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

+ **CRL.REV.P. 630/2019 & CRL.M.(BAIL) 956/2019**

SURAJ KUMAR WADHWA

.....Petitioner

Through: Mr. Rashid Hussain, Advocate.
Petitioner in person.

versus

SURYADEEP GARG

.....Respondent

Through: Respondent through VC.

CORAM:

HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

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08.09.2025

1. The present revision petition under Section 397 of the Code of Criminal Procedure, 1973¹ emanates from a complaint (CC No. 469972/2016) filed the Respondent under Section 138 of the Negotiable Instruments Act, 1881.² The Petitioner impugns judgement dated 6th May, 2019 passed by the Sessions Court in C.A. No. 67/2019, whereby his appeal against conviction order dated 3rd December, 2018 and the order on sentence dated 23rd January, 2019 passed by the Metropolitan Magistrate was dismissed. By the said orders, the Petitioner was sentenced to simple imprisonment for a period of six months. He was further directed to pay a fine of INR 2,45,000/-, out of which a sum of INR 2,40,000/- was to be paid to the Respondent as compensation and INR 5,000/- was to be deposited with DLSA South, Saket. In default of payment of fine, he was to undergo

¹ "Cr.P.C."



further simple imprisonment for a period of three months.

2. During the pendency of the present proceedings, the parties have resolved their disputes amicably before the Delhi High Court Mediation and Conciliation Centre and executed a Settlement Agreement dated 01st September, 2025³ whereby the Petitioner has agreed to pay the entire compensation amount of INR 2,40,000/- to the Respondent/Complainant. Pursuant thereto, an amount of INR 56,000/- has been electronically transferred by the Petitioner to the Respondent, the details of which are specified in the Settlement Agreement.

3. It is further agreed that the balance sum of INR 1,84,000/- lying deposited before the Trial Court, Saket shall be released in favour of the Respondent, thereby satisfying the claim in its entirety.

4. The Respondent, who has appeared through video conferencing confirms the terms of settlement. He has categorically stated that he has no objection to the compounding of the offence and consents to the proceedings being brought to a close.

5. The legal position on the issue of compounding of offences under 138 of NI Act is now well-settled. Section 147 of the Negotiable Instruments Act makes offences under Section 138 compoundable, notwithstanding any provisions to the contrary in Cr.P.C. The Supreme Court has consistently held that such compounding can be permitted at any stage of the proceedings, including after conviction.⁴ Given that the primary objective of the statute is the recovery of money rather than the punishment by

² “NI Act”

³ “the Agreement”

⁴ *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.



incarceration, the continuation of criminal proceedings after the grievance of the complainant has been addressed and the parties have reached a settlement would serve no meaningful purpose.

6. At the same time, 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. However, the Court also made it clear that these guidelines are flexible and may be relaxed in appropriate cases to serve the ends of justice. In the present case, this Court has taken into account the Petitioner's financial 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 cost of INR 7,500/- with the Delhi State Legal Services Authority within four weeks. The proof of payment be filed before the Trial Court.

7. 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. The amount of INR 1,84,000/- lying before the Trial Court, Saket shall be released to the Respondent forthwith, subject to due verification.

8. Pending application(s), if any, also stand disposed of.

SANJEEV NARULA, J

SEPTEMBER 8, 2025

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