



* IN THE HIGH COURT OF DELHI AT NEW DELHI

Reserved on: September 16, 2026

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Pronounced on: September 24, 2026

CNR No. DLHC010363422026

+ W.P.(CRL) 2380/2026

EQUITAS SMALL FINANCE BANK LTD.Petitioner

Through: Mr. K.S. Mahadeva, Ms. Swati
Bansal and Mr. R. Rangarajan,
Adv.

Versus

MRS NIRMALA BAI SHANTHILAL & ORS.Respondents

Through: None.

CORAM:

HON'BLE MR. JUSTICE SAURABH BANERJEE

J U D G M E N T

1. By virtue of the present writ petition under *Article 226* of the Constitution of India read with *Section 528* of the Bharatiya Nagarik Suraksha Sanhita, 2023, the petitioner seeks issuance of a writ in the nature of Certiorari for setting aside/ recall of the Award dated 14.09.2024 passed by the learned Lok Adalat and restore the complaint case being C.C. NI Act No.3302/2024¹ before the learned JMFC (NI Act)-04, Saket District Court, South, New Delhi² alongwith other ancillary reliefs.

2. The facts involved are such that the respondents approached the petitioner for availing a Loan for a sum of Rs.14,50,000/-. The petitioner, *vide* sanction letter dated 24.03.2021 and pursuant to entering into the

¹ Hereinafter "*Complaint Case*"

² Hereinafter "*learned JMFC*"



Facility Agreement dated 26.03.2021 sanctioned the aforesaid loan in favour of the respondents and as collateral security, the respondents, on 23.04.2021, mortgaged the title deed of their immovable property bearing Municipal No.40 (Old No.23/A), Second Cross, Wheeler Road, Cleveland Town, Ward No.91, Bangalore-560 005. Also, the respondents issued a post-dated cheque bearing the signatures of respondent no.2 issued from the joint account of the respondents in favour of the petitioner.

3. Subsequently, on account of the respondents failing to repay the loan amount, their account was declared as Non-Performing Asset on 03.08.2023. Thereafter, on 08.09.2023, the petitioner issued a Notice under *Section 13(2)* of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 calling upon the respondents to clear the outstanding arrears.

4. Pursuant to the aforesaid classification, the respondents though made intermittent payments towards settlement of the loan amount, however, such payments were irregular and not on the stipulated dates. Subsequently, based on the mutual understanding between the parties and the assurances/ representations made by the respondents, their account was regularized by the petitioner on 16.09.2023.

5. Aggrieved by the respondents' conduct, the petitioner presented the post-dated cheque for encashment on 08.01.2024 towards discharge of the credit liability, however, the said cheque was returned dishonoured *vide* Return Memo dated 18.01.2024 with the remark "*Refer to Drawer*".

6. Pursuant thereto, though the respondents received the Legal Notice dated 01.02.2024, however, they failed to make payment for the balance loan amount. Hence, the petitioner filed a complaint under *Sections 138*



and 142 of the Negotiable Instruments Act, 1881, being Complaint Case No.3302/2024 dated 19.03.2024 against the respondents herein.

7. During the pendency of the Complaint Case, on 08.08.2024, the counsel for the petitioner stated before the learned JMFC that the matter has been settled between the parties and the petitioner had received full and final payment towards the cheque amount from the respondents. Accordingly, the matter was referred to the National Lok Adalat to be held on 14.09.2024. For ease of reference, the order dated 08.08.2024 passed by the learned JMFC is reproduced as under:

CC NI ACT / 3302/2024

Equitas Small Finance Bank Limited Vs. Mrs. Nirmala Bai Shanthilal
08.08.2024

Proceedings are being conducted through hybrid manner.

File taken up today.

Present : Sh. Shamim Saifi, Counsel for complainant.

Counsel for complainant submits that the matter has been settled and complainant has received full and final payment towards cheque in question from the accused.

Separate statement of the counsel recorded to this effect. Statement of the counsel for the complainant perused. The undersigned is satisfied with the same.

Let the matter be referred to National Lok Adalat to be held on 14.09.2024. Ahlmad to comply.

8. Thereafter, before the National Lok Adalat on 14.09.2024, it was again stated on behalf of the petitioner that the present case has been settled with the respondents and that the petitioner has received the entire payment towards settlement to its satisfaction against the cheque in question and that the present matter be disposed of as compounded.



Pursuant to the settlement arrived at between the parties and the aforesaid statement, the complaint case was disposed of as compounded under Section 147 NI Act and the respondents were acquitted. For ease of reference, the Award dated 14.09.2024 is reproduced as under:

"AWARD OF SETTLEMENT LOK ADALAT"

CORAM: SH. VARUN CHANDRA, JUDGE/LOK ADALAT
MS. KANIKA GOYAL, ASSOCIATE MEMBER

Date: 14.09.2024

DISTRICT: SOUTH DISTRICT

CC NI ACT / 3302/2024

Equitas Small Finance Bank Limited Vs. Mrs Nirmala Bai Shanthilal

Present: Counsel for the complainant.

ORDER

During the lok adalat hearing, it was stated on behalf of the complainant that the present case has been settled with the accused and that the complainant has received the entire payment towards the settlement to its satisfaction against the cheque in question. Further, it is submitted on behalf of the complainant that the present matter may be disposed of as compounded.

Separate statement to this effect, has already been recorded.

Therefore, the present complaint case is disposed of as compounded u/s 147 NI Act. Accused is acquitted. Surety discharged. Original documents, if any be released to the rightful owner after cancellation of endorsement.

In view of the statement made on behalf of the complainant and the settlement arrived at, this matter is disposed of as compounded. **(This award be sent in original to Ld. Trial Court along with file, if any).*

DATE: 14.09.2024

W. P.

9. Subsequent to passing of the aforesaid Award dated 14.09.2024, on 25.09.2025, the petitioner moved an application for revival of the Complaint Case No.3302/2024, which came to be dismissed by the learned JMFC as the relief to alter and/ or review an order as sought therein was/ is beyond the purview of a Criminal Court.

10. Hence, the present writ petition.



11. Learned counsel for the petitioner has primarily submitted that the then counsel for the petitioner misunderstood the instructions conveyed to him to erroneously form an impression that the respondents' dues had been settled and the outstanding amount had been paid in full in satisfaction of the cheque/ settlement. It is the case of the learned counsel that, in fact that no settlement/ compromise/ discharge of liability ever took place between the parties. More so, as per the learned counsel, the petitioner has till date not received any payment towards the satisfaction of the cheque/ settlement. Thus, the Lok Adalat Award dated 14.09.2024 came to be solely passed on the basis of an erroneous and mistaken submission made on behalf of the then petitioner's counsel.

12. The learned counsel further submitted that the representation/ submission made by the then counsel for the petitioner before the JMFC as also before the learned Lok Adalat *qua* the matter being settled and payment being received in full was made under immense confusion and lack of clarity of the actual circumstances as also without authority from the petitioner and the same was never ratified by the petitioner. In fact, what was conveyed to the then counsel by the petitioner was only that the respondents were keen to make good their default.

13. Heard learned counsel for the petitioner and perused the materials available on record.

14. As borne out, the whole case of the petitioner is based on the statement/ representation/ submission made by the then counsel, Mr. Shamim Saifi on behalf of the petitioner *qua* a settlement having been taken place between the petitioner and the respondents and that the petitioner has received the entire payment towards the settlement to its



satisfaction against the cheque in question, was made under immense confusion and without authority and ratification from the petitioner.

15. A perusal of the record herein reflects that the aforesaid statement was not only made by the petitioner's counsel for the first time on 08.08.2024 before the learned JMFC, the same was reiterated on the petitioner's behalf on 14.09.2024 before the learned Lok Adalat as well. In fact, as apparent from the record, on both the occasions a separate statement of the then counsel was also recorded to such effect. Thus, what emerges is that the said statement which the petitioner is now trying to resile from has attained the imprimatur of two Courts.

16. Even otherwise, a dispute as to the statement given by the then counsel not having been authorised and/ or ratified by the petitioner was raised by the petitioner for the first time after a lapse of almost *thirteen (13) months* on 25.09.2025 by moving an application seeking revival of the Complaint Case before the learned JMFC. Interestingly, though a neglect/ non-authority has been attributed by the petitioner against the then counsel, Mr. Shamim Saifi, however, the petitioner was once again represented through the very same counsel and till date no proceedings of any kind have been initiated against him for his alleged (mis)conduct.

17. Bearing the aforesaid in mind and before adverting thereto, it is apposite to reiterate that at all times, be it before the learned JMFC and/ or before the Lok Adalat, the petitioner was being duly represented by its own nominated counsel who was holding a *vakalatnama* duly executed by the petitioner in his favour. It is also worthy to note that the petitioner has till date not sought any clarification qua what transpired on as many as two occasions from the then nominated counsel. The same is utmost



relevant as the said nominated counsel was an officer of the Court and not a mere mechanical agent of the petitioner. If at all, the petitioner had a genuine/ legitimate grievance against the same nominated counsel then, on the basis of what sought to be contended by learned counsel for the petitioner now, it is highly unlikely that the petitioner would have maintained a stoic silence for such a long period and not notified him and/ or initiated any action against him.

18. The above raises a doubt in the mind of this Court.

19. Furthermore, the learned JMFC, as well as the Lok Adalat, both proceeded on the basis of the statement(s) made by the own nominated counsel of the petitioner, which, admittedly has not been disputed by the petitioner. The petitioner thus cannot wriggle out of what transpired therein. Therefore, the contentions now sought to be raised by the petitioner seems to be an after-thought, moreover since there is/ are details/ particulars of the representative of the petitioner involved then and/ or there is no such supporting affidavit. All these do not exude any confidence in this Court.

20. On merits also, though on one hand, it is the case of the petitioner that the statement made before the learned JMFC was pursuant to a misunderstanding of what the petitioner had conveyed to its counsel and neither did the petitioner enter into any settlement with the respondents nor did it ever receive any payment towards the satisfaction of the settlement/ cheque, whereas on the other hand, it is also the case of the petitioner that it merely granted the respondents an opportunity to make the payment upon their oral request/ representation and it was only after Complaint Case No.3302/2024 was disposed of as compounded, the



respondents' taking advantage of the Lok Adalat Award dated 14.09.2024, went back on their promise of settling their dues with the petitioner and remedying the loan default, which prompted the petitioner to file the application seeking revival of the Complaint Case.

21. Resultantly, the petitioner now by way of the present petition cannot be permitted to come out with a new version to overcome the voluntary/ uncontroverted statements made before two forums, and that too, before the learned JMFC after a long gap of *thirteen (13) months* and thereafter before this Court after a further gap of more than *nine (9) months*.

22. Furthermore, no litigant like the petitioner herein can be permitted to resile from order(s) passed on the strength of counsel's submissions. If the same is permitted to be allowed, the same will create a chaotic situation. Alas! under such circumstances, the petitioner cannot be allowed to have a second bite at the cherry.

23. Thus, the petitioner's attempt to resile from the statement made by its counsel on the plea of '*lack of instructions/ authority/ ratification*', in the considered opinion of this Court, is unsustainable in the eyes of law as the same strikes at the very foundation of the Advocate-Client Relationship and undermines the sanctity of the role played by a counsel in assisting the Court in adjudicatory process.

24. Accordingly, the present writ petition being bereft of any merit, is dismissed in *limine*, with no order as to costs.

SAURABH BANERJEE, J.

SEPTEMBER 24, 2026/Ab/DA