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

\+ CRL.M.C. 29/2025

SH OM PRAKASH MINOCHA & ANR. .....Petitioners

Through: Mr. Akash Vajpai, Advocate with Petitioner No. 1 and 2 in person

versus

M/S MAX HEALTHCARE INSTITUTE LTD .....Respondent

Through: Ms. Aastha Thakur, Advocate with Mr. Sudheep Bhattacharya, AR

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

O R D E R

% **26.08.2025**

CRL.M.A. 25310/2025 (*application under Section 482 of the Cr.P.C read with Section 528 BNSS)*

1. By order dated 1st July, 2025, this Court had referred the parties to Delhi High Court Mediation and Conciliation Centre to explore the possibility of an amicable resolution. The mediation has since culminated in a Settlement Agreement dated 29th July 2025. A copy of the said agreement has been placed on record along with the present application, with a request that the proceedings be disposed of in terms thereof.

2. For the reasons set out in the application, the same is allowed. With the consent of counsel for both parties, the main petition is taken up on Board today itself.

CRL.M.C. 29/2025

3. The instant proceedings emanate from a Criminal Complaint Case bearing No. 5839/2022, filed by the Respondent against the Petitioners for the offence under Section 138 of the Negotiable Instruments Act, 1881. The Petitioners had filed the above-captioned petition, seeking quashing of the said complaint.

4. As noted above, the parties have amicably resolved their disputes and executed a Settlement Agreement before the Delhi High Court Mediation and Conciliation Centre on 29th July, 2025. In terms of the settlement, the Petitioners have paid a sum of INR 65,000/- to the Respondent towards full and final settlement of the claims. The payment was made by way of demand draft and has been duly acknowledged by the Respondent, who has expressly consented to quashing of the complaint in view of the settlement.

5. The Court has considered the afore-noted. Section 147 of the NI Act, provides that every offence punishable under the Act are compoundable. In ***Damodar S. Prabhu v. Sayed Babalal H.***,[1] 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:

> *"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*

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[1] 2010 (2) SCC (Cri) 1328.

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) ***<u>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.</u>***

(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 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."

6. It is noted that the Petitioners had moved an application for compounding of the offence before the Trial Court immediately upon receipt of summons. In view of the settlement duly executed between the parties, and guided by the principles laid down by the Supreme Court **in *Damodar S. Prabhu***, the offence arising out of the impugned complaint stands compounded without imposition of any costs.

7. Consequently, the amount of INR 1,31,390/- deposited by the Petitioners before this Court pursuant to order dated 8th January, 2025 shall be released to them forthwith.

8. In view of the above, the present petition is disposed of.

9. The date of 2nd September, 2025, stands cancelled.

SANJEEV NARULA, J

AUGUST 26, 2025/ab