$~79, 96, 98 & 99

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

\+ **CRL.REV.P.(NI) 260/2025, & CRL.M.A. 33901/2025, CRL.M.A. 33902/2025, CRL.M.A. 33903/2025 & CRL.M.(BAIL) 2288/2025**

KHAZANCHI .....Petitioner

Through: Mr. Rakesh Kumar Singh, Adv.

versus

SH. PARSHOTAM DASS .....Respondent

Through: Mr. T.S. Chaudhary, Adv. with Mr. Anup Kumar, SPA of Parshotam Das.

96

\+ **CRL.REV.P. 464/2025 & CRL.M.A. 34102/2025, CRL.M.A. 34103/2025, CRL.M.A. 34104/2025, CRL.M.(BAIL) 2300/2025**

KHAZANCHI .....Petitioner

Through: Mr. Rakesh Kumar Singh, Adv.

versus

SH PARSHOTAM DASS .....Respondent

Through: Mr. T.S. Chaudhary, Adv. with Mr. Anup Kumar, SPA of Parshotam Das.

98

\+ **CRL.REV.P.(NI) 261/2025 & CRL.M.A. 34082/2025, CRL.M.A. 34083/2025, CRL.M.A. 34084/2025, CRL.M.(BAIL) 2297/2025**

KHAZANCHI .....Petitioner

Through: Mr. Rakesh Kumar Singh, Adv.

versus

SH PARSHOTAM DASS .....

Through: Mr. T.S. Chaudhary, Adv.

with Mr. Anup Kumar, SPA of Parshotam Das.

99

\+ **CRL.REV.P.(NI) 262/2025 & CRL.M.A. 34085/2025, CRL.M.A. 34086/2025, CRL.M.A. 34087/2025, CRL.M.(BAIL) 2298/2025**

KHAZANCHI .....Petitioner

Through: Mr. Rakesh Kumar Singh, Adv.

versus

SH PARSHOTAM DASS .....Respondent

Through: Mr. T.S. Chaudhary, Adv. with Mr. Anup Kumar, SPA of Parshotam Das.

CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

O R D E R

% **17.11.2025**

1. The present petitions are filed by the petitioner, challenging the four impugned judgments dated 07.11.2025 (‘**impugned judgments**’), passed by the learned Principal District & Sessions Judge, North West District, Rohini Courts, New Delhi in CA No. 39/2025, CA No.41/2025, CA No.38/2025 & CA No.40/2025.

2. By way of the impugned judgments, the learned Appellate Court dismissed the appeals filed by the petitioner and upheld the separate judgments of conviction dated 05.12.2024 and separate orders on sentence dated 18.01.2025, passed by the learned Trial Court in CT. Case Nos. 15696/2018, 15701/2018, 15707/2018 & 15714/2018 (hereafter ‘**subject complaints**’).

3. By the judgments on conviction dated 05.12.2024, the learned Trial Court convicted the petitioner for the offence under

Section 138 of the Negotiable Instruments Act, 1881 (‘**NI Act**’). By the orders on sentence dated 18.01.2025, the learned Trial Court sentenced the petitioner as under: -

a) In Ct. Case No. 15696/2018 [related to CRL.REV.P. (NI) 260/2025], petitioner was sentenced to undergo simple imprisonment for a period of 02 months and to pay a fine of ₹6,30,000/-as compensation, and in default of payment of fine, to undergo further simple imprisonment for 06 months.

b) In Ct. Case No. 15701/2018 [related to CRL.REV.P. (NI) 464/2025], petitioner was sentenced to undergo simple imprisonment for a period of 02 months and to pay a fine of ₹7,40,000/- as compensation, and in default of payment of fine, to undergo further simple imprisonment for 06 months.

c) In Ct. Case No. 15707/2018 [related to CRL.REV.P. (NI) 261/2025], petitioner was sentenced to undergo simple imprisonment for a period of 02 months and to pay a fine of ₹6,40,000/- as compensation, and in default of payment of fine, to undergo further simple imprisonment for 06 months.

d) In Ct. Case No. 15714/2018 [related to CRL.REV.P. (NI) 262/2025], petitioner was sentenced to undergo simple imprisonment for a period of 02 months and to pay a fine of ₹7,40,000/- as compensation, and in default of payment of fine, to undergo further simple imprisonment for 06 months.

4. Aggrieved by the dismissal of the appeals, the petitioner

preferred the present petitions.

5. The main ground pressed before this Court is that the disputes have been settled with the complainant *vide* Memorandum of Settlement dated 10.11.2025, which has been entered into by the parties with their own consent, without any force, coercion or misrepresentation.

6. The terms of the settlement reflect that no legal dues remain payable and the amount of ₹11,00,000/- has been paid to the Respondent No.2 *vide* Demand Draft (DD) No.001980 dated 10.11.2025.

7. The Son of the complainant, Shri Anup Kumar, who has the Special Power of Attorney of the complainant, is present in the Court and affirms that disputes have been settled.

8. He further affirms that the entire settlement amount, as agreed between the parties, has also been paid.

9. Undisputedly, the Offence under Section 138 of the NI Act is compoundable in nature.

10. Even though 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 [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.].

11. 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.*
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> xxx
>
> ***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…***
>
> xxx
>
> ***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***
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> *(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

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 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)

12. In the present case, the parties have settled the matter at the appellate stage. It is relevant to note that the complainant has duly consented to compounding of the offence.

13. In terms of ***Damodar S. Prabhu v. Sayed Babalal H.*** (*supra*), since the parties have arrived at a settlement after the conviction of petitioner was upheld in appeal, a cost of 15% of the total respective cheque amounts can be imposed.

14. The learned counsel for the petitioner has submitted that the petitioner is a widow, who is suffering from financial constraints, and thus, a lenient view may be taken.

15. Considering the above, the present petitions are allowed and the subject complaints are compounded, on the petitioner

paying a cost of ₹40,000/-, which is to be deposited with Delhi High Court Legal Services Committee, within a period of eight weeks. Consequently, the petitioner is directed to be released from custody forthwith on the strength of the present order.

16. Proof of deposit of cost be furnished to the Registrar General of this Court.

17. It is also pointed out that FDR in the sum of ₹5,50,662/-, as deposited with the learned Appellate Court, is to be released in favour of the petitioner in terms of the Memorandum of Settlement dated 10.11.2025.

18. In view of the above, the learned Appellate Court is directed to release the amount deposited by the petitioner in her favour, along with any accrued interest, on the strength of the present order.

19. The present petitions are allowed in the aforesaid terms. Pending applications also stand disposed of.

20. A copy of this order be placed in all the matters.

AMIT MAHAJAN, J

NOVEMBER 17, 2025
"SK"