



2025:DHC:10747



\$~13

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

%

Date of Decision: November 26, 2025

+ **CRL.REV.P. 140/2023 & CRL.M.(BAIL) 210/2023**
ASHWANI BHASIN THROUGH ITS DAUGHTER
SILKY SHRIDHARPetitioner
Through: Mr. Aniket Bose,
Advocate (Through VC).
Complainant present in
person

versus

STATE AND ANRRespondent
Through: Mr. Sunil Kumar Gautam,
APP for the State.
Mr. Jalaj Agarwal, Mr.
Akash Ranjan Srivastav
and Mr. Aazad Ali,
Advocate for R-2.

CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

AMIT MAHAJAN, J. (Oral)

CRL.REV.P. 140/2023 & CRL.M.(BAIL) 210/2023

1. The present petition is filed for quashing and setting aside of the order dated 08.02.2023 (hereafter '**impugned order**'), passed by the learned Additional Sessions Judge-03 ('**ASJ**'), West District, Tis Hazari Courts, Delhi, in Criminal Appeal No. 276/2022 whereby the appeal filed by the petitioner challenging the judgement of conviction dated 29.08.2022 and

Signature Not Verified

Signed By: HARMINDER KAUR
Signing Date: 03.12.2025
12:33:15

Page 1 of 6



2025:DHC:10747



order on sentence dated 26.09.2022 was dismissed.

2. By the judgment of conviction dated 29.08.2022, the petitioner was convicted for the offence under Section 138 of the Negotiable Instruments Act, 1881 ('NI Act') in CC No. 392/2019. By the order on sentence dated 26.09.2022, the petitioner was directed to pay a fine of ₹4,25,450/- to the complainant within a period of one month and in default, to undergo imprisonment for a period of two months, the complainant was also given liberty to move an application under Section 421 of the Code of Criminal Procedure, 1971 ('CrPC').

3. The learned counsel for the petitioner submits that since the passing of the impugned order, the parties have amicably settled all their disputes *inter se* by way of settlement deed dated 24.07.2025.

4. The complainant is present in person in the Court.

5. On being asked, he confirms the fact that the parties have settled their disputes. He further states that there is no objection if the offence under Section 138 of the NI Act is compounded.

6. Offence under Section 138 of the NI Act is compoundable in nature.

7. Even though an attempt for compounding of the offence under NI Act should be made at the initial stage rather than the later stage, however, there is no bar against seeking compounding of the offence even after conviction [Ref. ***Raj Reddy Kallem v. The State of Haryana & Anr. : 2024 INSC 347, K.M Ibrahim v. K.P Mohammed & Anr. : (2010) 1 SCC 798***, etc.].



8. The Hon'ble Apex Court in the case of ***Damodar S. Prabhu v. Sayed Babalal H. : (2010) 5 SCC 663*** had highlighted that the compensatory aspect of the proceedings under the NI Act take precedence over the punitive aspect and stipulated certain guidelines for compounding the offences under the NI Act. The relevant portion of the judgment is reproduced hereunder:

“4... What must be remembered is that the dishonour of a cheque can be best described as a regulatory offence that has been created to serve the public interest in ensuring the reliability of these instruments. The impact of this offence is usually confined to the private parties involved in commercial transactions.

18. It is quite obvious that with respect to the offence of dishonour of cheques, it is the compensatory aspect of the remedy which should be given priority over the punitive aspect. There is also some support for the apprehensions raised by the learned Attorney General that a majority of cheque bounce cases are indeed being compromised or settled by way of compounding, albeit during the later stages of litigation thereby contributing to undue delay in justice delivery. The problem herein is with the tendency of litigants to belatedly choose compounding as a means to resolve their dispute...

21. With regard to the progression of litigation in cheque bouncing cases, the learned Attorney General has urged this Court to frame guidelines for a graded scheme of imposing costs on parties who unduly delay compounding of the offence. It was submitted that the requirement of deposit of the costs will act as a deterrent for delayed composition, since at present, free and easy compounding of offences at any stage, however belated, gives an incentive to the drawer of the cheque to delay settling the cases for years. An application for compounding made after several years not only results in the system being burdened but the complainant is also deprived of effective justice. In view of this submission, we direct that the following guidelines be followed:

THE GUIDELINES

(i) In the circumstances, it is proposed as follows:



- (a) *That directions can be given that the writ of summons be suitably modified making it clear to the accused that he could make an application for compounding of the offences at the first or second hearing of the case and that if such an application is made, compounding may be allowed by the court without imposing any costs on the accused.*
- (b) *If the accused does not make an application for compounding as aforesaid, then if an application for compounding is made before the Magistrate at a subsequent stage, compounding can be allowed subject to the condition that the accused will be required to pay 10% of the cheque amount to be deposited as a condition for compounding with the Legal Services Authority, or such authority as the court deems fit.*
- (c) ***Similarly, if the application for compounding is made before the Sessions Court or a High Court in revision or appeal, such compounding may be allowed on the condition that the accused pays 15% of the cheque amount by way of costs.***
- (d) *Finally, if the application for compounding is made before the Supreme Court, the figure would increase to 20% of the cheque amount.”*

9. In the present case, the parties have settled the matter at the appellate stage. It is relevant to note that complainant has duly consented to compounding the offence in the present case. Moreover, the entire settlement amount has been received by him.

10. Considering the above, the present petition is allowed and the complaint being CC No. 392/2019 is compounded and the impugned order and order of conviction dated 29.08.2022 and order on sentence dated 26.09.2022 are set aside.

11. Pending application(s), if any, also stand disposed of.

CRL.M.A. 25309/2025

12. The present application is filed on behalf of the petitioner seeking release of the fixed deposit of a sum of ₹3.35 lakhs



2025:DHC:10747



deposited before the learned Trial Court along with accrued interest, in favour of Respondent No. 2.

13. The learned counsel for the petitioner submits that the parties have settled the disputes *vide* Settlement Agreement dated 24.07.2025, for a total sum of ₹4,25,450/-. It is stated that a sum of ₹35,000/- has already been received by the legal heir of Respondent No. 2, in cash and rest of the amount will be paid after release of fixed deposit of ₹3.35 lakhs along with accrued interest deposited by the petitioner before the learned Trial Court which has accumulated to approximately ₹3.90 lakhs.

14. The learned counsel for the petitioner submits that the petitioner has also undertaken that if any balance amount out of total settlement amount remains on realisation of the fixed deposit, the same would also be paid by the petitioner.

15. It is submitted that a sum of ₹50,250/- has already been deposited in favour of Delhi High Court Legal Services Committee as cost for seeking compounding of the complaint at an appellate stage.

16. In view of the above, the learned Trial Court is directed to release the amount deposited by the petitioner in CC No. 392/2019, in favour of the Respondent No.2 along with all accrued interest on the strength of present order after verifying the identity.

17. The application stands disposed of.

CRL.M.A. 35193/2025

18. The present application is filed by petitioner seeking release of fixed deposit bearing no. 41666745612 of a sum of



2025:DHC:10747



₹50,000/-, in the name of Silky Shridhar, daughter of the petitioner, which was furnished by the petitioner as surety before this Court, pursuant to the order dated 13.02.2023.

19. The said surety is directed to be released in favour of the petitioner on the strength of the present order.

20. The application stands disposed of.

AMIT MAHAJAN, J

NOVEMBER 26, 2025

DU