

ITEM NOS. 201, 201.1

COURT NO.9

SECTION II-C

BEFORE THE SUPREME COURT SPECIAL LOK ADALAT
(SAMADHAN SAMAROH)

Petition(s) for Special Leave to Appeal (Crl.) No(s). 11364/2024

M/S N.S RATHINAM AND SONS & ANR.

Petitioner(s)

VERSUS

M/S ADJ SHIPPING COMPANY PVT. LTD

Respondent(s)

AND WITH

Petition(s) for Special Leave to Appeal (Crl.) No(s). 10754/2024

M/S N.S RATHINAM AND SONS & ANR.

Petitioner(s)

VERSUS

M/S ADJ SHIPPING COMPANY PVT. LTD

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. B. Karunakaran, AOR
Ms. Pooja Lakshmi, Adv.
Ms. Jayasri, Adv.
Mrs. Priyanka, Adv.

For Respondent(s) Mr. Sandeep Singh, AOR

A W A R D

1. These Special Leave Petition(s) seek leave to impugn order(s) of the High Court of Judicature at Madras dated 20.06.2024 whereby the petitioner(s) have been convicted under Section 138 of the Negotiable Instruments Act, 1881 ("N.I. Act").

2. During pendency of these petition parties have arrived at a settlement.

3. The District Legal Services Authority, Chennai has forwarded two settlement agreements duly signed by the parties. The terms of settlement in SLP (Crl.) No(s). 11364/2024 are recorded in paragraphs 4 to 14 of the settlement deed which are reproduced below:

"4. In pursuance of the said settlement:

a. The First Party has paid a sum of Rs.1,00,000/- (Rupees One Lakh only) on 30.07.2026 by IMPS through its bank account (IFSC: UTKS0001680), Utkarsh Small Finance Bank.

b. The First Party has further paid a sum of Rs.4,53,500/- (Rupees Four Lakhs Fifty Three Thousand Five hundred only) on 07.08.2026 by IMPS through its bank account (IFSC: UTKS0001680), Utkarsh Small Finance Bank.

c. Thus, a total sum of Rs.5,53,500/- (Rupees Five Lakhs Fifty three thousand Five hundred only) has been received by the Second Party, which is hereby acknowledged.

5. The balance sum of Rs.4,46,500/- (Rupees Four Lakhs Forty six thousand five hundred) is lying deposited before the Hon'ble Supreme Court of India in connection with the above proceedings.

6. The Second Party hereby furnishes the following bank account details for the purpose of receiving the balance settlement amount

Account Name: S. Arunachalam

Bank: CSB Bank, Chennai Broadway
Branch

Account Number: 0058018794185

IFSC Code: CSBK0000058

7. The First Party hereby unequivocally undertakes to take all necessary steps, including filing appropriate applications before the Hon'ble Supreme Court of India on 24.08.2026, for withdrawal and release of the said deposited amount without any delay and shall ensure that the same is credited only to the aforesaid bank account of the Second Party.

8. The Second Party shall extend necessary co-operation, including affixing signatures/initials, or any other documents as may be reasonably required for the purpose of facilitating the release of the deposited amount before the Hon'ble Supreme Court of India.

9. However, it is expressly agreed that

the entire responsibility, obligation, and liability for preparation, filing, follow-up, prosecution of applications/petitions, and completion of all procedural formalities, including withdrawal and disbursement of the amount, shall solely lie upon the First Party, at its own cost and risk.

10. The First Party shall ensure that the released amount is directly credited to the Second Party's account without any deduction, delay, lien, or encumbrance.

11. The First Party shall, immediately upon such transfer, forthwith intimate the same to the Second Party and its counsel, along with documentary proof including bank transaction details / UTR number.

12. The First Party hereby undertakes to take all necessary steps for withdrawal and release of the balance deposited amount of Rs.4,46,500/- (Rupees Four Lakhs Forty Six Thousand Five Hundred only) lying before the Hon'ble Supreme Court of India and shall ensure that the said amount is duly credited to the bank account of the Second Party, as furnished hereinabove, on or before 24.09.2026.

13. Upon receipt of the said deposited amount, the Second Party acknowledges that the entire settlement sum of Rs.10,00,000/- (Rupees Ten Lakhs) shall

stand fully paid and all disputes shall stand finally settled.

14. It is expressly agreed that the waiver of rights and closure of disputes by the Second Party is strictly conditional upon full and complete receipt of the entire settlement amount Rs.10,00,000/- (Rupees Ten Lakhs Only)."

4. The terms of settlement in SLP (Crl.) No(s). 10754/2024 are identical to the one in the other petition. Further, Secretary DLSA Chennai has submitted a note in paragraphs 2, which is extracted below:

"Both parties present and their advocates also present, The petitions in [SC.S.No](#) 2270 of 2024 Dairy No 29004 of 2024 in SLP (Crl) No 10754 of 2024 in Crl. Appeal No 313 of 2014 in C.C No 8952 of 2005 and [SC.S.No](#) 2271 of 2024 Dairy No 29009 of 2024 in SLP (Crl) No. 11364 of 2024 in Crl. Appeal No 314 of 2014 in C.C No 8953 of 2005 Pending before the Hon'ble Supreme Court of India. The parties appeared before this panel have arrived to an amicable settlement and has produced the Memorandum of Joint Settlement and Acceptance Deed between parties was perused and the same is enclosed herewith."

5. 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 H¹; Raj Reddy Kallem v. State of Haryana²; B. V. Seshaiiah v. State of Telengana and another³ and Gian Chand Garg v. Harpal Singh and another⁴ that an 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 Petition(s) are disposed of in terms of the settlement(s) and the offence(s) punishable under Section 138 of the N.I. Act are hereby compounded. In consequence, the impugned order(s) of conviction would stand set aside.

6. The amount which stands deposited in the Registry of this Court shall be released in favour of the respondent(s) in terms of the settlement(s) along with accrued interest, if any.

7. The settlement agreement(s) shall be part of the award.

(RASHMI NANDAKUMAR, AOR)

(SANJAY HEGDE, SR. ADV.)

J.
(VIJAY BISHNOI)

J.
(MANOJ MISRA)

1 (2010) 5 SCC 663
2 (2024) 8 SCC 588
3 (2023) 18 SCC 512
4 2025 SCC OnLine SC 2317