

Criminal Appeal No. 56 / 2025**Order Below Exh.1 & Exh.25 :-**

1. The complainant has filed a Criminal Complaint under Section 138 of the Negotiable Instruments Act in which the accused was convicted. Therefore, the accused has preferred an appeal against that judgment.
2. Herein, at the appellate stage, the parties have voluntarily arrived at an amicable settlement before the National Lok Adalat and, therefore, the original complainant, along with his learned advocate, and the learned advocate for the accused are present before the Court and have filed a compromise pursis at Exh.25 and prayed that the impugned judgment of conviction be set aside by permitting compounding of the offence.
3. The offence punishable under the Negotiable Instruments Act has been made compoundable by the legislature. According to the judgment of the Hon'ble Apex Court in the case of *Damodar S. Prabhu vs Saiyed Babalal* reported in **(2010) 5 Supreme Court Cases 663**, '*Even at the stage of appeal, such offence can be compounded.*' Herein, the accused side and complainant have admitted that a compromise has been reached, and the agreed-upon amount has been received by the complainant.
4. Considering the ratio laid down by the Hon'ble Supreme Court in **Damodar S. Prabhu vs. Sayed Babalal H.**, reported in (2010) 5 SCC 663, the present composition has taken place at the appellate stage. However, the present matter has been settled before the **National Lok Adalat**, constituted under the Legal Services Authorities Act, 1987.

The object of the National Lok Adalat is to encourage voluntary settlement of disputes. Therefore, having regard to the facts and circumstances of the case and the spirit of the Lok Adalat scheme, this Court deems it appropriate not to impose any cost upon the accused while permitting the composition.

5. The complainant has categorically declared through the compromise pursis at **Exh.25** that the dispute has been amicably settled before the National Lok Adalat, that he has received the entire settlement amount, and that he does not desire to proceed further with the criminal proceedings.
6. Considering that the compromise has been arrived at voluntarily before the **National Lok Adalat**, this Court is satisfied that the settlement is genuine, lawful and free from coercion. Hence, the offence deserves to be compounded without imposing any cost.
7. The question arises as to what about the judgment of conviction and sentence passed by the **Ld. 3rd Additional CJM at Junagadh** and being challenged in the present appeal?
8. The answer to said question lies in Section 147 of the Negotiable Instruments Act, 1881, which goes as follows;

"147. Offences to be compoundable
Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), every offence punishable under this Act shall be compoundable."
9. Coming back to the composition at the appellate stage, the provisions in sub-section 5 of Section 359 of the Bharatiya Nagarik Suraksha Sanhita, 2023 clearly allow the composition even at the appellate stage, and that too after

the conviction has been obtained in the trial court, subject to, of course, obtaining the permission of the appellate court. In this case, there is no question of withholding such permission, as this is purely a private dispute involving economic and monetary affairs, which has been amicably resolved by the parties herein, namely, the accused and the complainant. Since the composition was voluntarily and willingly entered into by both parties and does not appear to harm public interest, and the complainant, whose money is involved, has come forward to compound the matter, the permission for compounding needs to be granted, and the same stands granted.

10. In view of the aforesaid discussion, this Court possesses the jurisdiction to permit compounding of the offence under Section 147 of the Negotiable Instruments Act, 1881. Since the matter has been amicably settled before the National Lok Adalat and the complainant has no objection to the acquittal of the accused, the impugned judgment of conviction and sentence deserves to be quashed and set aside. Accordingly, the following order is passed.

:- ORDER :-

The compromise pursis produced by the parties at **Exh.25** is hereby taken on record. In view of the amicable settlement arrived at between the appellant-original accused and the original complainant before the **National Lok Adalat**, the offence punishable under Section 138 of the Negotiable Instruments Act, 1881 is permitted to be compounded under Section 147 of the Negotiable Instruments Act read with Section 359(5) of the

Bharatiya Nagarik Suraksha Sanhita, 2023. Consequently, **Criminal Appeal No.56 of 2025** stands allowed. The judgment and order of conviction and sentence dated **03/04/2025** passed by the learned Chief Judicial Magistrate, Junagadh in Criminal Case No.6945 of 2022 are hereby quashed and set aside. The appellant-original accused is acquitted of the offence punishable under Section 138 of the Negotiable Instruments Act, 1881. Since the matter has been amicably settled before the National Lok Adalat, no order as to costs is passed. The appellant-original accused, who is presently in judicial custody in connection with the present case, shall be released forthwith, if his custody is not required in any other case. Record and Proceedings be transmitted to the learned Trial Court forthwith along with a copy of this judgment and order. Yadi be drawn accordingly.

Yadi of this order be made accordingly.

Signed and pronounced in the Open Court during the
National Lok Adalat on this 11th day of July, 2026.

Date : 11.07.2026
Junagadh.

(H. G. Damodra)
5th Additional Sessions Judge
Junagadh.
JUDGE CODE- GJ010005