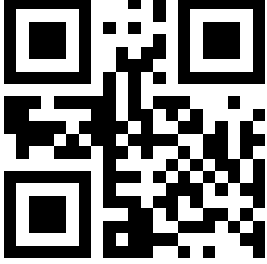


<u>MHKO190007512022</u> 	<u>ORDER BELOW EXH.11 IN</u> <u>S.C.C No. 221/2022</u> <u>(Reliable Shugar and Distalari Power Ltd</u> <u>Pharale throuhg Vijay Baburao Patil Vs</u> <u>Sandip Sadashiv Patil)</u> <u>DATE : 19/07/2025</u>
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The complainant has filed application (Exh.11) under section 143-A of Negotiable Instrument Act (in-short NI Act) seeking interim compensation.

2. Ld. Advocate for the complainant submitted that, the complainant is a sugar factory engaged in the crushing of sugarcane supplied by farmers and the manufacture and sale of sugar. During the crushing season for the year 2021–2022, the complainant factory required the services of transport contractors for sugarcane transportation. The accused is engaged in the business of sugarcane transportation. For the said crushing season of 2021–2022, the accused agreed to provide the necessary services to the complainant sugar factory. A written agreement to this effect was executed on 10/05/2021. At the request of the accused, an advance payment of Rs.4,50,000/- was made to him on 06/08/2021 through F.E. Double Plus Earthcrust and Agro Services. It was agreed that this advance amount would be recovered from the work executed by the accused. Furthermore, it was decided that the complainant would make payment to F.E. Double Plus Company from the bills raised for the work done by the accused. However, the accused failed to carry out any work as per the contract. Despite repeated demands by F.E.

Double Plus Company to the accused to refund the outstanding amount of Rs.4,50,000/-, no repayment was made by him. Consequently, in accordance with the guarantee agreement, F.E. Double Plus Company instructed the complainant to pay the due amount. A list of other defaulting transporters was also annexed with the said intimation. Pursuant thereto, on 14/06/2022, the complainant paid the entire outstanding amount, including that of the accused, to F.E. Double Plus Company. Accordingly, the accused became liable to repay the complainant an amount of Rs.4,50,000/-.

3. Ld. Advocate further submitted that, when demanded, the accused issued a cheque bearing the said amount, drawn on Bank of India, Chuye Branch. The complainant presented the said cheque for encashment on 27/06/2022. However, the cheque was dishonoured with the remark "Funds Insufficient." Thereafter, the complainant, through its advocate, issued a legal notice dated 13/07/2022 to the accused. The accused received the notice on 14/07/2022. Despite the lapse of fifteen days, the accused failed to repay the cheque amount. Hence, the present complaint has been filed under the provisions of the NI Act and this application (Exh.11) for interim compensation during the trial.

4. The accused, vide his say at Exh.13, has opposed the present application. The learned Advocate for the accused submitted that the accused is not liable to pay the amount of Rs.4,50,000/- to the complainant. It was further contended that the application under Section 143A of the NI Act has been filed solely with the intention to

delay the progress of the trial. Hence, it was prayed that the application be rejected.

5. Perused the record. Heard Ld. Advocate for the complainant and for the accused. Considered the submissions.

6. Section 143A of the NI Act empowers the Court to direct the drawer of a dishonoured cheque to pay interim compensation to the complainant during the pendency of the trial. This provision was introduced with the object of affording partial financial relief to the payee at the interim stage, considering the delays often associated with cheque dishonour cases.

7. Perusal of the documents on record (along with Exh.3), including the cheque in dispute, bank return memo indicating dishonour due to "Funds Insufficient," statutory demand notice, its delivery report, the written agreement between the parties, the demand letter from F.E. Double Plus Earthcrust and Agro Services addressed to the complainant, and the list of defaulting contractors bearing the name of the accused, *prima facie* reveal that the essential ingredients of Section 138 of the Negotiable Instruments Act stand fulfilled. Furthermore, the accused has not alleged that the cheque amount was repaid after receipt of the statutory notice. Hence, it is apparent that the accused has failed to make payment of the cheque amount within the statutory period of fifteen days from the date of receipt of notice.

8. At this stage, it must be clarified that the determination of whether the accused is ultimately liable under Section 138 of the NI Act shall be made upon appreciation of evidence during the trial. The accused has pleaded not guilty. Presently, the ingredients of Section 143A are satisfied. Therefore, the application (Exh.11) deserves to be allowed. Notably, no argument has been advanced on behalf of the accused regarding his financial incapacity to pay interim compensation.

9. Having regard to the facts of the case, and in order to strike a balance between the interests of the complainant and the accused, this Court is of the opinion that it would be just and appropriate to direct the accused to pay interim compensation equivalent to 5% of the cheque amount. The cheque amount is Rs.4,50,000/- and 5% thereof amounts to Rs.22,500/-. Hence, the following order:

ORDER

1. Application (Exh.11) is partly allowed.
2. Accused is directed to pay 5% of the cheque amount i.e. Rs.22,500/-(Rs. Twenty Two Thousand and Five Hundred Only) to the complainant as interim compensation within 60 days from the date of this order.

Radhanagari

Date : 19/07/2025.

sd/-

(N. P. Kakade)

Judicial Magistrate First Class,
Radhanagari.