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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CRR No.1277 of 2026
Date of Decision: 13.05.2026

Amandeep Singh **..... Petitioner**

versus

Narender Gambhir **.....Respondent**

CORAM: HON'BLE MR. JUSTICE RAJESH BHARDWAJ

Present: Mr. Bhupinder Singh Kundra, Advocate
for the petitioner.

RAJESH BHARDWAJ, J. (ORAL)

1. Present revision petition has been assailing the part of order of order dated 26.02.2026 passed by learned Additional Sessions Judge, Gurugram vide which the learned Additional District Sessions Judge, Gurugram has directed the petitioner to deposit 20% of total amount of compensation as imposed by learned trial Court.

2. Learned counsel for the petitioner has submitted that the petitioner was prosecuted in a complaint filed under Section 138 of the Negotiable Instruments Act (for short 'the Act'). He has submitted that the petitioner was convicted by the learned Judicial Magistrate First Class, Gurugram under Section 138 of the Act vide judgment dated 30/31.01.2026 and sentenced to undergo simple imprisonment for a period of 06 months and was ordered to pay compensation to the tune of Rs.6,07,500/- to the complainant. He has further submitted that against

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the order dated 30/31.01.2026, the petitioner filed an appeal before the Court of learned Additional Sessions Judge, Gurugram and the learned Appellate Court vide its impugned order dated 26.02.2026 suspended the sentence of the petitioner subject to deposit of 20% of the total compensation amount. He has submitted that in view of Section 148 of the Negotiable Instruments Act, 1881, automatic deposit of 10 % of the compensation amount at the appellate stage, is not mandatory. However, due to financial constraints, the petitioner failed to comply with the order dated 26.02.2026. However, he has submitted that Hon'ble the Division Bench of this Court in the case of **M/s Coromandel International Limited vs. Shri Ambica Sales Corporation,** in CRM-M-7799-2025 decided on 24.09.2025 has dealt with the issue involved in the present petition and has observed as under:-

> "75. The legislative sanction given to an Appellate Court to direct an Appellant who has challenged the conviction, sentence, and compensation amount, by filing an appeal, to deposit at least 20% of the compensation amount under Section 148 of the Negotiable Instruments Act, 1881, miserably fails on the proportionality test. The provision of Section 148 is based on proclivities and thus arbitrary; on the contrary, as per the literal and practical meaning, it does not authorize the Appellate Court to suspend the sentence by mandatorily imposing a condition of deposit. The purpose Section 148 intended to achieve was to ensure that at least 20% of the compensation amount is handed over to the holder of the cheque whose debt or other liability amount was withheld due to the dishonor of the cheque. However, due to ambiguous drafting because of the absence of clear

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procedures for quick recovery, e.g., freezing bank accounts to the extent of the deposit, attachment of property, etc., has led to the recovery of the deposits by imposition of conditions while suspending the sentence in a bailable offence. Furthermore, as per Section 148 of the NI Act, the only individual who can be compelled to deposit is the person who issued the cheque in his personal liability. For corporate entities, signing and issuing a cheque is a ministerial act; the signatory is often an employee working for the company, with a limited liability partnership, association, body, or firm, and none of these can be forced to deposit due to vicarious liability, not personal liability. Additionally, suspending the sentence based on the deposit does not affect juristic persons because they cannot be imprisoned and thus cannot seek a suspension of sentence or appeal, as these are statutory rights that cannot be subjected to the deposit. Given the above, the legislatures' dominant purpose has failed miserably on two counts; first it does not impact juristic persons, and second, individuals whose cheques are often security cheques taken by the money lenders, and these individuals face forced recoveries, which may discourage some from even challenging their convictions, before the first appellate Court itself, disconnecting rationality behind the legislative objectives that section 148 NI Act projected to achieve, by not affecting the juristic persons on the one hand and discouraging the impoverished on the other, and thus, miserably fails to strike a fair, rationale, and a reasonable balance between the obligations of elected representatives towards the society's poorest segments, who at the time of emergency situations when they are in urgent need of money, the financial institutions rarely give any loan or immediate loan and these poor people, who have a weaker community support, turn to the money lenders, who in turn, mostly keep blank signed undated cheques as security for unsecured debts.

76. Therefore, the simplest solution to all these issues is that whenever the deposits are expensive than the liberty, and the Appellate Courts are convinced that the convicts are not in a position to deposit and likely to forego their liberty even when the first appeal is yet to be decided, the Appellate Courts must make efforts to prioritize hearing appeals filed against the convictions under Section 148 NI Act and decide those preferably within sixty days of filing, and not later than ninety days, which clearly aligns with the legislators' intentions. However, the time of sixty days should be extended to the extent to which the decision of the appeal is delayed because of the complainant."

3. Thus, learned counsel for the petitioner has restricted his prayer to the extent that in view of the law laid down by Hon'ble the Division Bench of this Court in **M/s Coromandel International Limited's** case (supra), the learned Appellate Court be directed to decide the appeal filed by the petitioner within a period of 60 days.

4. Heard learned counsel for the petitioner and perused the record.

5. Admittedly, Hon'ble the Division Bench of this Court in **M/s Coromandel International Limited**'s case (supra) had already held that the Appellate Courts must make efforts to prioritize hearing appeals filed against the conviction under Section 138 of Act and decide the same within 60 days of the filing and not later than 90 days, where the appellant

is not in a position to deposit the compensation amount as ordered by the Appellate Court.

6. Thus, in view of the same, the present petition stands disposed of with direction to the learned Appellate Court concerned to hear the appeal of the petitioner and decide the same within a period of 60 days and not later than 90 days. It is further clarified that the parties shall not seek any unnecessary adjournments.

(RAJESH BHARDWAJ)
JUDGE

13.05.2026
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Whether Speaking/Reasoned : Yes/No
Whether Reportable : Yes/No