

CRR-1872-2024 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

CRR-1872-2024 (O&M)

LalitaPetitioner(s).

Versus

Nand Lal GoyalRespondent(s).

Judgment reserved on	Judgment pronounced on	Operative Part Pronounced or full	Uploaded on
24.04.2026	<u>06</u> .05.2026	Fully pronounced	<u>06</u> .05.2026

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA,

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

Ms. Prabhjit Kaur, Advocate for
Ms. Pushpinder Kaur, Advocate
for the respondent.

Respondent in person.

ANOOP CHITKARA, J.

Criminal Complaint	CNR No.HRKH03-000367/2018 CIS No.80 of 2018 Case No.204 of 2018 Date of decision: 14.12.2021
Criminal Appeal	CNR No.HRKH010004372022 CIS No.CRA No.5 of 2022 Date of decision: 02.07.2024

Convict's name	Penal provision	Sentence
Lalita	Section 138 of the Negotiable Instruments Act, 1881	Simple imprisonment for six months and to pay compensation of Rs.4,50,000/- to the complainant.

1. This revision petition has arisen out of judgment dated 02.07.2024 passed by Additional Sessions Judge, Kaithal, vide which the judgment of conviction and order of sentence dated 14.12.2021 passed by Judicial Magistrate Ist Class, Kaithal,

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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. Counsel for the petitioner submitted that the petitioner has complied with the terms of the settlement arrived at between the parties and has paid the entire due amount to the respondent and therefore, he prayed for compounding of offence under Section 138 of the Negotiable Instruments, Act, 1881 and acceptance of the revision petition. It was also contended that the petitioner has two children and whole responsibility of her family lies upon her, as her husband usually remains ill; and, therefore, she 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.

3. Counsel for the respondent-complainant has submitted that the respondent is also present in Court and she has instructions to submit that pursuant to settlement between the parties, the respondent-complainant has received the entire due amount and therefore, she has no objection to compounding of offence under Section 138 of N.I. Act and acceptance of the revision petition.

4. I have heard counsel for the parties and have perused the relevant material placed on record.

5. The respondent-complainant is stated to have received the entire due amount and nothing remains to be paid and she has no objection in case the present revision petition is allowed and the petitioner-convict is acquitted in this case.

6. 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:

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[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 the facts and circumstances of the case, this is a fit case for invoking the inherent jurisdiction of the High Court under Sections 438/442 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.67,500/-, being 15% of the cheque amount of Rs.4,50,000/-, would ordinarily be payable by the petitioner with the concerned Legal Services Authority. Nevertheless, considering the financial condition of the petitioner, she is directed to deposit a sum of Rs.20,000/- with the Haryana State Legal Services Authority within a period of one month from today. 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.

(ANOOP CHITKARA)
JUDGE

06.05.2026
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Whether speaking/reasoned	:	Yes
Whether reportable	:	No