

CRR-947-2026

IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH
CRR-947-2026

JUDGEMENT RESERVED ON	JUDGEMENT PRONOUNCED ON	OPERATIVE PART PRONOUNCED OR FULL	UPLOADED ON
12.05.2026	19.05.2026	FULL PRONOUNCED	19.05.2026

Sukhwinder Singh ... Petitioner

VS.

Gurmukh Singh ... Respondent

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA

Present: Mr. Umesh Aggarwal, Advocate
for the petitioner.

Ms. Samarpreet Kaur, Advocate (Through VC)
for the respondent.

ANOOP CHITKARA, J.

Complaint Case No.	NACT/1072/2020 CNR No.PBAS030039892020 Decided on: 03.10.2024
Names of accused/ convicts/ appellant	Sukhwinder Singh
Conviction under sections	138 of Negotiable Instruments Act
Sentence imposed	SI for 01 year and to pay compensation equivalent to the cheque amount along with simple interest @ 9% p.a.

Criminal Appeal No.	CRA/306/2024 CNR No.PBAS010183962024
Date of decision	11.03.2026

1. Challenging the judgment of conviction/order of sentence dated Oct 03, 2024, passed by the Judicial Magistrate, Ist Class, Amritsar, whereby the petitioner was convicted under Section 138 of Negotiable Instruments Act and sentenced to undergo simple imprisonment for one year and to pay compensation to the equivalent cheque amount along with interest @ 9% p.a., affirmed by the Court of Sessions, Amritsar and dismissed the appeal vide

CRR-947-2026

judgment dated 11.03.2026, the petitioner has come up before this Court by filing the present criminal revision petition.

2. Vide order dated April 16, 2026, this Court had suspended the sentence of the petitioner, subject to his depositing 50% of the compensation amount before the trial court by April 27, 2026.

3. The petitioner's Counsel has handed over a photocopy of the receipt acknowledging payment of fine dated April 21, 2026, in which a sum of Rs. 2,50,000/- was deposited in the court of Judicial Magistrate, First Class, Amritsar.

4. On May 04, 2026, when the respondent had put an appearance before this Court, a request was made that the amount deposited by the petitioner before the trial Court be released in favor of the respondent, and the matter was adjourned to 12.05.2026. On 12.05.2026, Counsel for the petitioner submits that the cheque amount was Rs.5,00,000/- and petitioner was directed to pay the compensation amount equivalent to cheque amount with interest @ 9% p.a. Counsel further submits that out of compensation amount, some amount has already been deposited and additionally the petitioner is in custody in the present case for 01 month & 07 days and he is not in financial capacity to pay balance amount and he would confine his submissions for reduction of sentence to that of already undergone.

5. The issue before this Court is the power of the Trial Court to impose interest on compensation.

6. It shall be appropriate to refer to Section 138 of the Negotiable Instruments Act, which reads as follows

138. Dishonour of cheque for insufficiency, etc., of funds in the account.—

Where any cheque drawn by a person on an account maintained by him with a banker for payment of any amount of money to another person from out of that account for the discharge, in whole or in part, of any debt or other liability, is returned by the bank unpaid, either because of the amount of money standing to the credit of that account is insufficient to honour the cheque or that it exceeds the amount arranged to be paid from that account by an agreement made with that bank, such person shall be deemed to have committed an offence and shall, without prejudice to any other provision of this Act, be punished with imprisonment for 4[a term which may be extended to two years'], or with fine which may extend to twice the amount of the cheque, or with both:

Provided that nothing contained in this section shall apply unless—

(a) the cheque has been presented to the bank within a period of six months from the date on which it is drawn or within the period of its validity, whichever is earlier;

(b) the payee or the holder in due course of the cheque, as the case may be, makes a demand for the payment of the said amount of money by giving a notice, in writing, to the drawer of the cheque, 5[within thirty days] of the receipt of information by him from the bank regarding the return of the cheque as unpaid; and

(c) the drawer of such cheque fails to make the payment of the said amount of money to the payee or, as the case may be, to the holder in due course of the cheque, within fifteen days of the receipt of the said notice.
Explanation.—For the purposes of this section, “debt of other liability” means a legally enforceable debt or other liability.

7. A perusal of Section 138 of NIA clearly points out that the sentence prescribed is imprisonment, which can be extended to 02 years or with a fine, which may extend to twice the amount of the cheque, or with both. The statute does not provide for the imposition of interest. Thus, the portion of the judgment whereby the learned trial judge had imposed 9 % of interest and which portion was upheld by the Sessions Court, is quashed and set aside because it is beyond and more than the legislative intention mentioned under Section 138 of the Negotiable Instruments Act.

8. As per the judgment passed by the trial Court, the cheque amount was Rs. 5,00,000/-

9. As per the judgment passed by the trial Court, the sentence, fine, and compensation amount awarded in favor of the complainant and against the accused petitioner are as follows:

SENTENCE AWARDED BY THE TRIAL COURT		
Sentence of Imprisonment	Compensation Amount/ Fine Amount	Default imprisonment in case of non-payment of compensation/fine
SI for one year	Rs.5,00,000/-	SI for 03 months

10. In the appeal filed by the accused/convict, the conviction, sentence, and compensation were upheld.

11. As per the custody certificate dated 03.05.2026, in the present complaint, the petitioner has undergone custody of 01 month & 07 days.

12. The per-day imprisonment for the fine/compensation amount comes to:

PER-DAY IMPRISONMENT FOR THE FINE/COMPENSATION AMOUNT				
A	B	C	D	E
FINE + COMPENSATION AMOUNT IMPOSED	AMOUNT DEPOSITED	AMOUNT OUTSTANDING	CUSTODY AS OF DATE	FINE + COMPENSATION AMOUNT PROPORTIONATE TO PER DAY CUSTODY [C÷D=E]
Rs. 5,00,000/-	Rs.2,50,000/-	Rs. 2,50,000/-	39 days	Rs. 6410/- approx.

13. The above calculation indicates that the convict compromised his liberty for the non-payment of money, which comes to a meager amount of Rs. 6,410/- approximately every day.

CRR-947-2026

14. Given the cheque amount, compensation awarded, and the sentence already undergone, the ends of justice shall be met if the sentence is reduced to the already undergone.
15. The petition is partly allowed to the extent that although the conviction is maintained and upheld, the sentence of substantive imprisonment is reduced to what the petitioner has already undergone.
16. The compensation/fine amount already deposited or hereinafter deposited, along with interest accrued on the deposited amount, if any, less taxes, if any, shall be released in favor of the complainant, by transferring to the complainant’s bank account in which the complainant is the sole holder.
17. The personal bail bonds and surety bonds are discharged.
18. Petition is partly allowed to the extent mentioned above. Pending applications, if any, stand disposed of.

(ANOOP CHITKARA)
JUDGE

May 19, 2026
Anju Rani

Whether speaking/reasoned	YES
Whether reportable	YES