

BEFORE THE SUPREME COURT SPECIAL LOK ADALAT  
(SAMADHAN SAMAROH)

PETITION FOR SPECIAL LEAVE TO APPEAL (CRL.) NOS.6479-6480/2025

M/S SHARMA ELECTRONICS

Petitioner(s)

VERSUS

M/S ASIA TRADE LINKS

Respondent(s)

Date : 21-08-2026

PRESENT :

HON'BLE MR. JUSTICE MANOJ MISRA  
HON'BLE MR. JUSTICE VIJAY BISHNOI  
MR. SANJAY HEGDE, SENIOR ADVOCATE  
MS. RASHMI NANDAKUMAR, ADVOCATE-ON-RECORD

For Petitioner(s) : Mr. Ritesh Khatri, AOR

For Respondent(s) :Mrs. Nanita Sharma, AOR  
Mr. Vivek Sharma, Adv.  
Mr. Mahesh Chandra Tiwari, Adv.  
Mr. Rohit Kumar, Adv.

A W A R D

1. These petitions seek leave to impugn orders dated 18.07.2024 and 09.09.2024 by which the High Court set aside the Trial Court's Order acquitting the petitioner and convicted the petitioner under Section 138 of the Negotiable Instruments Act, 1881.
2. During pendency of these petitions, the parties have entered a settlement on 25.05.2026 in the presence of Secretary, District Legal Services Authority, Kangra at Dharamshala. The District Legal Service Authority has forwarded the settlement

agreement which has been duly signed by the parties.

3. As per the settlement agreement, the petitioner has offered Rs.5,40,000/- (Rupees Five Lakh Forty Thousand Only) along with interest towards full and final settlement of the amount payable to the respondent.
4. The terms of settlement are recorded in paragraph 2 of the Settlement Agreement, which is extracted below:

"The present matter has been identified by the Hon'ble Supreme court of India to be taken up in Special Lok Adalat. The matter has been referred to the mediator by the Secretary District Legal Services Authority Kangra at Dharamshala on 23.05.2026. As per the directions the parties appeared in the ADR Center on 25.05.2026 and after various discussions the parties entered to settle their dispute as follows -

a. That the petitioner has been convicted by the Hon'ble High Court Shimla vide its judgment dated 18.07.2024, passed in Cr. Appeal 130/2011.

b. That the petitioner has deposited the whole of compensation amount i.e. Rs.5,40,000/- before the Additional Chief judicial Magistrate Kangra (H.P) Vide draft number "473519" on 24.09.2024 issued by Punjab National Bank Kangra.

c. That the petitioner offered to the respondent that the respondent will get release the said amount of Rs.5.40,000/- along with interest for which a second party i.e. Respondent fully satisfied with the amicable settlement and left with no claim against the petitioner.

d. That now there is nothing due payable by the first party / petitioner to the second party/respondent.

e. That the second party has no objection in case the order passed by the Hon'ble High Court Shimla passed in Cr. Appeal Number 130/2011 order dated 18.07.2024 be set aside and the petitioner/ convict is acquitted in

the offence under section 138 of Negotiable Instrument Act and the offence May kindly be treated as compounded."

5. As parties have agreed to compound the offence basis a settlement, having regard to the provisions of Section 147 of the N.I. Act and the law laid down by this Court in Damodar S. Prabhu v. Sayed Babalal H<sup>1</sup>; Raj Reddy Kallem v. State of Haryana<sup>2</sup>; B. V. Sessaiah v. State of Telengana and another<sup>3</sup> and Gian Chand Garg v. Harpal Singh and another<sup>4</sup> that offence punishable under Section 138 of the N.I. Act is compoundable with the consent of the parties at any stage, even after conviction, these Special Leave Petitions are disposed of in terms of the settlement. The offence punishable under Section 138 of N.I. Act shall stand compounded. The order of High Court stands set aside accordingly. The respondent, in terms of the settlement, shall be entitled to withdraw the amount lying in deposit (supra) along with interest, if not withdrawn already.
6. The settlement shall form part of the award.

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(RASHMI NANDAKUMAR, AOR)

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(SANJAY HEGDE, SR. ADV.)

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J.  
(VIJAY BISHNOI)

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J.  
(MANOJ MISRA)

1 (2010) 5 SCC 663

2 (2024) 8 SCC 588

3 (2023) 18 SCC 512

4 2025 SCC OnLine SC 2317