CNR No. PBJL030209152022 **Case No. NACT/20142/2022**

Presented on : 21-05-2022
Registered on : 21-05-2022
Decided on : 22.07.2026

IN THE COURT OF SHIMPA RANI, PCS,
JUDICIAL MAGISTRATE IST CLAS S, JALANDHAR,
UID PB-00602

CNR No. **PBJL030209152022**
Case No. NACT/20142/2022
Date of Decision: 22.07.2026

M/s PKF Finance Ltd., Balbir Tower, Namdev Chowk, GT Road, Jalandhar through Sh. Ashwani Mahajan, Management Executive (Legal Officer), its Authorized representative.

.......Complainant

Versus

Lakhvir Singh son of Sham Singh H.No.193, VPO Bhinder Kalan Tehsil Dharamkot, District Moga 142041.

.......Accused

Complaint under Section 138 of the Negotiable Instruments Act

Present: Sh. TPS Kalra, Advocate counsel for complainant.
Accused on bail with counsel Sh. Sukhvir Thind, Advocate.

JUDGMENT

1. Sans unessentials, the facts of the case as envisaged in the complaint, on the dint of which the complainant aspires to secure the conviction of the accused are that Complainant is a Limited company registered with the Registrar of Companies, Punjab incorporated in the year 1994 and is duly registered with Reserve Bank of India as Category ‘A’ Asset Finance Company (NBFC) and the primary business of the company is financing of commercial vehicles, earth moving and medical equipment

etc. under the name and style of M/s PKF Finance Ltd. The company accepts public deposits under RBI guidelines for conduct of its business. It is submitted that one Swaran Singh son of Lakhbir Singh and Sukhwinder Singh son of Harjeet Singh approached the complainant Company for advance of loan for purchase of Machinery Tata Hitachi EX-200 Hydraulic Excavator, Model 2011, Serial Number 2001-12543. It is further submitted that the loan was sanctioned and the loan agreement executed on 26.09.2017 between the borrower / accused and the complainant Company wherein it was agreed that the borrower shall be liable to pay the entire loan amount to the tune of Rs.21,62,400/- inclusive of interest and three payable insurances in 48 monthly installments as per 'Amended Repayment Schedule' of the loan agreement (after granting moratorium). It is further submitted that each monthly installment was to be paid on 24th day of each month except for first installment starting from 26.09.2017 & in case of delayed payment, it was agreed upon that overdue charge @ 3% p.m. compounding monthly on delayed payment shall be charged. It is further submitted that the borrower / accused, after execution of loan agreement started to make the payment of installments to the complainant company but after paying some of the installments failed to make the payment as per terms and conditions of the loan agreement. It is further submitted that thereafter, the accused Lakhvir Singh son of Sham Singh to discharge his financial and legal liability being Guarantor issued a cheque bearing No.435170 dated 19.01.2022 of Rs.6,50,000/- to clear overdue account in favour of the complainant company drawn on Punjab National Bank, Dharamkot, Ferozepur. It is further submitted that on believing the assurance of accused, the complainant presented the said cheque to his banker i.e. Punjab National Bank, GT Road, Jalandhar, but the same was returned unpaid with cheque returning memo dated 30.03.2022 with endorsement "**Funds Insufficient**". It is further submitted that complainant apprised the accused about the dishonoring of cheque and requested him to make payment of Rs.6,50,000/- but to no avail. It is further submitted as per provisions of Section 138 of Negotiable Instruments Act, a registered legal notice dated 18.04.2022 for demand was sent to accused at his residence but the accused failed to pay the amount of Rs.6,50,000/- within 15 days. It is further submitted that by this illegal and malafide action / design, the accused has rendered himself liable to be prosecuted for the criminal offence committed by him under Section 138 of NI Act, as amended upto date. Hence, the present complaint.

2. Vide order dated 21.05.2022 the **accused was summoned** by Ld. Predecessor Court to face trial under section 138 of The Negotiable Instrument Act 1881.

3. On appearance of the accused, **notice of accusation was served upon him under section 138** of The Negotiable Instruments Act, 1881 and the complainant was called upon to lead evidence.

4. **In its post notice evidence, the complainant firstly examined Kartar Singh, Section Officer as CW1 who was substituted by Sh. Dheeraj Kumar Bhagat vide order dated 11.07.2023 and again vide order dated 25.08.2023, Sh. Ashwani Mahajan was substituted in place of Dheeraj Kumar Bhagat. Complainant examined CW1 Ashwani Mahajan, Management Executive (Legal Officer)**, who tendered into evidence his duly

sworn affidavit Ex. CW1/A. He has also placed reliance upon the following documents in his evidence: -

1. Copy of Resolutions Ex.C1 to Ex.C3.
2. Copy of Certificate of Incorporation of Company Ex.C4,
3. Certified copy of Loan/Hypothecation agreement Ex.C5,
4. Copy of loan Account Statement Ex.C6,
5. Original Cheque Ex.C7,
6. Original Bank Memo Ex.C8,
7. Copy of Registered Legal Notice Ex.C9,
8. Original Postal Receipt Ex.C10

5. After the conclusion of the evidence of the complainant, statement of accused was recorded **under section 313 of Cr.P.C.** putting to him the entire incriminating evidence on record to which he pleaded not guilty and claimed innocence. It is pleaded by the accused that he is innocent and has been falsely implicated in the present case. It is further submitted that the accused financed one JCB and other vehicles from the complainant company in year 2010 and the complainant company had taken the blank signed cheques in question from him. He further submitted that he repaid the loan taken against JCB in year 2010 but the complainant company had not returned the cheque in question to him. He further submitted that he never stood as guarantor in the present case and the complainant company filled the cheque in question himself which was taken in year 2010 and misused the same in order to falsely implicate him in the present case. He further submitted that the complaint is totally false and baseless which is liable to be dismissed.

6. In his defence, accused examined DW1 Kuldeep Singh son of Gian Singh. The said witness was duly cross-examined. Thereafter, accused closed his defence evidence.

7. After hearing learned counsels for the complainant & accused and going through the matter on record, the Court frames the following point for determination: -

> ***(A) whether the complainant has been able to prove beyond reasonable doubt that accused had committed an offence punishable under section 138 of the Negotiable Instruments Act 1881 (herein after referred as ' Act')?***
>
> ***<u>POINT FOR DETERMINATION (A)</u>***

8. In the present case the accused has been facing trial U/S 138 of Negotiable Instrument Act, on the allegations that the accused stood as guarantor for borrower Swarn Singh who has availed loan facility to the tune of Rs.21,62,400/- from the complainant company against Machinery TATA Hitachi EX-200 Hydraulic Excavator, Model 2011 as detailed above and executed the necessary loan documents in this regard including the loan agreement. It is further submitted that accused being guarantor of borrower Swarn Singh in discharge of his financial and legal liability towards the complainant, had issued the above said cheque Ex.C7 which was subsequently dishonoured with remarks of **"Funds Insufficient"** through memo Ex.C8 upon which legal notice Ex.C9 was served upon the accused but he failed to make the payment. At the outset it would be apposite to note the provisions of Section 138 Negotiable Instruments Act which lays down

essential ingredients which are to be satisfied for making out a case under it :-

> 1. Issuance of cheque by accused in favour of the complainant **for existing liability.**
> 2. Presentation of cheque within 3 months of date of issuance or within period of its validity.
> 3. Dishonoring of cheque due to **Funds Insufficient** *or that it exceeds the amount arranged to be paid from that account.*
> 4. Issuance of demand notice within 30 days of receiving of intimation from bank regarding dishonoring of cheque.
> 5. Non-payment of cheque amount within 15 days of receiving of that legal notice.
> 6. Filing of complaint within one month after completion of 15 days of receiving of legal notice.

9. Before proceeding ahead, it is noteworthy that the Act raised two presumptions; one contained in Section 118 of the Act and others in Section 139 thereof. Section 118(a) reads as under:

> ...a) of consideration: - that every negotiable instrument was made or drawn for consideration, and that every such instrument, when it has been accepted, endorsed, negotiated or transferred, was accepted, endorsed negotiated or transferred for consideration.

10. Under section 139 of Negotiable Instruments Act there is presumption that every Negotiable Instrument has been drawn for consideration. This presumption can be rebutted in certain circumstances and the burden of proving that a cheque had not been issued for a debt or liability is on the accused. Reliance can be placed upon "***Hiten P. Dalal Vs. Bratindranath Banerjee, 2001(3) RCR(Crl.) 460 SC: 2001(6) SCC 16***"

wherein the Hon'ble Apex Court laid down the above discussed legal position. Further **Hon'ble Supreme Court of India in Rangappa Vs. Sri Mohan, (2010) 11 SCC 441** has discussed the law in detail. The Hon'ble Supreme Court has held as under:

> "*14. In light of these extracts, we are in agreement with the respondent claimant that the presumption mandated by Section 139 of the Act does indeed include the existence of a legally enforceable debt or liability. To that extent,* ***observations in Krishna Janardhan Bhat (Supra)*** *may not be correct. However, this does not in any way cast doubt on the correctness of the decision in that case since it was based on the specific facts and circumstances therein. As noted in the citations, this is of course in the nature of a rebuttable presumption and it is open to the accused to raise a defence wherein the existence of a legally enforceable debt or liability can be contested. However, there can be no doubt that there is initial presumption which favours the complainant. Section 139 of the Act is an example of a reverse onus clause that has been included in furtherance of the legislative objective of improving the credibility of negotiable instruments. While Section 138 of the Act specifies a strong criminal remedy in relation to the dishonour of cheques, the rebuttable presumption under section 139 is a device to prevent undue delay in the course of litigation. However, it must be remembered that the offence made punishable by Section 138 can be better described as a regulatory offence since the bouncing of cheque is largely in the nature of a civil wrong whose impact is usually confined to the private parties involved in commercial transactions. In such a scenario, the test of proportionality and interpretation of reverse onus clauses and the accused/defendant cannot be expected to discharge an unduly high standard of proof. In the absence of compelling*

justifications, reverse onus clauses usually impose an evidentiary burden and not a persuasive burden. Keeping this in view, it is a settled position that when an accused has to rebut the presumption ***under Section 139,*** *the standard of proof for doing so is that of 'preponderance of probabilities. Therefore, if the accused is able to raise a probable defence which creates doubts about the existence of a legally enforceable debt or liability, the prosecution can fail. As clarified in the citations, the accused can rely on the materials submitted by the complainant in order to raise such a defence and it is conceivable that in some cases the accused may not need to adduce evidence of his/her own."*

Thus, it has been settled that there is a presumption in favour of the complainant and against the accused, that the cheque was issued for consideration. However, the presumption is rebuttable. The accused can prove that the cheque was not issued for consideration and that the accused did not have any liability to pay the amount. It has also been held that the accused need not lead evidence in support of his defence. He can prove it on the balance of probabilities by showing the contradictions in the material produced by the complainant.

11. In its drive to establish the alleged culpability of the accused, complainant **predominantly banks upon the presumption so housed under section 139 of the Act.** Now it is to be seen that whether in the instant case the accused has been able to rebut this presumption or not and whether the offence against the accused could be proved on record beyond reasonable doubt. In order to prove the guilt of the accused, the complainant examined its Management Executive (legal Officer) Ashwani Mahajan **as CW-1** who had reiterated the assertions contained in the complaint in substantial terms.

The accused stood as guarantor for the borrower who had availed loan facility from the complainant company against Machinery TATA Hitachi EX-200 Hydraulic Excavator, Model 2011 as detailed above and executed the necessary loan documents in this regard including the loan agreement. In discharge of legal liability of accused as guarantor, accused issued a cheque of Rs.6,50,000/- i.e. Ex.C7 and agreed to repay the same, but when the said cheque was presented for encashment, the same stood dishonored vide bank memo Ex.C8 with the remarks **"Funds Insufficient"**. Consequently, a notice of demand Ex.C9 was issued by the complainant upon the accused vide postal receipt Ex. C10 but the accused failed to pay the demanded amount.

Recounting the entire string of projected events, learned counsel for the complainant has argued that the presumption so embodied under Section 139 of the Act stood invoked to the hilt and resultantly it was to be presumed by the Court that the complainant had received the cheque in **question from the accused in furtherance to the discharge of legal liability of the accused.**

12. Having recounted the entire gamut of the version and the corresponding evidence so adduced by the complainant, the Court engages with the arguments so raised by learned counsel for the accused essentially aimed at dislodging the presumption envisaged under Section 139 of the Act. It has been argued by Ld. Counsel for accused that the accused has never stood as a guarantor in the present loan agreement. Hence, he has no liability towards the complainant company. The learned Defence counsel also placed on record Certified copy of judgment in case titled as 'M/s Punjab Kashmir Finance Ltd., Vs Sukhwinder Singh' in NACT-612-2021 decided on

06.01.2026 by the learned Predecessor of this Court to prove that Sukhwinder Singh is the borrower in the present case. But this court is of the view that these arguments are not maintainable. It is an admitted fact that Sukhwinder Singh is the borrower in the present case and the present accused is the guarantor in the present loan transaction. In order to prove the standing liability of the accused, the complainant has produced Copy of loan agreement along with duly certified account statement as Ex.C5 and Ex.C6 respectively. Perusal of these documents reveal that the accused stood as a guarantor of the borrower. It is also pertinent to mention here that during cross-examination, CW-1 has corroborated his stance and stated that the accused is the guarantor of Sukhwinder Singh who is the borrower in the present loan. No evidence has been led to falsify the entries contained in these documents nor to prove that these documents are forged and fabricated. Accused has failed to prove that loan agreement does not bear his signatures. As such, the complainant has proved the standing legal liability of the accused as well as the fact that the accused is the guarantor in the present loan agreement and that the cheque amount was due against the borrower at the time of presentation of cheque. Moreover, it is admitted fact that the complainant company has also filed separate litigation against the borrower. Further it is nowhere proved by the accused that loan amount has already been paid and nothing is due against the company. Moreover, as per provisions of section 139 of The Negotiable Instrument Act, it shall be presumed, unless the contrary is proved, that the holder of a cheque received the cheque, of the nature referred to in section 138, for the discharge, in whole or in part, of any debt or other liability. So, when issuance of cheque has been proved on record, it was for accused to rebut the presumption of consideration attached with cheque, but he failed to do so. Further, reference can be made to judgment of Hon' ble Apex Court in **Rangappa Vs. Mohan AIR 2010 SC 1898**, "in which it is held that, Once the cheque relates to the account of accused and he accept and admit the signature on the said cheque, then initial presumption as contained under section 139 of the Negotiable Instrument Act has to be raised by the court in favour of complainant". Similar view was taken by Hon'ble Supreme Court in case **Rohitbhai Jivanlal Patel Vs State of Gujrat 2019(2) 001 SC.** So, mere denial of issuance of cheque is not sufficient to rebut the presumption.

13. **Further, it is pleaded by the accused** <u>in his plea taken in the statement recorded under Section 313 of Cr.P.C</u> that he is innocent and has been falsely implicated in the present case. It is further submitted that the accused financed one JCB and other vehicles from the complainant company in year 2010 and the complainant company had taken the blank signed cheques in question from him. He further submitted that he repaid the loan taken against JCB in year 2010 but the complainant company had not returned the cheque in question to him. He further submitted that he never stood as guarantor in the present case and the complainant company filled the cheque in question himself which was taken in year 2010 and misused the same in order to falsely implicate him in the present case. He further submitted that the complaint is totally false and baseless which is liable to be dismissed. But, the accused has failed to lead any evidence to prove his assertions. He failed to prove that the loan documents are forged or fabricated and that the loan agreement does not bear his signatures. Further,

he failed to examine any Handwriting and Finger Print Expert to prove that the cheque in question and the loan agreement do not contain his signatures.

But, in order to prove his case, he has examined DW1 Kuldeep Singh who deposed that Lakhvir Singh obtained loan against JCB which was repaid by him and he stood as witness in the said loan. He further deposed that at the time of sanctioning of abovesaid loan against JCB, the Punjab Kashmir Finance Company took blank signed security cheque of Punjab National Bank from the accused in his presence. He further deposed that he also visited the complainant company along with the accused and requested them to return the blank signed cheques. He deposed that he has seen the original cheque, Ex.C7 which was taken by complainant company at the time of sanctioning of loan against JCB. He further deposed that accused never stood as guarantor for Swaran Singh. But in his cross-examination, he has deposed that he does not know the cheque number of Ex.C7. Further he deposed in his cross-examination that the cheque in question was of Punjab and Sind Bank, Dharampur Branch. But perusal of the case file reveals that the cheque in question was of Punjab National Bank Dharamkot Branch, Punjab. He further deposed that he is not a summoned witness and accused is not his relative but they belong to same village. He further deposed that it is correct that he came to the Court on the asking of the accused to give the evidence. In this way, there are contradictions in the version of DW-1. In his examination- in- chief, he deposed that the cheque is of Punjab National Bank but in his cross- examination, he has deposed that the cheque is of Punjab and Sind Bank, Dharampur Branch. Moreover, he deposed that he is not summoned witness, which doubted his credibility. Furthermore, he failed to produce any document to prove that the cheque in question was given as a security in the other loan transaction and not in the present loan transaction. Hence, his evidence is not admissible in evidence.

14. Further, the accused could produce his own cheque leaf booklet to prove that the cheque in question was issued as security cheque at the time of earlier loan transaction. Moreover, even if for the sake of arguments, the version of accused is presumed that the cheque in question was taken by complainant company as a security from the accused, even then, the accused has not explained anything about the recourse he took to procure back the security cheque and as to what happened to the submitted security cheque after the closure of his loan account. Furthermore, the accused had failed to explain why he opted to keep mum for such a long period and has not filed any complaint to police or any other authority regarding the alleged act of misuse of his blank signed cheque by the complainant. Even, a better option was available with him to intimate his bank to stop the payment of the disputed cheque, as the complainant has misused his cheque. To the dismay of the accused, no explanation is found forthcoming on this count and by this detrimental forbearance, the accused constructively validated the stance of the complainant. In this way, apart from the bald and arid claim of the accused, there is acute dearth of evidence on the record to establish that cheque Ex.C7 is infested with fraud or the same were not issued by the accused in favour of complainant in order to discharge his legal liability.

15. Further, the accused pleaded that he has not received legal notice as statutory notice sent by the accused has not been served upon him at his address, thus no demand has been made from him, consequently he is

not liable to pay the alleged amount. Perusal of notice Ex.C9 shows that it has been sent on the address as mentioned in the complaint and as mentioned in the notice of accusation served upon the accused and in the statement recorded under Section 313 Cr. P.C. Thus, this argument does not lie in the mouth of the accused that he is not liable to pay the alleged amount as notice has not been served upon him. Further, he failed to prove that when the alleged legal notice was served, he was residing at some other place. Moreover, when the accused has appeared before the Court, after coming to know about his liability to pay the amount of cheque, he could have paid the said amount within 15 days of appearance before the court but he has failed to do so, reliance placed upon **C.C. Alavi Haji Vs. Palapetty Muhammad and Another 2007(6) SCC 555.** As such, this argument of ld. Defence counsel is not sustainable.

16. It is further argued by ld. Defence counsel that as per loan documents, the loan was taken by two borrowers namely Swaran Singh and Sukhwinder Singh. Hence, the liability qua the cheque amount is of both the borrowers and not of the accused Lakhvir Singh. It is noteworthy to mention here that Words "***Where any Cheque" & "Any debt and liability***" appearing in Section 138 of the Act, are of extreme Significance. They suggest that for whatever reason and in discharge of whosoever debt or liability, if a cheque is drawn on an account maintained by the drawer, the liability under this provision cannot be avoided in the event the same stands returned by the banker unpaid. The legislature has been careful enough to record not only discharge of any debt but the same also includes other liability as well. In this regard reference can be made to case law titled as **I.C.D.S Ltd. Vs Beena**

Shabeer & Anr 2002(3) SC 566. In the present case, although there are two borrowers of the loan, but the accused had issued cheque in question in order to discharge the liability qua cheque amount. Hence, even if it is presumed that the accused had issued cheque in question in order to discharge the liability of borrowers, even then, he is liable under Section 138 NI Act. Hence, this argument of the defence is hereby rejected.

17. The defence counsel further argued that the complainant has misused the cheque in question which was given as security to him as there was no standing liability against the accused. However, these arguments of the Defence counsel are not maintainable. The plea taken by the accused that the cheque in question was given as a matter of security does not merit acceptance. Reliance can be place upon decision of **Hon'ble Punjab and Haryana High Court** in "***Shalini Enterprises Vs. India Bulls Financial services Ltd CRL.M no.35842 of 2011***" where in plea of security cheque was rejected and it was held that a security cheque could be validly utilized to discharge the liability of the drawer. Similar view was taken by Hon'ble Supreme Court in recent judgments titled as **M/s Shree Daneshwari Traders Vs. Sanjay Jain & Anr., 2019 (3) Apex Court Judgments 331 (S.C.) and M/s Womb Laboratories Pvt. Ltd Vs. Vijay Ahuja & Anr., 2019 (3) Apex Court Judgments 271 (S.C).** Further merely taking a vague and stereotyped defence of security cheque is not enough to help the case of accused. It was incumbent upon accused to justify his submission of security cheque which he has miserably failed to do so.

18. The last plank of submission of counsel for the accused, that complainant bank has failed to prove any subsisting liability between the

parties is erroneous to say the least. The complainant has duly proved the loan account statement Ex.C6 showing the liability of the accused. Further this argument proceeds on the basis that the burden of proving consideration for a dishonoured cheque is on the complainant. Bare perusal of Sections 118 and 139 of the Negotiable Instruments Act is sufficient to rebut this argument. Under Section 118, unless the contrary is proved, it is to be presumed that the Negotiable Instrument (including a cheque) has been made or drawn for consideration. Under Section 139 the Court has to presume, unless the contrary is proved, that the holder of the cheque received the cheque for discharge, in whole or in part, of a debt or liability. Thus, in complaint under Section 138, the Court has to presume that the cheque had been issued for a debt or liability. This presumption however is rebuttable and the burden of proving that a cheque had not been issued for a debt or liability is on the accused but as discussed above accused has failed to rebut this presumption in the instant case. Reliance can be placed upon "***Hiten P. Dalal Vs. Bratindranath Banerjee, 2001(3) RCR(Crl.) 460 SC : 2001(6) SCC 16***" wherein the Hon'ble Apex Court laid down the above discussed legal position. Moreover, authorized person of complainant company has been cross-examined by the defence counsel. Perusal of the same shows that nothing has been adduced in the cross-examination of CW-1 which would cast doubt upon case of complainant and which would rebut the presumption against the accused.

19. Hence after compounding the foregoing deliberations, the Court concludes that the accused has failed to dislodge the presumption housed in section 139 of the Act and correspondingly the complainant company has

been able to establish beyond reasonable doubt that the accused had committed an offence punishable under Section 138 of Negotiable Instruments Act,1881 and the point for determination is accordingly decided in favour of the complainant bank. **Accused is therefore convicted for having committed an offence punishable under Section 138 of Negotiable Instruments Act,1881**. Let he be heard upon quantum of sentence.

Pronounced in Open Court: (Shimpa Rani)
Dated: 22.07.2026 Judicial Magistrate First Class,
**Pushpa Pandey, JW* Jalandhar (UID No. PB0602)

QUANTUM OF SENTENCE:-

Present: Sh. TPS Kalra, Advocate counsel for complainant.
Convict in custody with counsel Sh. Sukhvir Thind, Advocate.

20. The Court has heard the convict and the learned defence counsel on the quantum of sentence. It was urged that the convict is first offender and he is only bread winner of his family. On the other hand, the Ld. counsel for the complainant has submitted that the convict does not deserve any leniency as the convict has not only deprived the complainant of his money, but also compelled the complainant to initiate the present proceedings thereby dragging the complainant into uncalled litigation. Counsel for the complainant further argued that maximum penalty should be awarded to the convict, so that it serves as a deterrent for likeminded people. Convict has further suffered a statement that he has never previously convicted in any other case.

21. The Court, at this stage also takes cognizance of the fact that the convict had shown utter disregard to the law of the land. As already held above, convict had given cheque in question to the complainant for payment of outstanding loan amount, but cheque in question was dishonoured by his bank. The convict failed to pay the cheque amount even after service of legal notice. In this way, the convict dragged the complainant into uncalled litigation. The miseries of the complainant can be well judged from the fact that apart from losing his amount, he is pursuing the present case from the 4 years and incurring huge expenses. Thus, in my considered view, the convict does not deserve the benefit of being released on probation as such a measure would frustrate the legislature intention of providing for punishment for

dis-honour of the cheques as the object behind incorporating the said penal provision is to ensure that the instrument once issued by the drawer is duly honoured so as to upkeep and maintain the faith of the society and the business community. Accordingly, **the convict is sentenced as under:-**

UNDER SECTION 138 of the Negotiable Instrument Act 1881.	**Rigorous imprisonment** for 01 year

The period of detention already undergone by the convict during the trial, be set off against the substantive sentence awarded today.

22. As far as the question of awarding compensation is concerned law in this regard has been well settled by various pronouncements of the Hon'ble Apex Court. It has been repeatedly mandated by the Apex Court that provisions pertaining to the compensation should be liberally used by the trial courts. Reliance can be placed upon decision of the Apex Court in ***Dr.-Jacab George Vs. State of Kerala (1994) 3 SCC 430*** and upon decision of Hon'ble Punjab and Haryana High Court in ***Ajay Bansal Vs. Smt. Nirmal Jain*, *2006(1) RCR 849***.

23. Clearly, a mere award of sentence is not going to provide any monetary relief to the complainant who has not only lost his hard-earned money, but in addition thereto, had to incur huge expenses on litigation and in the absence of award of suitable compensation, the complainant will have poor consolation of only paper success in the litigation without any hope of recovery of his amount. This court draws support from the findings given by the Hon’ble Supreme Court in case **R Vijayan Vs. Baby and Anr. 2012 (1)**

CCC 239 (SC) wherein certain guidelines have been laid down for granting compensation to the complainant as follows:-

> *"Having reached that stage, if some Magistrates go by the traditional view that the criminal proceedings are for imposing punishment on the accused, either imprisonment or fine or both, and there is no need to compensate the complainant, particularly if the complainant is not a `victim' in the real sense, but is a well-to-do financier or financing institution, difficulties and complications arise. In those cases where the discretion to direct payment of compensation is not exercised, it causes considerable difficulty to the complainant, as invariably, by the time the criminal case is decided, the limitation for filing civil cases would have expired. As the provisions of Chapter XVII of the Act strongly lean towards grant of reimbursement of the loss by way of compensation, the courts should, unless there are special circumstances, in all cases of conviction, uniformly exercise the power to levy fine upto twice the cheque amount (keeping in view the cheque amount and the simple interest thereon at 9% per annum as the reasonable quantum of loss) and direct payment of such amount as compensation. Direction to pay compensation by way of restitution in regard to the loss on account of dishonour of the cheque should be practical and realistic, which would mean not only the payment of the cheque amount but interest thereon at a reasonable rate. Uniformity and consistency in deciding similar cases by different courts, not only increase the credibility of cheque as a negotiable instrument, but also the credibility of courts of justice."*

The Hon'ble Apex Court has laid down similar guidelines in a recent judgement **M/s Kalamani Tex & Anr. Vs P. Balasubramanian, 2021(1) CCC 358 (SC)** with respect to grant of compensation to the complainant.

24. Accordingly, by invoking the provisions of Section 357 Cr.P.C, I hereby award compensation of Rs.6,50,000/-(Six Lakh Fifty Thousand Rupees Only) alongwith interest to the tune of 9% per annum from the date of issuance of cheque in question till today. **In default of this, convict shall undergo an additional imprisonment of six months.** The compensation shall be recoverable after the lapse of period of appeal unless the operation of compensation amount order is stayed in appeal by the Hon'ble Appellate Court, if any appeal is filed. **Bail bonds furnished are hereby discharged.** The judgment has been pronounced in open Court by reading out operative part of the judgment and explaining the substance of the judgment in the language which is known by the convict. Copy of the detailed judgment be given free of costs to the convict. File be consigned to the record room after due compliance.

Pronounced in Open Court: (Shimpa Rani)
Dated: 22.07.2026 Judicial Magistrate First Class,
**Pushpa Pandey, JW* Jalandhar (UID No. PB0602)

Note: This judgment is directly dictated on computer.