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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **CRL.REV.P. 918/2019**
MRS. PUSHPA LALPetitioner

Through: Mr. Prateek Tewari, Advocate.

versus

GEETA LAL MEENARespondent
Through: None.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

% **ORDER**
20.05.2025

1. The present revision petition filed under Section 438 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (formerly, Section 397 of the Code of Criminal Procedure, 1973) emanate from a complaint (CC No. 30326/2016) filed by the Respondent under Section 138 of the Negotiable Instruments Act, 1881.¹ The Petitioner impugns order dated 2nd August, 2019 passed by the Sessions Court in CA No. 70/2019 whereby her appeal against conviction order dated 1st February, 2019 and order on sentence dated 26th February, 2019 passed by the Metropolitan Magistrate was dismissed. By the said orders, the Petitioner was sentenced to simple imprisonment for a period of 6 months and payment of fine of INR 9,50,000/- out of which, INR 9,45,000/- was to be paid to the Complainant as compensation and INR 5,000/- as fine in the Court and default sentence of simple imprisonment for

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a period of 2 months.

2. Counsel for the Petitioner states that during the pendency of the present proceedings, the parties settled the matter as has been noted in order dated 29th February, 2024, which reads as follows:

“1. This matter was assigned to this Court as apparently the roster bench did not convene and parties urgently required appearance. It is submitted by both sides that conviction of the present petitioner under Section 138 Negotiable Instruments Act was upheld by the Appellate Court, so she has filed the present petition. It is further submitted by both sides that in the course of pendency of these proceedings, parties settled their disputes, whereunder the 25% of compensation amount deposited before the Trial Court already stands released to the present respondent and today, the balance 75% had to be paid in Court.

2. Accordingly, the petitioner present in person with her counsel has handed over a Demand Draft bearing no. 314136 dated 01.01.2024 drawn on State Bank of India for a sum of Rs. 7,13,250/- to the respondent present in Court with her counsel.

3. As requested, list before the roster bench on 10.07.2024.”

3. The Court has considered the afore-noted. Section 147 of the NI Act, provides that every offence punishable under the Act are compoundable. It is no longer res integra that offences under the NI Act, including offence under Section 138, can be compounded at any stage of the proceedings. Although an attempt for compounding of the offence under NI Act should be made at the initial stage, however, there is no bar against seeking compounding of the offence even after conviction.²

4. In **Damodar S. Prabhu v. Sayed Babalal H.**,³ the Supreme Court had formulated guidelines for compounding the offence under Section 138 NI Act and emphasized the imposition of cost for belated compounding. The relevant observations read as follows:

¹ “NI Act”

² **K.M Ibrahim v. K.P Mohammed & Anr.**, (2010) 1 SCC 798

³ 2010 (2) SCC (Cri) 1328



“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.

XXX ... XXX ... XXX

25. The graded scheme for imposing costs is a means to encourage compounding at an early stage of litigation. In the status quo, valuable time of the court is spent on the trial of these cases and the parties are not liable to pay any court fee since the proceedings are governed by the Code of Criminal Procedure, even though the impact of the offence is largely confined to the private parties. Even though the imposition of costs by the competent court is a matter of discretion, the scale of costs has been suggested in the interest of uniformity. The competent court

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can of course reduce the costs with regard to the specific facts and circumstances of a case, while recording reasons in writing for such variance. Bona fide litigants should of course contest the proceedings to their logical end.”

[Emphasis Supplied]

5. Pursuant to the aforesaid guidelines, the High Court is required to impose costs of 15% of the cheque amount. However, the Court is vested with the discretion to reduce the costs, depending on the specific circumstances of the case. In the present matter, considering the financial constraints faced by the Petitioner and the inability to deposit the required amount, Court is inclined to reduce the costs.
6. Accordingly, the offence under Section 138 of the NI Act forming the subject matter in CC No. 30326/2016 is compounded, subject to the payment of fine awarded by order on sentence dated 26th February, 2019, if not already paid and further cost of INR 25,000/- to be deposited with the Delhi Police Welfare Fund within three weeks from today.
7. Proof of deposit of fine and cost to be submitted with the Trial Court.
8. With the above directions, the present petition is disposed of.

SANJEEV NARULA, J

MAY 20, 2025

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