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

+ CRL.REV.P.(NI) 255/2025, CRL.M.A. 33566-33567/2025,

CRL.M.(BAIL) 2274-2274/2025

AJAY KHATRI

.....Petitioner

Through: Mr. Vikas Yadav and Ms. Upma
Yadav, Advocates.

versus

JITENDER KUMAR

.....Respondent

Through: Mr. Lalit Ohlan, Advocate.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

13.11.2025

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1. The present revision petition under Section 442(3) read with Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023¹ assails the impugned order dated 22nd January, 2020, passed by ASJ (SFTC), South-West District, Dwarka District Courts, New Delhi, in Criminal Appeal No. 13/2018, titled *Ajay Kumar v. The State (Govt. of NCT) and Anr.*

2. Pursuant to trial in the complaint filed by the Respondent, the Petitioner was convicted for the offence under Section 138 of Negotiable Instruments Act, 1881² vide judgement of conviction dated 25th November, 2017. As per the order on sentence dated 8th December, 2018, the Petitioner was directed to simple imprisonment for a period of 3 months and pay a fine of INR 36,00,000/- to the Respondent as compensation. In default of payment of compensation, the Petitioner was directed to undergo simple imprisonment for a period of 6 months.

3. The appeal against the aforesaid judgement of conviction and order on

¹ "BNSS"

² "NI Act"



sentence has been dismissed by the impugned order dated 22nd January, 2020.

4. The parties have amicably resolved all their disputes and the matter now stands fully settled. An amount of INR 35,75,000/- has been paid to the Complainant/Respondent towards full and final settlement of all his claims. In view of the settlement, the Petitioner prays that the offence be compounded and appropriate orders be passed for setting aside the impugned order.

5. The Respondent, appearing through video conferencing mechanism along with his Counsel, affirms the settlement, receipt of INR 35,75,000/-, and unequivocally states that he has no objection to the compounding of the offence.

6. The legal position on the issue of compounding of offences under 138 of NI Act is now well-settled. Section 147 of the NI Act makes offences under Section 138 compoundable, notwithstanding any provisions to the contrary in CrPC. The Supreme Court has consistently held that such compounding can be permitted at any stage of the proceedings, including after conviction.³ The continuation of criminal proceedings after the grievance of the complainant has been addressed would serve no meaningful purpose.

7. In ***Damodar S. Prabhu***, the Supreme Court laid down guidelines for imposing costs while allowing compounding at various stages, with the aim of discouraging delayed settlements and preventing misuse of the process. Subsequently, in its recent decision in ***Sanjabji Tari v. Kishore S. Borcar &***

³ ***Damodar S. Prabhu v. Sayed Babalal H.*** (2010) 5 SCC 663; ***K.M. Ibrahim v. K.P. Mohammed*** (2010) 1 SCC 798; ***O.P. Dholakia v. State of Haryana*** (2000) 1 SCC 762.



*Anr.*⁴ taking note of the substantial pendency of cheque dishonour cases across the country and the decline in prevailing interest rates, the Supreme Court modified the earlier guidelines in ***Damodar S. Prabhu*** regarding the quantum of costs to be imposed at the stage of compounding.

8. Ordinarily costs equivalent to 7.5% of the cheque amount must be imposed at the time of compounding. However, the Court is vested with the discretion to reduce the costs, depending on the specific circumstances of the case. In the present case, this Court has taken into account the Petitioner's financial and medical condition as disclosed during the proceedings and finds that imposing a higher cost would be unduly burdensome. Having regard to these peculiar circumstances, and in order to balance deterrence with fairness, the Petitioner is directed to deposit a sum of INR 25,000/- as costs with the Delhi Police Welfare Fund within a period of four weeks from today.

9. In view of the above, the conviction of the Petitioner under Section 138 of NI Act stands set aside on account of compounding of the offence, and the revision petition is disposed of.

10. With the above directions, the petition is disposed of along with the pending application.

SANJEEV NARULA, J

NOVEMBER 13, 2025

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⁴ 2025 SCC OnLine SC 2069.