

CRR-3070-2025 (O&M)

IN THE HIGH COURT OF PUNJAB & HARYANA

103+211

AT CHANDIGARH

CRR-3070-2025 (O&M)

Decided on: 19.05.2026

Amar Nath

... Petitioner

VS.

The Nawanshahr Central Cooperative Bank Limited and another

... Respondents

CORAM: HON'BLE MR. JUSTICE ANOOP CHITKARA

Present: Mr. R.D. Rattewal, Advocate
for the petitioner.

Mr. Ashwani Prashar, Advocate
for the respondent.

ANOOP CHITKARA, J.

Complaint Case No.	CNR No.PBS-BO3-000890-2015 CIS No.NACT-245/15 Decided on: 30.10.2019
Names of accused/ convicts/ appellant	Amar Nath
Conviction under sections	138 of Negotiable Instruments Act
Sentence imposed	RI for 01 year and to pay compensation equivalent to the cheque amount along with interest @ 9% p.a.

Criminal Appeal No.	CIS No.CRA/205/2019 CNR No.PBSB-0100-4750-2019
Date of decision	10.11.2025

1. Challenging the judgment of conviction/order of sentence dated October 30, 2019, passed by the Chief Judicial Magistrate, Shaheed Bhagat Singh Nagar, whereby the petitioner was convicted under Section 138 of Negotiable Instruments Act and sentenced to undergo rigorous 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, Shaheed Bhagat Singh Nagar and dismissed the appeal vide judgment dated 10.11.2025, the petitioner has come up before this Court by filing the present criminal revision petition.

2. Counsel for the convict submits that they have deposited a sum of Rs.4,24,553/-. He

CRR-3070-2025 (O&M)

further submits that however he has filed an application for suspension of sentence (CRM-19666-2026), but he would be contented and satisfied if the sentence is reduced to the sentence already undergone by the petitioner i.e. 01 month & 03 days as per custody certificate dated 18.05.2026.

3. Counsel appearing for the respondent-Bank also acknowledges the receipt of Rs.4,24,500/- and submits that now the outstanding amount is Rs. 21,873/-. He further submits that if this Court reduces the sentence to the sentence already undergone, the remaining compensation should be enhanced atleast to Rs.2 lacs.

4. Petitioner's counsel submits that Rs.2 lacs is too high and the same be fixed as Rs.75,000/-.

5. After interacting with the Court, parties agreed to enhancement of remaining compensation to Rs.1 lac.

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

7. 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, s[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.

8. 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

CRR-3070-2025 (O&M)

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.

9. As per the judgment passed by the trial Court, the cheque amount was Rs. 4,46,373/-

10. 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
RI for one year	Rs.4,46,373/-	---

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

12. As per the custody certificate dated 18.05.2026, in the present complaint, the petitioner has undergone custody of 01 month & 03 days.

13. 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. 4,46,373/-	Rs.4,24,500/-	Rs. 21,873/-	34 days	Rs. 643/- approx.

14. The above calculation indicates that the convict compromised his liberty for the non-payment of money, which comes to a meager amount of Rs. 643/- approximately every day.

15. Given the cheque amount, compensation awarded, and the sentence already undergone, the ends of justice shall be met if the sentence is reduced to that already undergone by the convict.

16. 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; and the compensation is enhanced by Rs. 1,00,000/-, from Rs. 4,46,373/- to Rs. 5,46,373/-.

CRR-3070-2025 (O&M)

17. 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.
18. The petitioner who is in custody in the present case shall be released forthwith, provided the petitioner is not lodged in custody in any other case.
19. The Registry shall prepare release warrants either themselves or immediately send a communication to the concerned trial Court for the preparation of the release warrants. Consequently, CRM 19666 of 2026 has rendered infructuous and stands disposed of.
20. 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; and the compensation is enhanced to Rs.1,00,000/-. Pending applications, if any, stand disposed of.

(ANOOP CHITKARA)
JUDGE

May 19, 2026
Anju Rani

Whether speaking/reasoned	YES
Whether reportable	YES