



CRM-M-28757-2025 & 05 connected cases

1

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

Sr. No.	Cases No.	Petitioner(s)	Respondent(s)
01	CRM-M-28757-2025	V.K. CONSTRUCTION AND ANOTHER	TEJ VEER AND ANOTHER
02	CRM-M-38097-2025	HARVINDER SINGH SAGGU	SUSHIL KUMAR AND ANOTHER
03	CRM-M-56991-2025	DHARAM SINGH	SUMIT SINGLA
04	CRM-M-8777-2025	NAVDEEP SHARMA	KRISHAN SINGH
05	CRM-M-42330-2025	ATUL GOYAL	MAHI PAL AND ANOTHER
06	CRM-M-61537-2025	RAGHUVIR ALIAS RAGHUBIR SINGH	RAJYOG

1.	Date when Order was reserved	23.12.2025
2.	Date of Pronouncement of Order	26.12.2025
3.	Date of uploading Order	26.12.2025
4.	Whether operative part or full Order is pronounced	FULL
5.	Delay, if any, in pronouncing of full order, and reasons thereof	NOT APPLICABLE

CORAM: HON'BLE MR. JUSTICE SANJAY VASHISTH

Present: Mr. H.S. Randhawa, Advocate, *Amicus Curiae*.

For the petitioner(s): Mr. Amardeep Singh Mann, Advocate (in CRM-M-8777-2025)
Ms. Bhumika Khatri, Advocate, for Mr. Vineet Dhanda, Advocate (in CRM-M-28757-2025)
Mr. L.S. Sidhu, Advocate (in CRM-M-56991-2025) for the petitioner(s).

For the respondent(s): Mr. Sourav Goyal, Advocate (in CRM-M-38097-2025)
Mr. Kanwaljeet Singh, Advocate, and Mr. Satvir Singh, Advocate (in CRM-M-56991-2025)



SANJAY VASHISTH, J.

1. This common order would decide aforementioned six petitions, as the primary issue involved therein is same.
2. These petitions, under Section 528 of the BNSS, 2023, have been filed by the petitioner(s) assailing the order(s) passed by the concerned Appellate Court(s) while deciding the application(s) for suspension of sentence, filed by the petitioner(s) alongwith the appeal(s) preferred by them against the judgement of conviction and order of sentence passed by the Trial Court, while deciding complaints under Section 138 of the Negotiable Instruments Act, 1881 (for short, ‘the NI Act’).

In all the cases, respective Appellate Court(s), while allowing the application(s) and suspending the sentence during pendency of the appeal(s), subjected the appellant(s)/petitioners herein to deposit 20% of the amount of compensation imposed by the Trial Court, within stipulated time. Feeling aggrieved, the petitioner(s) have approached this Court by filing the aforementioned petitions.

3. For the sake of brevity, the basic details of these three petitions have been summed up in tabular form, as under:-

(i) CRM-M-28757-2025:-

1.	Complaint No.	989 of 2021, CIS No. NACT/2268/2021, under Section 138 of the NI Act.
2.	Judgment of conviction	22.01.2025, passed by Judicial Magistrate Ist Class, Hisar (Trial Court)
3.	Criminal Appeal No.	CRA-58-2025
4.	Date of impugned order	18.02.2025, passed by Additional Sessions Judge, Hisar (Appellate Court)

The relevant portion of the impugned order dated 18.02.2025, reads as under:-

“ Appellant-accused suffered a statement that he will pay the 20% of total compensation amount of Rs. 11 lacs in the Court on the next date of hearing and in case of not depositing said amount, he shall have no objection if



sentence imposed by learned Trial Court is executed against him. Hence, the appellant is directed to deposit the 20% of compensation of the amount of Rs. 11 lacs in the Court on the next date of hearing. It is hereby made clear that the said amount shall be released subject to the decision of the appeal.”

(ii) CRM-M-38097-2025:-

1.	Complaint No.	NACT-197-2020, under Sections 138 of the NI Act
2.	Judgment of conviction	25.04.2025, passed by Judicial Magistrate Ist Class, Sangrur (Trial Court)
3.	Criminal Appeal No.	CRA-244-2025
4.	Date of impugned order	28.05.2025, passed by Additional Sessions Judge, Sangrur (Appellate Court)

The relevant portion of the impugned order dated 28.05.2025, reads as under:-

*“ Perusal of judgment dated 25.04.2025 also reveals that the appellant was directed to pay an amount of Rs. 5,25,000/- as compensation. In the view of the provisions of Section 148 of Negotiable Instruments Act and in the light of judgment of **Hon’ble Apex Court in Surinder Deswal @ Col. S.S.Deswal Vs. Virender Gandhi 2020 INSC 21**, the appellant is directed to deposit 20% of the total amount of compensation awarded by the learned Trial Court within 60 days from today. It is made clear that on failure of the appellant to make the payment of 20% of the compensation amount within the stipulated period, the order of suspension of sentence shall be automatically vacated. The appellant is directed to deposit 20% of the amount of compensation before the learned Trial Court, failing which the Trial Court should initiate the recovery proceedings for recovery of the amount of compensation.*

*In view of the findings of the **Hon’ble Apex Court in Jamboo Bhandari Vs. M.P. State Industrial Corporation Limited 2024 (1) SCC (Cri.) 90**, the appellant has been given an opportunity of hearing and has been heard in presence of his counsel on the question of deposit of compensation amount. Separate statement of appellant has been recorded to this effect. **(there are no exceptional***



CRM-M-28757-2025 & 05 connected cases

4

circumstances made out to dispense with the payment of compensation amount.)”

Before passing of the impugned order dated 28.05.2025, learned Appellate Court afforded an opportunity of hearing to the petitioner on the question of deposit of compensation amount, and also recorded his separate statement dated 28.05.2025 (Annexure P-4 attached with this petition), wherein the Harvinder Singh Saggu (petitioner herein) deposed as under:-

“ Stated that I am working as property dealer and insurance adviser. I am earning Rs.40000/- per month. I have my own landed house in 285 square yard of area. I have one four wheeler and one motor-cycle. I am aware that I have been directed to pay an amount of Rs. 5,25,000/- as compensation. In view of the settled provisions of law, I am ready to furnish 20% of the compensation amount within the prescribed period in the learned Trial Court.”

(iii) CRM-M-56991-2025:-

1.	Complaint No.	NACT-457-2018, under Section 138 of the NI Act
2.	Judgment of conviction	21.11.2024, passed by Judicial Magistrate Ist Class, Sunam (Trial Court)
3.	Criminal Appeal No.	CRA-469-2024
4.	Date of impugned order	21.08.2025, passed by Additional Sessions Judge, Sangrur (Appellate Court)

In this case, initially while suspending the sentence, learned Appellate Court imposed certain conditions, including deposit of 20% of the cheque amount, vide order dated 09.12.2024. The said order was challenged by the petitioner before this Court (Punjab and Haryana High Court), by filing CRM-M-1493-2025, which was disposed of by a Co-ordinate Bench of this Court, vide order dated 14.01.2025 (Annexure



CRM-M-28757-2025 & 05 connected cases

5

P-3), by setting aside the order dated 09.12.2024. The Appellate Court was directed to re-examine the case after granting an opportunity to the petitioner to make submissions regarding the exceptional circumstances and decide whether it is an appropriate case that warrants waiver of the requirement of deposit of 20% of the compensation awarded by the Trial Court.

Thereafter, learned Appellate Court has now passed the impugned order dated 21.08.2025, again asking the petitioner to deposit 20% compensation amount, because according to the view point of the Appellate Court the case of the petitioner does not fall within the ambit of 'exceptional circumstance'. Para Nos. 5 and 6 of the impugned order dated 21.08.2025, are reproduced as under:-

*"5. After hearing rival submissions, it has transpired that complainant/respondent filed complaint under section 138 of Negotiable Instrument Act against accused/appellant and vide judgment dated 21.11.2024, appellant was convicted and sentenced by learned lower court. Appellant/accused then preferred instant appeal and vide order dated 09.12.2024, his sentence was suspended and he was admitted on bail with the condition to deposit 20% of the cheque amount with the trial court, against which appellant went before the Hon'ble High Court and Hon'ble High Court vide order dated 14.01.2025 remanded back the matter with the directions to decide the matter afresh as per judgment **Jamboo Bhandari's case (Supra)**.*

*6. The ratio of judgment **Jamboo Bhandari's case (Supra)** provides that if there exists exceptional case, which warrants grant of suspension of sentence without imposing condition of deposit of 20% of the compensation amount, the concerned court is to consider that way. In the present case, appellant has taken ground of his financial incapacity, but which cannot be termed as exceptional circumstance to uphold his plea, rather which appears genre of a common plea. There is nothing substantial on record to show that appellant is having no source of earning or that his position is like a pauper. Appellant/accused is actively pursuing his*



*legal recourses in the present matter and even otherwise mere poverty of person cannot be a ground of exceptional case to exempt him of condition of 20% compensation, especially when it has been proved before the trial court that accused/appellant issued the cheque for his legal liability, which stood dishonoured and of which he failed to make the payment to complainant/respondent within stipulated period. Therefore, instant application having no substance is ordered to be dismissed and appellant is directed to deposit the cheque amount to the tune of Rs.20% within 60 days from today with the trial court as per judgment passed by Hon’ble Apex Court in **Criminal appeal No.917- 944 of 2019 (arising out of SLP (Criminal) Nos. 4948-2975, titled as Surinder Singh Deswal @ Col. SS.Deswal vs. Virender Gandhi, decided on 29.05.2019**, failing which the order of suspension of sentence of appellant/accused shall stand cancelled.”*

(iv) CRM-M-8777-2025:-

1.	Complaint No.	NACT-173-2020, under Section 138 of the NI Act read with Section 420 IPC
2.	Judgment of conviction	03.01.2024, passed by Judicial Magistrate Ist Class, Fazilka (Trial Court)
3.	Criminal Appeal No.	CRA-42-2024 / CRM-469-2024
4.	Date of impugned order	02.02.2024 (Annexure P-2) and 30.05.2024 (Annexure P-4), passed by Additional Sessions Judge, Fazilka (Appellate Court)

In this case, while suspending the sentence, vide order dated 02.02.2024 (Annexure P-2), learned Appellate Court imposed the following condition:-

“2. *He will deposit 20% of the fine/compensation amount as awarded by the Trial Court in favour of the appellant within 60 days from passing of this order before the Trial Court and thereafter learned Trail Court will deposit the said amount in the shape of FDR in any nationalized bank and same will be disbursed after decision of the appeal accordingly and in case said 20% of fine/compensation amount is not deposited by the appellant within the stipulated period, the bail granted to the appellant and his suspension of sentence shall automatically stands cancelled and learned Trial Court shall be at liberty*



CRM-M-28757-2025 & 05 connected cases

7

to proceed against the applicant/appellant in accordance with the law. Bail bonds after attestation be sent to this court for record.”

When the petitioner failed to deposit 20% of the fine/compensation amount within the stipulated period of 60 days, he filed an application, bearing CRM-469-2024, dated 27.05.2024, for grant of permission to deposit the 20% of compensation amount. However, the said application has been dismissed by the learned Appellate Court, vide order dated 30.05.2024 (Annexure P-4), by holding as under:-

“ Heard upon application filed on behalf of applicant/appellant Navdeep Sharma praying for direction to learned trial Court to permit the applicant/appellant to deposit 20% of the compensation amount. The application has been filed on 28.05.2024. Sentence of the applicant/appellant was ordered to be suspended vide order dated 02.02.2024 and direction for deposit of 20% amount was made. Period much more than 90 days has lapsed since then. As per Section 148 of N.I. Act, required deposit is to be made within a maximum period of 90 days. As such, applicant cannot be permitted make a belated deposit at this stage, in order to avail the benefit of suspension of sentence. Accordingly, application is ordered to be dismissed.”

Further, in para No. 6 of this petition, the petitioner has asserted as under:-

“6. Efforts to Settle the Matter and Approach: *The petitioner respectfully submits that after the dismissal of the application for extension of time on 30.05.2024, the petitioner made sincere and earnest efforts to settle the matter amicably with the complainant/respondent, Krishan Singh. The petitioner approached the complainant with a genuine intention to resolve the dispute and offered to settle the case amount in full and final. However, despite the petitioner’s best efforts and willingness to resolve the matter, the complainant remained unwilling to settle. Left with no other recourse, the petitioner now approaches this Honorable Court seeking relief*



CRM-M-28757-2025 & 05 connected cases

8

and an extension of time to deposit the 20% of the awarded amount, as the petitioner is committed to complying with the Court’s order at the earliest opportunity.”

(v) CRM-M-42330-2025:-

1.	Complaint No.	NACT-86-2018, under Section 138/142 of the NI Act
2.	Judgment of conviction	10.10.2023, passed by Judicial Magistrate Ist Class, Pehowa (Trial Court)
3.	Criminal Appeal No.	CRA-335-2023, dated 06.11.2023
4.	Date of impugned order	06.11.2023 (Annexure P-3) and 06.05.2025 (Annexure P-6), passed by Additional Sessions Judge, Kurukshetra (Appellate Court)

In this case, while suspending the sentence, vide order dated 06.11.2023 (Annexure P-3), learned Appellate Court imposed the following condition:-

“ Criminal appeal against the conviction under Section 138 of Negotiable Instrument Act is received by assignment. It be checked and registered.

From the perusal of the grounds of appeal there are some arguable points and in order to decide this appeal, it will take time, hence appeal is admitted.

*By applying the ratio of law laid down in case laws titled as **Harwinder Singh Vs. Mohan Lal 2022 (1) RCR (Criminal) 136** wherein it is held that appellant court has power to impose condition that on non deposit of fine/compensation, benefit of suspension of sentence would liable to be automatically/consequently vacated.*

*Hence, it is ordered that appellant/convict shall deposit the 20% of total compensation amount within 60 days from today in the lower court and to submit the documents in this regard to this court and he is also granted bail under Section 389 (3) of Cr.P.C. on furnishing bail bond and surety bond for a sum of Rs.50,000/- before the Trial court **within one month** and on furnishing of bail bond and surety bond the trial court shall re-direct the surety bond and personal bond to this court immediately.*



CRM-M-28757-2025 & 05 connected cases

9

Notice of this appeal be also issued for 09.01.2024 to respondents on filing copy/PF etc.. A copy of this order be also sent to learned trial Court for information."

Thereafter, by relying upon the judgment of Hon'ble the Supreme Court in the case of **Jamboo Bhandari v. M.P. State Industrial Corporation Ltd. And others, (2023) 10 SCC 446** : Law Finder Doc Id # 2313888 [SC, D/d. 04.09.2023], the petitioner filed an application before the Appellate Court, for waiver of the condition of depositing the 20% of the awarded amount. However, the said application has been dismissed by the Appellate Court, vide impugned order dated 06.05.2025 (Annexure P-6), by holding as under:-

" Heard. By way of the present application, the appellant has sought the relief for giving the reconsideration on the order whereby he was directed to pay the 20% of the compensation amount to the respondent-complainant. The perusal of the case file shows that vide order dated 06.11.2023, the appellant was directed to make the payment of 20% of the compensation amount to the respondent complainant. If the appellant was not able to make the payment of 20% of the compensation amount then, he should have made the prayer before the Court at the time when the order dated 06.11.2023 was passed but it has not been done so by him and now he wants this Court to reconsider the earlier order whereby he was required to make the payment of 20% of the compensation amount but if done so, then it would amount to the alteration/review of the order dated 06.11.2023 but the alteration/review of the order is barred under Section 362 of Cr.P.C.(Section 403 of BNSS) which reads as under:-

"Court not to alter judgment:- Save as otherwise provided by this Code or by any other law for the time being in force, no Court, when it has signed its judgment or final order disposing of a case, shall alter or review the same except to correct a clerical or arithmetical error".



So, in view of Section 362 of Cr.P.C. (Section 403 BNSS), it is observed that since the order regarding the payment of 20% of the compensation amount has been passed by this Court, so in view of the bar of Section 362 Cr.P.C. (Section 403 of BNSS) the reconsideration can not be given and the appellant can not be absolved from the liability to make the payment of 20% of the compensation amount as ordered on 06.11.2023. The authority of law relied upon by learned counsel for the appellant-convict is certainly distinguishable from the peculiar circumstances of the present case.

In view of the above said discussion, the present application is without any merits, the same is hereby dismissed. Now to come upon 29.05.2025 for depositing the 20% of the compensation amount and arguments on main appeal as well.”

(vi) CRM-M-61537-2025:-

1.	Complaint No.	NACT/8220/2019, under Section 138 of the NI Act
2.	Judgment of conviction	05.08.2025, passed by Judicial Magistrate Ist Class, Gurugram (Trial Court)
3.	Criminal Appeal No.	CRA-466-2025, dated 08.09.2025
4.	Date of impugned order	08.09.2025, passed by Additional Sessions Judge, Gurugram (Appellate Court)

In this case, while deciding the application for suspension of sentence of the petitioner herein, the Appellate Court passed the impugned order dated 08.09.2025, as under:-

*“3. Heard on application for suspension of sentence during pendency of appeal filed by appellant under Section 389 (1) Cr.P.C. Admittedly, the appellant was sentenced to **one year** simple imprisonment without any specific order to pay fine. But, besides this, he was also asked to pay an amount of **₹8,00,000/-** to the complainant as compensation. As such, the issue comes whether the sentence can be suspended even if the appellant is not ready to pay the aforesaid amount. This question is directly considered by the Hon'ble Apex Court in **Dalip S. Dahanukar Vs. Kotak Mahindra Co. Ltd. And another 2007 (2) RCR (Criminal) 636** wherein the question was as to what is the true*



interpretation of Section 357 Cr.P.C. vis-a-vis the provisions of Negotiable Instruments Act, including power of trial court to impose compensation and sentence and the Hon'ble Apex Court held that when an appeal is filed against conviction besides sentence of imprisonment, the appellate court can stay payment of amount subject to some conditions including condition of depositing of part of compensation which must be reasonable one.

4. Applying the aforesaid proposition of law to the facts in hand, it comes out that trial court has directed to appellant to pay compensation of ₹8,00,000/- to complainant as compensation. As such, while honouring the right of appellant-accused to file an appeal, the application for suspension of sentence during pendency of appeal is allowed and impugned order of sentence along with order to pay compensation ₹8,00,000/- under Section 357(3) Cr.P.C. is stayed and suspended till pendency of appeal subject to the furnishing of bail bonds in the sum of ₹1,00,000/- with one surety in the like amount to the satisfaction of this court. Subject to further condition that appellant shall deposit 20% of the total amount of compensation on or before **14.11.2025** with the concerned court or the Duty Magistrate, as the case may be. In case, the amount is not deposited as directed on or before **14.11.2025**, the order of suspension of sentence shall automatically stand withdrawn warranting the appellant/convict to surrender before learned trial court by the end of the working day of **14.11.2025** to undergo the sentence so awarded subject to disposal of appeal on merit. It is apt to mention here that this Court has imposed such conditions deposit the amount or loose the right to stay on bail, on the law laid down by Hon'ble Apex Court in **Surender Singh Deswal and others vs. Virender Gandhi and others Criminal Appeal no. 1936-1963 of 2019, decided on 08.01.2020.** In the quoted case, Hon'ble Apex Court while upholding the order of learned first Appellate Court had made following observations:-

(i) When suspension of sentence by the trial court was granted on a condition, non compliance of the condition had adverse effect on the continuance of suspension of sentence. The Court which had suspended the sentence on a condition, after noticing non-compliance of the condition could very well hold that the suspension of sentence stands vacated due to non-compliance. The order of the Additional Sessions Judge declaring that due to non-compliance of condition of deposit of twenty five percent of the amount of compensation, suspension of sentence stands vacated was



CRM-M-28757-2025 & 05 connected cases

12

well within the jurisdiction of the Sessions Court and no error had been committed by the Additional Sessions Judge.

(ii) It was for the Appellate Court who had granted suspension of sentence to take call on non-compliance and take appropriate decision. What order was to be passed by the Appellate Court in such circumstances was for the Appellate Court to consider and decide. However, non-compliance of the condition of suspension of sentence was sufficient to declare suspension of sentence as having been vacated.

Requisite bonds furnished which are accepted and attested.

*It is pertinent to mention here that in CRA-112-2017 arising out of criminal complaint No.76 of 2014 titled as “**N Raju @ Raju Nanoo Vs. M/s Apollo Tyres & Another**”, the learned Additional Sessions Judge, Gurugram, directed to deposit the 20% upto 08.10.2024, failing which the accused-appellant was directed to face the consequences. The said order was assailed by the accused-appellant in the Hon’ble High Court in **CRR No. 251 of 2022 (O&M) dated 21.04.2022 titled as “N Raju @ Raju Nanoo Vs. M/s Apollo Tyres & Another”**. The Hon’ble High Court has dismissed the revision. Thereafter, the revisionist-appellant assailed the order of the Hon’ble High Court by way of filing case titled as “**N Raju @ Raju Nanoo Vs. M/s Apollo Tyres & Another**”, **S.L.P. (Criminal) No. 5937 of 2022 which was decided on 14.07.2022** and the Hon’ble Apex Court has dismissed the SLP by observing that “**we see no reason to interfere with the impugned order passed by the High Court.**”*

Let, a copy of this order be sent to learned trial court for information and necessary action in accordance with law.”

4. In matters of **M/s Coromandel International Limited v. Shri Ambica Sales Corporation** (CRM-M-7799-2025), and **M/s Coromandel International Limited v. Shri Ambalica Agro Solutions Pvt. Ltd.** (CRM-M-8498-2025), the petitioner company, i.e. M/s Coromandel International Limited, which was the complainant before the Trial Court, had assailed the order(s) dated 06.03.2024, passed by the Additional Sessions Judge, Bathinda, primarily on the ground that concession of suspension of sentence granted in favour of the



CRM-M-28757-2025 & 05 connected cases

13

respondent(s) therein, is liable to be vacated because the respondent(s) failed to comply with the condition of deposit of 20% of the compensation amount awarded by the Trial Court, within the stipulated period of 60 days, i.e. from the date of order(s) dated 06.03.2024. In the alternative, prayer was made for directing the respondent(s) to deposit the same.

5. While dealing with the aforesaid two petitions filed by M/s Coromandel International Limited, after noticing relevant provisions of the NI Act, Code of Criminal Procedure, judgments of this Court (Punjab and Haryana High Court), and the judgments of the Hon'ble Apex Court, this Court found that in none of the cases, the implication of non-payment of the ordered amount under Section 148 of the NI Act vis-a-vis the right of suspension of sentence, with the parameters as speculated by the Hon'ble Apex Court in Jamboo Bhandari v. M.P. State Industrial Development Corporation Ltd. & Ors., (2023) 10 SCC 446 : Law Finder Doc Id # 2313888 [SC, D/d. 04.09.2023] and Muskan Enterprises and another v. State of Punjab and another, 2024 SCC Online SC 4107 : Law Finder Doc Id # 2680202 [SC, D/d. 19.12.2024], was considered by Single Benches of this Court or the Hon'ble Apex Court. This Court also found that there were divergent view of different Co-ordinate Benches.

6. After recording reasons in detail, this Court, vide order dated 08.04.2025, passed in CRM-M-7799-2025 (supra) and CRM-M-8498-2025 (supra) referred the matter to a Larger Bench, for answer on the following questions of law:-

“(a) Whether imposition of condition to deposit 20% of the compensation amount awarded by the Trial Court, is sustainable or not, while deciding the application for suspension of sentence in an appeal, when the judgment of conviction and order of sentence is still awaiting confirmation?”

(b) Whether the right of the convict-appellant being on bail in pending appeal, can be subjected to the compliance of direction to pay 20% of the compensation amount under Section 148 of the NI Act?”



CRM-M-28757-2025 & 05 connected cases

14

- (c) *Whether the right of bail can be taken away by the Appellate Court, where final adjudication of the appeal is pending, due to non-compliance of the direction to pay 20% of the compensation amount under Section 148 of the NI Act, for any justifiable or un-justifiable reason, as discussed in the cases of Jamboo Bhandari (supra) and Muskan Enterprises (supra)?*
- (d) *Whether it is a pre-condition to deposit 20% of the compensation amount awarded by the Trial Court, for getting an appeal decided?”*

7. The aforementioned questions were then considered and answered by the Larger Bench/Division Bench (Anoop Chitkara, J. and Sanjay Vashisth, J.) of this Court, vide detailed order dated 24.09.2025, passed in the case of **M/s Coromandel International Limited v. Shri Ambica Sales Corporation**, Law Finder Doc Id # 2783918 : 2025 (4) RCR (Criminal) 490.

In para Nos. 36, 40, 41, 51, 52, and 57 of the order dated 24.09.2025 (supra), the Larger Bench/Division Bench firstly answered the four questions individually. For the sake of ready reference, the questions and the answers given are being extracted, in juxtapose, as under:-

	<u>Question</u>	<u>Answer</u>
(a)	Whether imposition of condition to deposit 20% of the compensation amount awarded by the Trial Court, is sustainable or not, while deciding the application for suspension of sentence in an appeal, when the judgment of conviction and order of sentence is still awaiting confirmation?	“36. After analyzing the statutory provision vis-à-vis the judicial precedents referred to above, the answer to the first proposition is that the imposition of condition to deposit 20% of the compensation amount awarded by the Trial Court, is sustainable, while deciding the application for suspension of sentence in an appeal, when the judgment of conviction and order of sentence is still awaiting confirmation.”
(b)	Whether the right of the convict-appellant being on bail in pending appeal, can be subjected to the compliance of direction to	“40. Answer to the second proposition was once addressed by Surinder Singh Deswal supra [Second case], where the Hon’ble Supreme Court held that when an Appellate



	pay 20% of the compensation amount under Section 148 of the NI Act?	<i>Court suspends the sentence on a condition, then the failure to comply with that condition adversely affects the continuation of the suspension.</i> 41. <i>The Appellate Court that has suspended the sentence on a condition, after observing non-compliance, could reasonably hold that the suspension stood vacated due to the non-compliance, and it is the responsibility of the said Appellate Court, which granted the suspension, to consider the non-compliance and make an appropriate decision. Nonetheless, non-compliance with the suspension condition is enough to declare that the suspension has been vacated.”</i>
(c)	Whether the right of bail can be taken away by the Appellate Court, where final adjudication of the appeal is pending, due to non-compliance of the direction to pay 20% of the compensation amount under Section 148 of the NI Act, for any justifiable or unjustifiable reason, as discussed in the cases of Jamboo Bhandari (supra) and Muskan Enterprises (supra)?	“51. <i>In the light of the judicial precedents mentioned above, the answer to the third proposition is that the right of bail cannot be taken away by the Appellate Court, where final adjudication of the appeal is pending, due to non-compliance with the direction of paying 20% of the compensation amount under Section 148 of the NI Act. Whenever an Appellate Court directs a deposit under Section 148 of the NI Act and imposes conditions on the suspension of sentence, such conditions must be just conditions.</i> 52. <i>Here it requires to be understood that once the issue regarding deposit of 20% of the compensation or fine amount, payable under Section 148 of NI Act, is decided by the concerned Appellate Court by following the spirit of the observations made in the judgments of Jamboo Bhandari (supra) and Muskan Enterprises (supra), and condition, if any, is imposed while suspending the sentence, the same would be deemed to be just and fair, and undoubtedly such condition</i>



		<i>requires its fulfillment at the end of the appellant, who seeks suspension of sentence.”</i>
(d)	Whether it is a pre-condition to deposit 20% of the compensation amount awarded by the Trial Court, for getting an appeal decided?	<i>“57. From the judgments of Noor Mohammed (supra) and Vijay D. Salvi (supra), it is clear that non-deposit of 20% of the compensation or fine amount would not disentitle the accused from availing any of his substantive rights, including the right of appeal. The case of Vijay D. Salvi (supra) clearly answers the fourth proposition of law. Thus, to get the appeal decided, there cannot be any precondition for depositing the amount ordered under Section 148 of the NI Act by the Appellate Court. The fourth question is answered accordingly.”</i>

8. It was also found that all the aforementioned four questions are interconnected and interwoven, thus, the Larger Bench/Division Bench has also given cumulative answers in para Nos. 59 to 76 of the order dated 24.09.2025 (supra), and after bare reading thereof, it can be summarized as under:-

- The offence under Section 138 of the NI Act is bailable, and after summoning of the accused in a complaint under Section 138 of the NI Act, bail is a right subject to the furnishing of bonds.
- In the event of conviction and sentence, fine, and compensation, it is for the convict to decide whether to undergo the sentence or to challenge it before the Appellate Court by filing an Appeal.
- In the cases of juristic persons, these can only be fined, and in the absence of a substantive sentence of imprisonment, there is no need for these entities to seek suspension of sentence.
- Section 148 of the NI Act neither restricts right of the convict to challenge the conviction, sentence, or compensation by filing an appeal, nor does it permit the Appellate Court to impose any prerequisites for the appeal to be admitted or decided.
- Section 148 of the NI Act, due to its non-compliance, does not explicitly prohibit the suspension of sentence or the hearing of the appeal.
- Neither Section 148 nor any other provision of the NI Act prescribes any provisions for the suspension of sentence. Therefore, Section 430 of the BNSS, 2023 shall apply.
- Neither Section 148 of the NI Act nor Section 430 of the BNSS, 2023 places any specific restrictions on suspension of sentence.



Instead, Section 430 of the BNSS has carved out a separate, most lenient category, and in cases where the sentence prescribed is up to three years of imprisonment, or when the offences in which an accused is convicted are bailable offences, the sentence is suspended by the trial Court/convicting Court.

- The very purpose of Section 430 of the BNSS, 2023, which corresponds to Section 389 Cr.P.C., is to restore the liberty curtailed post-conviction until the decision of the appeal challenging such conviction and sentence.
- Appellate Court assumes the jurisdiction to order a deposit under Section 148 of the NI Act only if the convict files an appeal before it, challenging the conviction and sentence, and the jurisdiction stays only during the pendency of such an appeal, and jurisdiction of the Appellate Court would eclipse on the decision of the appeal.
- In the absence of specific provision in the language of Section 148 of the NI Act, that in the absence of deposit of 20% of compensation, neither shall any appeal be entertained nor the sentence shall be suspended, it shall be re-writing Section 148 of NI Act and Section 430 of the BNSS, 2023, to treat the deposit of 20% as a prerequisite for filing an appeal or for suspending the sentence.
- During pendency of an appeal, the Appellate Court is also competent to direct a deposit upon the filing of an application by the complainant.
- The words, “(2) The amount referred to in sub-section (1) shall be deposited within sixty days from the date of the order, or within such further period not exceeding thirty days as may be directed by the Court on sufficient cause being shown by the appellant.”, used in Section 148(2) of the NI Act are significant, because sixty days extendable by another thirty days, are granted to a convict to deposit only if the appeal is pending, because of the words, “in an appeal by the drawer against conviction” used in Section 148 of the NI Act. In case, before the expiry of said period (sixty days + thirty days), the appeal itself is decided, then the Appellate Court shall also lose its jurisdiction to order such deposit.
- If the appeal is not decided within 60 days, with a possible extension of 30 days, then the convict must comply with the directions, if any, to deposit the compensation amount.
- When the convict challenges the conviction, sentence, or compensation by filing an appeal, **the requirement to deposit 20% or more of the fine amount or compensation is not an absolute rule and is subject to exceptions mentioned in Jamboo Bhandari (supra) and Muskan Enterprises (supra), it can be reduced to below the statutory minimum of 20% or even waived in exceptional cases by assigning reasons.**
- When a convict challenges the judgment of conviction by filing an appeal, then during the pendency of appeal, i.e. if the appeal is not decided within 60 days, extendable by 30 days, then the convict



CRM-M-28757-2025 & 05 connected cases

18

might be compelled to deposit the amount as was directed, by taking recourse to Section 395 BNSS, 2023.

- Deposit of a minimum 20% amount is not an absolute rule.
- 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.

9. In view of above, matters in hand are required to be sent back to the respective Appellate Courts, for decision afresh in consonance with the order dated 24.09.2025, passed by the Larger Bench/Division Bench of this Court in the case of **M/s Coromandel International Limited** (supra).

10. Ordered accordingly.

11. The said exercise shall be undertaken by the Appellate Court(s) not later than 15 days from the date of receipt of a certified copy of this order, and after issuing notice(s) to the respective parties.

12. Further, it is directed that till the time a fresh order is passed by the respective Appellate Court, the condition of deposit of 20% of the compensation amount, as already directed vide order(s) impugned in these petitions by the Appellate Court(s), shall remain inoperative, and the bail shall not be cancelled in consequence thereof.

13. In case the Appellate Court(s), after re-appreciation of the matter, comes to the conclusion that the deposits are expensive than the liberty, and the convict is not in a position to deposit and likely to forego his liberty even when the first appeal is yet to be decided, the Appellate Court(s) must make efforts to prioritize hearing appeal filed against the conviction under Section of the 148 NI Act and decide the same preferably within next sixty days of passing of fresh order, 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.

**CRM-M-28757-2025 & 05 connected cases****19**

14. Registry is directed to transmit copy of this order to the respective Appellate Court (as detailed in para No. 3 above) forthwith for compliance.

15. These petitions stand disposed of in the above terms.

16. A photocopy of this order be placed on the files of connected cases.

(SANJAY VASHISTH)
JUDGE

December 26, 2025

Pkapoor

Whether Speaking/Reasoned: **YES/NO**Whether Reportable: **YES/NO**