

**IN THE COURT OF THE ADDL. CIVIL JUDGE & JMFC,
AT: JAMKHANDI.**

PRESENT:

**Smt.Shreedevi,
B.Com LLB,
Addl. Civil Judge & JMFC,
Jamkhandi.**

Dated this the 29th day of October – 2025

C. C. No.1803/2025

1. Shri.Bhimappa S/o Mallappa B. Patil,
Age: 48 years, Occ: Agriculture,
R/o. Kunchanur village,
Tq: Jamkhandi, Dist: Bagalkot.

.....Complainant.

(By – Shri.I.D.S., Advocate)

V/s

1. Shri.Mahadev S/o Appasab B. Patil,
Age: 50 years, Occ: Agriculture,
R/o. Kunchanur,
Tq: Jamkhandi, Dist: Bagalkot.
Mobile No.9902456601.

.....Accused.

(By – Shri.L.L.S., Advocate)

ORDER ON APPLICATION U/SEC 143A OF NI ACT

The counsel for the complainant has filed an application under Section 143-A of the Negotiable Instruments Act,

seeking a direction to the accused to pay 20% of the cheque amount to the complainant.

2. In the application, it is submitted that the accused has issued a cheque for Rs.9,00,000/- in favour of the complainant, which was dishonoured upon presentation. The accused is therefore liable to deposit 20% of the cheque amount, i.e., Rs.1,80,000/-. Hence, it is prayed that the application be allowed.

3. Despite of sufficient opportunity given counsel for accused has not file his objection to the application.

4. Heard the counsel appearing for complainant. On the basis of the averments and on arguments of counsel, the following points that arise for my consideration:

POINTS

- 1) Whether the complainant is entitled to the interim compensation?
- 2) What order?

5. My answer to the above points are as under:

Point No.1:- Partly in Affirmative and

Point No.2:- As per final order
for the following:

:: REASONS ::

6. **Point No.1:-** The complainant has filed the present application under Section 143-A of the Negotiable Instruments Act, seeking interim compensation. It would be appropriate to set out the legal position regarding interim compensation under Section 143-A of the Act.

7. Clause (b) of sub-section (1) of Section 143-A applies only when the case is being tried as a warrant case. In the case of a summary trial or summons case, the power under sub-section (1) of Section 143-A can be exercised only after the plea of the accused is recorded. Under sub-section (5) of Section 143-A, it is provided that the amount of interim compensation may be recovered as if it were a fine, in accordance with Section 421 of the Code of Criminal Procedure. Therefore, by a legal fiction, the interim

compensation is treated as a fine solely for the purpose of its recovery. Section 421 of the Cr.P.C. deals with the recovery of fines imposed by a criminal court while passing a sentence.

8. Non-payment of interim compensation by the accused does not take away his right to defend the prosecution. The interim compensation amount can be recovered from him treating it as fine. The interim compensation amount can be recovered by issuing a warrant for attachment and sale of the movable property of the accused. If the accused acquitted, he may get back the money along with the interest as provided in sub-section (4) of Section 143-A from the complainant.

9. In the case of Section 143-A, the power can be exercised even before the accused is held guilty. Sub-section (1) of Section 143-A provides for passing a drastic order for payment of interim compensation against the accused in a complaint under Section 138, even before any adjudication is made on the guilt of the accused. The power can be exercised at the threshold even before the evidence is recorded. In a

sense, sub-section (1) of Section 143-A provides for penalising an accused even before his guilt is established.

10. The supreme court of India in **CRIMINAL APPEAL NO. 741 OF 2024** at para No.19 held that “*Subject to what is held earlier, the main conclusions can be summarised as follows:*”

a. *The exercise of power under sub-section (1) of Section 143-A is discretionary. The provision is directory and not mandatory. The word “may” used in the provision cannot be construed as “shall.”*

b. *While deciding the prayer made under Section 143-A, the Court must record brief reasons indicating consideration of all relevant factors.*

c. *The broad parameters for exercising the discretion under Section 143-A are as follows:*

i. *The Court will have to prima facie evaluate the merits of the case made out by the complainant and the merits of the defence pleaded by the accused in the reply to the application. The financial distress of the accused can also be a consideration.*

ii. *A direction to pay interim compensation can be issued, only if the complainant makes out a prima facie case.*

iii. *If the defence of the accused is found to be prima-facie plausible, the Court may exercise discretion in refusing to grant interim compensation.*

iv. *If the Court concludes that a case is made out to grant interim compensation, it will also have to apply its mind to the quantum of interim compensation to be granted. While doing so, the Court will have to consider several factors such as the nature of the transaction, the relationship, if any, between the accused and the complainant, etc.*

v. *There could be several other relevant factors in the peculiar facts of a given case, which cannot be exhaustively stated. The parameters stated above are not exhaustive.”*

11. Considering the above aspects, it can be concluded that in the present case, the plea of the accused has been recorded and a prima facie case exists in favour of the complainant. However, despite the prima facie case, the complainant is still required to prove the presumptions under Sections 118 and 139 of the Negotiable Instruments

Act. The cheque in question is for an amount of Rs.9,00,000/-, and therefore, the matter warrants a full-fledged trial. On the other hand, if the accused is ultimately acquitted, he will be entitled to recover the amount deposited, along with applicable interest. Accordingly, Point No.1 is answered partly in the '**Affirmative**'.

12. Point No.2:- In view of the aforesaid reasons, I proceed to pass the following:

: ORDER :

The application filed by the complainant under Section 143-A of N. I. Act is hereby partly allowed.

The accused is hereby directed to deposit the interim compensation @ 2 % of cheque amount before this court within 60 days from the date of this order.

If the accused is acquitted the complainant shall repay the said

compensation amount to the accused
with interest at the rate of 6% p.a. from
the date of deposit till realization.

For cross of PW-1 by 14-11-2025.

*(Dictated to the Stenographer directly on computer, after typed by
him, corrected and then pronounced by me in the open court
on this the **29th day of October - 2025**).*

**Sd/-
(Smt.Shreedevi),
Addl. Civil Judge & JMFC,
Jamkhandi.**