

CRM-M-40421-2025
Date of decision: 31.07.2025

...PETITIONER

JAGDEV SINGH

...RESPONDENT

Present: Mr. Ashish Soi, Advocate for the petitioner.

1. The present petition under Section 528 of BNSS, 2023 has been filed for quashing of order dated 17.04.2025 (Annexure P-10) passed by Court of learned Additional Sessions Judge, Ludhiana in an appeal CRA No.416 of 2025 titled as '*Ravinder Singh vs. Jagdev Singh*' filed against the judgment of conviction and order of sentence dated 27.03.2025 passed by learned Judicial Magistrate Ist Class, Ludhiana in case bearing COMA No.28434 of 2019, whereby, sentence of the petitioner was suspended conditionally by imposing a condition to deposit 20% of the compensation amount within a period of one month.

2. The present complaint under Section 138 of the Negotiable Instruments Act, 1881 (hereinafter to be referred as N.I. Act) has been initiated by the complainant with the submissions that the complainant deals with the business of sale and purchase of cement on wholesale basis and the petitioner also used to purchase the same on credit basis. Thereafter, in discharge of his liability, he issued cheque bearing No.130942 dated 05.09.2019 of Rs.9,69,169/- drawn on Central Bank of India, Brown Road, Ludhiana in



favour of the complainant with the assurance that the cheque will be encashed upon its presentation. However, upon presentation, the said cheque was dishonoured with the remarks “Insufficient Funds” vide return memo dated 07.09.2019. Thereafter, the complainant got issued legal notice dated 18.09.2019 to the petitioner/accused, but he failed to pay the aforementioned amount. Hence, this complaint.

3. Vide judgment of conviction and order on quantum of sentence dated 27.03.2025 passed by learned Judicial Magistrate Ist Class, Ludhiana, the petitioner was convicted and sentenced to undergo simple imprisonment for a period of two years for commission of offence punishable under Section 138 of Negotiable Instruments Act and was further directed to pay compensation, equivalent to the cheque amount i.e. Rs.9,69,169/- to the complainant, along with default mechanism. Thereafter, the petitioner preferred an appeal against the said judgment of conviction and order of sentence before the learned Additional Sessions Judge, Ludhiana. The learned Appellate Court vide order dated 17.04.2025, suspended the sentence of the petitioner subject to depositing 20% of the compensation amount.

4. Learned counsel for the petitioner *inter alia* contends that the learned lower Appellate Court failed to appreciate the facts in the right perspective and imposed the condition to deposit 20% of the compensation amount and such a condition is illegal, arbitrary and in violation of the law as laid down by the Hon’ble Supreme Court in **Criminal Appeal Nos.2741 of 2023 (@ SLP(Crl.) Nos. 4927 of 2023 *Jamboo Bhandari vs. M.P. State Industrial Development Corporation Ltd. and others***, decided on 04.09.2023. Speaking through Justice Abhay S. Oka, it has been held as follows:-



“6. What is held by this Court is that a purposive interpretation should be made of Section 148 of the N.I. Act. Hence, normally, Appellate Court will be justified in imposing the condition of deposit as provided in Section 148. However, in a case where the Appellate Court is satisfied that the condition of deposit of 20% will be unjust or imposing such a condition will amount to deprivation of the right of appeal of the appellant, exception can be made for the reasons specifically recorded.

7. Therefore, when Appellate Court considers the prayer under Section 389 of the Cr.P.C. of an petitioner who has been convicted for offence under Section 138 of the N.I. Act, it is always open for the Appellate Court to consider whether it is an exceptional case which warrants grant of suspension of sentence without imposing the condition of deposit of 20% of the fine/compensation amount. As stated earlier, if the Appellate Court comes to the conclusion that it is an exceptional case, the reasons for coming to the said 4 conclusion must be recorded.”

5. Having heard learned counsel for the parties and after perusing the judgment passed in ***Jamboo Bhandari (supra)***, the lower Appellate Court was required to consider whether the present case falls in the exception or not. The impugned order dated 17.04.2025 (Annexure P-10) is hereby set aside to the extent of imposing the condition of depositing 20% of compensation amount. The learned first Appellate Court is directed to re-examine the case after granting an opportunity to the petitioner to make submissions regarding the exceptional circumstances and decide whether it is an appropriate case that warrants waiver of the requirement of deposit of 20% of the compensation awarded by learned trial Court.

6. The matter is remanded back to the learned lower Appellate Court



with a direction to decide the matter afresh in accordance with law in the light of judgment passed by the Hon'ble Supreme Court in ***Jamboo Bhandari's case (supra)***.

7. The petition is disposed of accordingly.

July 31, 2025
manisha

(HARPREET SINGH BRAR)
JUDGE

(i)	Whether speaking/reasoned	Yes/No
(ii)	Whether reportable	Yes/No