

CRR-941-2026 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CRR-941-2026 (O&M)

Lovely Tagra alias Lovely KumarPetitioner(s).

Versus

State of Haryana & anotherRespondent(s).

Judgment reserved on	Judgment pronounced on	Operative Part Pronounced or full	Uploaded on
27.04.2026	07.05.2026	Fully pronounced	07.05.2026

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA

Present: Mr. Pradeep Bhardwaj, Advocate for
Mr. Karan Duggal, Advocate
for the petitioner(s).

Mr. Shiva Khurmi, DAG, Haryana.

Mr. Saurabh Sharma, Advocate
for respondent no.2.

ANOOP CHITKARA, J.

Criminal Complaint	CNR No.HRSI03006236-2016 CIS No.572 of 2016 Date of decision:18.11.2021
Criminal Appeal	CNR No.HRSI01011137-2021 CIS No.CRA No.139 of 2021 Date of decision: 18.03.2026

Convict's name	Penal provision	Sentence
Lovely Tagra	Section 138 of the Negotiable Instruments Act, 1881	Simple imprisonment for two years and to pay compensation of Rs.11,00,000/- to the complainant and in default, to further undergo simple imprisonment for one month.

1. The petitioner, who stands convicted for the commission of offence punishable under Section 138 of the Negotiable Instruments Act, 1881, (NIA), after

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dismissal of his appeal by the Appellate Court, has come up before this Court under Section 442 of the Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023 for setting aside of impugned judgments and orders passed by the trial Court and the appellate Court, mentioned above.

2. The petitioner faced criminal prosecution at the hands of the private respondent because of dishonor of the cheque(s) in question. Thus, the State not being a necessary party in this revision petition, has already been deleted from the array of parties.

3. During the course of arguments, counsel for the petitioner submitted that the matter has been amicably settled between the parties and the entire outstanding amount has been paid to the respondent-complainant, and now, nothing remains due or payable. It was also contended that the petitioner is first offender and sole bread-winner of his family and therefore, he is not in a position to deposit 15% of the cheque amount, as directed in **Damodar S. Prabhu v. Sayed Babalal H.** (2010) 5 SCC 663.

5. On the other hand, counsel for respondent no.2-complainant submitted that he has instructions to submit that respondent no.2-complainant has no objection if the amount of costs, as directed in **Damodar S. Prabhu** (*Supra*), are reduced/waived off.

6. The jurisprudence underlying the *Negotiable Instruments Act, 1881*, is that commercial transactions must be honored. The legislative intent is not to subject people to incarceration merely because their cheques have been dishonored. The object of such proceedings is primarily to secure recovery of the cheque amount by invoking the deterrent effect of a penal provision. In view of the judgment of the Hon'ble Supreme Court in **Damodar S. Prabhu** (*Supra*), it is well settled that where the entire amount has been paid, the complainant ordinarily cannot object to compounding of the offense, though 15% of the cheque amount is to be deposited by the accused with the concerned State Legal Services Authority. The relevant extract from the said judgment reads as follows:

[17]. "...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."

7. Given above, since the matter has been settled between the parties, this is a fit case where the inherent jurisdiction of the High Court under Section 442 of the BNSS, supported by Section 147 of the NIA, is invoked to disrupt the prosecution and quash the proceedings mentioned above. The complaint, notice of accusation, and the proceedings captioned above are quashed and set aside. The petitioner is acquitted of the charges, and he is also exempted from payment of 15% of the cheque amount, as per the judgment of the Apex Court in **Damodar S. Prabhu** (*Supra*). However, he shall deposit a lump sum

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amount of Rs.20,000/- with the Haryana State Legal Services Authority within a month from today. The bail bonds are accordingly discharged.

The Revision Petition is allowed, in the terms mentioned above. All pending applications, if any, stand closed.

07.05.2026
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(ANOOP CHITKARA)
JUDGE

Whether speaking/reasoned	:	Yes
Whether reportable	:	No