



S.C.C. No. 312/2024
Amin Vs. Sk. Mohammad
MHYA 13-000583-2024

ORDER BELOW EXH.20
[Passed on 04/12/2025]

The present application filed by the complainant for claiming interim compensation under section 143-A of The Negotiable Instruments (Amendment) Act, 2018, (herein after referred as the Act), by way present application the complainant contended that, the accused issued cheque bearing No.017232 of Rs.1,00,000/- (Rupees One Lakh only) dated 01.03.2024 and which dishonored on 02.03.2024, the complainant issued notice through his advocate on 26.03.2024 and said notice served on 26.03.2024, inspite of this, the accused not paid cheque amount, therefore the complainant filed complaint before the court.

2] Complaint is relating to cheque amount of Rs.1,00,000/- (Rupees One Lakh only) therefore as per the provision of Section 143-A of N.I. Act, the accused is liable to deposit 20% amount of cheque amount before Hon'ble Court, Hence, prayed to grant application.

3] On other hand learned counsel for the accused filed his say overleaf the application and submitted that, case is not prima facie in favour of complainant. Provision under section 143-A is not mandatory. Hence, prayed for rejection of application.

4] Heard both sides. At the outset, it is worthwhile to discuss following provision and judgement of the Hon'ble Apex Court;

5] It is necessary to understand the following legal principles and legal position, before deciding applicability of 143-A of the Act.

I) Object of the Negotiable Instruments (Amendment) Act, 2018 : The Negotiable Instruments (Amendment) Act, 2018 that were brought to the Negotiable Instruments Act, 1881 with an intention of amending the law related to promissory notes, bills of exchange and cheques. The Act has been amended time and again to ensure and enhance trust in negotiable instruments. With an aim to further streamline the Act, the Central Government incorporated Sections 143-A and 148 Negotiable Instruments (Amendment) Act, 2018.

II) Section 143-A of the Amended Act : Section 143-A of the Negotiable Instruments (Amendment) Act, 2018 empowers any Court while trying an offence for dishonor of a cheque to direct the drawer, who is the issuer of the cheque, to pay interim compensation to the complainant. The amount of compensation payable cannot exceed 20% of the amount as stated in the cheque. This amount has to be paid within a stipulated time period of 60 days from the date of the order passed by the court, or further within the extended period of 30 days, as may be directed by the court on showing sufficient cause for the delay caused. In case where the drawer is acquitted, then the payee may be directed to refund the entire amount of

interim compensation along with the prevailing interest rate, to the drawer.

III) ***In the case of G. J. Raja Vs Tejraj Surana, Criminal Appeal No. 1160 of 2019 @ SLP (Crl.) No. 3342 of 2019***, the Hon'ble two judges Bench of the Hon'ble Apex Court held that, Section 143-A of the Negotiable Instruments Act, 1881 to be prospective in operation and that the provisions of said Section 143-A can be applied or invoked only in cases where the offence under Section 138 of the Act was committed after the introduction of said Section 143-A in the statute book with effect from 01.09.2018.

6] Now, it is clear that Section 143-A of the Act no retrospective effect and these new provisions effective since 1st September 2018. On perusal of the record, it reveals that in the present matter cheque was dishonored on 02.03.2024 and thereafter a legal notice was issued on 26.03.2024 and requested to the accused to pay cheque amount of Rs.1,00,000/- (Rupees One Lakh only) with in period of 15 days from the date of receipt of the notice to the complainant. The notice issued by the complainant was served to the accused on 26.03.2024, the accused has not paid amount of cheque i.e. Rs.1,00,000/- (Rupees One Lakh only) to the complainant till 13.04.2024. The complainant accrued cause of action on 14.04.2024 when the accused failed to pay the amount to the complainant, therefore the complainant file the present complaint against the accused. That, the present complaint is filed within the period of limitation. That, the above acts of the accused constitutes offence punishable under section 138 of the Negotiable Instruments Act.

7] In the present matter the complainant filed documents on record below Exh.03 i.e. Xerox copy of the cheque. Perused the complaint verification in the form of affidavit and documents filed on record. It appears that prima-facie case is made out. Also, all the statutory compliance has been made by the complainant prior to filing of the complaint. In the present matter proceeding is pending after to the Act and alleged offence punishable under Section 138 committed after the date of incorporation of the amendment as Section 143-A of the Act, At this juncture there is noting on record to deny the entitlement of the complainant for interim compensation. Therefore, the provisions of the Section 143-A of the Act is applicable in the present matter for awarding compensation. Hence, I proceed to pass following order.

ORDER

1. Application is hereby allowed.
2. The accused is directed to pay 20 % amount of cheque as interim compensation i.e. Rs.20,000/- (Rupees Twenty Thousand only).
3. The accused is directed to pay said interim compensation within 60 days from date of this order.

Dated : 04.12.2025
Place : Digra.

(M. B. Sakhare)
Judicial Magistrate First Class,
(Court No.2), Digra.

CERTIFICATE

I affirm that the contents of this P.D.F. file order are same,
word to word, as per the original order.

Name of the Stenographer	:	Shri. S.B. Chilkewar
Name of Court	:	Smt. M.B. Sakhare Jt. CJJD & JMFC, Court digras.
Dated	:	04/12/2025.
Judgment signed by the Presiding Officer on	:	04/12/2025.
Order uploaded on	:	04/12/2025.