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**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

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Date of Decision: 17.02.2026

MOHIT KUMAR GUPTA AND ANR

.....PETITIONERS

VERSUS

MAMTA BHANDARI

...RESPONDENT

CORAM: HON'BLE MR. JUSTICE H.S.GREWAL

Present: Mr. Ankur Bali, Advocate for the petitioners.

H.S. GREWAL, J. (ORAL)

1. This petition has been filed under Section 482 Cr.P.C praying for quashing of complaint No. NACT/9674/2019 and summoning order dated 27.08.2019 and all subsequent proceedings arising therefrom including impugned order dated 27.05.2024 passed by ld. JMIC, Chandigarh.
2. None has put in appearance on behalf of the respondent despite service.
3. Learned counsel for the petitioners submits that after being summoned, the petitioner appeared before the ld. trial Court and filed the application under Section 147 of Negotiable Instruments Act for compounding of the offence and on the said date, the petitioner was ready and willing to pay the entire cheque amount. He further submits that the said application was dismissed only on the asking of the respondent/complainant.
4. Learned counsel contended that the petitioner may be permitted to get the offence compounded or the case be disposed off in view of the recent



directions issued by Hon'ble Supreme Court in 2025 INSC 1158 – **Sanjabij Tari Vs. Kishore S. Borcar & Another**, as he is ready to pay the entire cheque amount.

5. I have heard the submissions made by the learned counsel for the petitioner and gone through the case file.

6. It would be apposite to refer herein to a judgment passed by three Judge Bench of the Hon'ble Supreme Court titled as **Damodar S. Prabhu vs. Sayed Babalal H., AIR 2010(SC) 1907**, relevant whereof reads thus:

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.

24. We are also conscious of the view that the judicial endorsement of the above quoted guidelines could be seen as an act of judicial lawmaking and therefore an intrusion into the legislative domain. It must be kept in mind that Section 147 of the Act does not carry any guidance on how to proceed with the compounding of offences under the Act. We have already explained that the scheme contemplated under Section 320 of the CrPC cannot be followed in the strict sense. In view of the legislative vacuum, we see no hurdle to the endorsement of some suggestions which have been designed to discourage litigants from unduly



delaying the composition of the offence in cases involving Section 138 of the Act.

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.*

26. *Even in the past, this Court has used its power to do complete justice under Article 142 of the Constitution to frame guidelines in relation to subject-matter where there was a legislative vacuum.”*

“38. Since a very large number of cheque bouncing cases are still pending and interest rates have fallen in the last few years, this Court is of the view that it is time to ‘revisit and tweak the guidelines’. Accordingly, the aforesaid guidelines of compounding are modified as under:-

(a) If the accused pays the cheque amount before recording of his evidence (namely defence evidence), then the Trial Court may allow compounding of the offence without imposing any cost or penalty on the accused.

(b) If the accused makes the payment of the cheque amount post the recording of his evidence but prior to the pronouncement of judgment by the Trial Court, the Magistrate may allow compounding of the offence on payment of additional 5% of the cheque amount with the Legal Services Authority or such other Authority as the Court deems fit.

(c) Similarly, if the payment of cheque amount is made before the Sessions Court or a High Court in Revision or Appeal, such Court may compound the offence on the condition that the accused pays 7.5% of the cheque amount by way of costs.



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(d) Finally, if the cheque amount is tendered before this Court, the figure would increase to 10% of the cheque amount.

7. Keeping in view the facts and circumstances of the case and the ratio of the law laid down by the Hon'ble Supreme Court in *Sanjabij Tari's case* (supra), this Court is of the view that if the accused/petitioner is willing to make the payment in accordance with the aforesaid guidelines, the parties may be advised to explore the possibility of compounding of the offence. In the present case, the petitioners have expressed their readiness to deposit the entire cheque amount, and the cheque amount was tendered through a demand draft prior to commencement of evidence.

8. Accordingly, the present petition is allowed, the summoning order is set aside, and the learned trial Court is directed to consider and decide the application moved by the petitioner in the light of the directions issued by the Hon'ble Supreme Court in *Sanjabij Tari's case* (supra).

9. However, the petitioner is directed to furnish a fresh demand draft before the trial Court on the date already fixed, i.e., 21.02.2026.

10. Pending applications, if any, shall also stand disposed of.

17.02.2026

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(H.S.GREWAL)
JUDGE

Whether speaking/ reasoned :

Yes/No

Whether Reportable :

Yes/No