trial Court while holding the petitioner-accused (hereinafter, '*accused*') guilty of having committed offence punishable under Section 138 of the Negotiable Instruments Act (in short the "*Act*"), convicted



and sentenced him to undergo simple imprisonment for a period of six months and pay compensation to the tune of ₹1,26,000/- to the complainant.

2. Precisely, the facts of the case, as emerge from the record are that respondent-complainant (hereinafter, '*complainant*') instituted a complaint under Section 138 of the Act, in the Court of learned Judicial Magistrate First Class, Court No.4, Hamirpur, Himachal Pradesh, alleging therein that accused with a view to discharge his liability issued Cheque for a sum of Rs.1,15,000/-, but fact remains that aforesaid Cheque on its presentation, was dishonoured. 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 28.08.2024, held the petitioner-accused guilty of having committed offence under Section 138 of the Act and accordingly, convicted and sentenced him, as per the description given hereinabove.

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 Sessions Judge, Hamirpur, Himachal Pradesh, which also



came to be dismissed vide judgment dated 07.10.2025, as a consequence of which, judgment of conviction recorded by the learned trial Court came to be upheld. In the aforesaid background, 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. Before case at hand could be heard and decided on its own merits, parties have entered into compromise, whereby respondent/complainant has agreed to settle the dispute for a sum of ₹1,26,000/-. Counsel representing the petitioner, on instructions from the petitioner, states that sum of ₹50,400/- lying deposited with the trial Court has been agreed to be released in favour of respondent/complainant and besides above, he has already paid sum of Rs.75,600/- in cash to the respondent/complainant outside the Court. He states that since petitioner/accused has agreed to pay sum of ₹1,26,000/-, as per compromise, as detailed hereinabove, this Court, while exercising power under Section 147 of the Act may proceed to compound the offence.

6. Respondent-complainant Baldev Singh, who is present in the Court and duly represented by Mr. Kapil Sharma, Advocate, states on oath that he of his own volition and without there being any external pressure, has entered into compromise with the petitioner-accused. He states that as per compromise, he has agreed to settle the matter for a sum of



₹1,26,000/-, out of which, he has received ₹75,600/- in cash outside the Court. He further states that in case amount of ₹50,400/- lying deposited with the learned trial Court is ordered to be released in his favour, he shall have no objection in case the judgments of conviction passed by the learned Courts below are quashed and set aside the petitioner is acquitted of the charge framed against him. His statement made on oath is taken on record.

7. Since parties have resolved to settle their dispute amicably *inter se* them, as has been taken note hereinabove, coupled with the fact that respondent/complainant has no objection in compounding the offence, in the event of his being released the amount lying deposited with the learned trial Court, 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 07.10.2025 and 28.08.2024, 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. Amount of ₹50,400/-lying deposited with the learned trial Court is ordered to be released in favour of the respondent-complainant by remitting the same in his saving bank account, detail whereof shall be furnished by his counsel within one week.

9. Since respondent/complainant was compelled to engage in unwarranted litigation with the petitioner/accused for realization of his own money, petitioner-accused is directed to deposit 10% of the Cheque amount with the H.P. State Legal Service Authority as compounding fee, within a period of six weeks, failing which, petitioner/accused shall render himself liable for penal consequences as well as Contempt of Court.

**(Sandeep Sharma),  
Judge**

**February 24, 2026**

*(Rajeev Raturi)*