Order below Exh. 12 in Case No. 807/SS/2020

1. This is an application made by the complainant under section 143A of the Negotiable Instruments Act (for short ***'the N.I. Act'***) with a prayer to direct the accused to pay interim compensation to the extent of 20% of the cheques amount.

2. The complainant has contended that, the accused has pleaded not guilty. Therefore, the accused is required to be directed to pay interim compensation to the extent of 20% of the cheques amount.

3. The accused has filed his reply overleaf of the application. It is submitted that, the transaction between the parties is only of Rs.1,25,000/-. The accused has never agreed to pay interest. There is no documentary evidence in support of the claim of complainant in respect of interest at the rate of 20% per month. The claim of interim compensation is more than the principal amount. The complainant has misused security cheques. On these major grounds, the accused has prayed for rejection of the application.

4. Heard learned Advocates for both the sides. Perused record. In support of her submissions, the Ld. Advocate for accused has relied upon the decision in ***Mr. Ashwin Ashokrao Karokar V/s. Mr. Laxmikant Govind Joshi 2022 (3) Crimes 2006***.

5. The case is for offence punishable under section 138 of the N.I. Act. The accused has pleaded not guilty to the accusation made in the complaint. In view of the provisions of Section 143A of the N.I. Act, this Court has power to direct the accused to pay interim compensation to the complainant. Recently, in the case of ***Mr. Ashwin Ashokrao Karokar (Supra)*** our Hon'ble High Court, Bench at Nagpur has held that, the provisions under section 143A of the N.I. Act are directory in nature and not mandatory.

6. By filing affidavit Exh. 18, the accused had stated that, he has received only Rs.1,25,000/-. It is further stated that, the said amount has been repaid in cash and the complainant has misused the security cheques. The accused has disputed the fact of charging interest by the complainant. The said aspect would be a triable issue, which would require full fledged trial. At this *pre-trial* stage, the Court is not expected to go into the merits and demerits of the case. Moreover, interim compensation can be granted only to the extent of 20% of the cheque amount. So also, the complainant is required to repay the said amount with interest at Bank rate as published by the Reserve Bank of India if the case results in acquittal.

7. In the present matter, the documents produced along with the evidence affidavit *prima-facie* support the case of complainant. Having regard to the object behind inserting section 143A of the N.I. Act, the application deserves to be allowed. The cheques in question are of total amount of

₹7,25,000/-. The amount of interim compensation to the extent of 20% would be ₹1,45,000/-. Hence, Order.

ORDER

1. Application Exh. 12 is allowed in the following terms.

2. The accused shall pay ₹1,45,000/- (Rupees One Lakh Forty Five Thousand) to the complainant as interim compensation within 60 days from the date of this Order.

Sd/-
(**Mahesh V. Phade**)
Metropolitan Magistrate
7^{th} Court, Dadar, Mumbai

Mumbai
Date : 15.12.2023