

CRR-1269-2026 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CRR-1269-2026 (O&M)

Gurdip SinghPetitioner(s).

Versus

Amit Kumar Mittal & anotherRespondent(s).

Judgment reserved on	Judgment pronounced on	Operative Part Pronounced or full	Uploaded on
26.05.2026	<u>27.05.2026</u>	Fully pronounced	<u>27.05.2026</u>

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA,

Present: Mr. Manjinder Singh Saini, Advocate
for the petitioner(s).

Mr. Jaskamal Singh Grewal, Advocate
for respondent no.1.

Ms. Pooja Nayar Sharma, DAG, Punjab.

ANOOP CHITKARA, J.

Criminal Complaint	CNR No.PBSA03004610-2021 NACT-726-2021 Date of decision: 14.05.2024
Criminal Appeal	CNR No.PBSA01-004726-2024 CRA/137/2024 Date of decision: 15.04.2026

Convict's name	Penal provision	Sentence
Gurdip Singh	Section 138 of the Negotiable Instruments Act, 1881	Rigorous imprisonment for one year and to pay compensation of Rs.7,00,000/- to the complainant and in default, to undergo further RI for two months.

1. This revision petition has arisen out of judgment dated 15.04.2026 passed by Additional Sessions Judge, SAS Nagar (Mohali), vide which the judgment of conviction and order of sentence dated 14.05.2024 passed by Judicial Magistrate Ist

CRR-1269-2026 (O&M)

Class, SAS Nagar, have been upheld, whereby the petitioner-accused was held guilty for offence under Section 138 of Negotiable Instruments Act, 1881 and was convicted and sentenced, as stated above.

2. The petitioner faced criminal prosecution at the hands of the private respondent because of dishonor of the cheque(s) in question. Thus, no notice was issued to the State, not being a necessary party in this revision petition.

3. During the pendency of present revision petition, the petitioner has moved CRM-23613-2026 under Section 359 BNSS read with Section 528 BNSS for compounding of offences, as the parties have settled the matter, as per compromise deed dated 01.04.2026. Since the main revision petition is being decided, no orders are required to be passed in the said application.

4. Counsel for the petitioner submitted that the cheque amount in the present case is Rs.5,00,000/-, whereas the trial Court apart from convicting and sentencing the petitioner to undergo RI for one year, has ordered the petitioner-convict to pay compensation of Rs.7,00,000/- to the respondent-complainant. At the time of filing appeal before the appellate Court, the petitioner had deposited a sum of Rs.1,00,000/- before the trial Court, being 20% of the cheque amount. However, during the pendency of present revision petition, both the parties have settled the matter for a full and final settlement of Rs.5,50,000/-, out of which, the petitioner has paid Rs.4,50,000/- by way of demand draft, whereas the remaining amount of Rs.1,00,000/- shall be got released by the respondent-complainant by filing an appropriate application before the trial Court, to which the petitioner shall have no objection. Thus, the matter stands settled between the parties and the entire settled amount has been paid to the respondent-complainant and now, nothing is due and therefore, he prayed for acceptance of the revision petition. It was also contended that the petitioner is a poor person and is 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. However, he will pay a sum of Rs.5,000/- on or before

30.06.2026.

5. Counsel for respondent-complainant does not dispute the fact that the matter stands settled between the parties and the amount due from the petitioner has been received. He has no objection if the present revision petition is allowed and the petitioner-convict is acquitted in this case.

6. I have heard counsel for the petitioner and have perused the relevant material placed on record.

7. The jurisprudence underlying the *Negotiable Instruments Act, 1881* is that commercial transactions must be honoured. The legislative intent is not to subject persons to incarceration merely because their cheques have been dishonoured. 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 v. Sayed Babalal H.*, (2010) 5 SCC 663, it is well settled that where the entire amount has been paid, the complainant ordinarily cannot object to compounding of the offence, 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 under:

[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."

8 Given the facts and circumstances of the case, this is a fit case for invoking the inherent jurisdiction of the High Court under Sections 442 of the BNSS, read with Section 147 of the N.I. Act, to bring an end to the prosecution and quash the proceedings in question. Accordingly, the complaint, notice of accusation, and all consequential proceedings arising therefrom are hereby quashed and set aside. However, in view of the judgment of the Hon'ble Supreme Court in *Damodar S. Prabhu v. Sayed Babalal H.* (*supra*), an amount of Rs.5,00,000/-, being 15% of the cheque amount of Rs.75,000/-, would ordinarily be payable by the petitioner with the concerned Legal Services Authority.

CRR-1269-2026 (O&M)

Nevertheless, considering the financial condition of the petitioner, he is directed to deposit a sum of Rs.5,000/- with the Punjab State Legal Services Authority on or before 30.06.2026. The bail bonds, if any, stand discharged accordingly.

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

27.05.2026
Ak

(ANOOP CHITKARA)
JUDGE

Whether speaking/reasoned	:	Yes
Whether reportable	:	No