IN THE COURT OF JUDICIAL MAGISTRATE, SATHANKULAM
Present: Selvi.M.V.DEVI RAKSHA, B.B.A.,LL.B (Hons).,
Judicial Magistrate, Sathankulam
Monday 08th Day of June 2026
Cr.M.P. No. 224 of 2026
in
STC. No. 263 of 2025

Ganesh, S/o Muthupandi

...Petitioner/Complainant

/vs/

Sudalaimani, S/o Ramaiah ...Respondent/ Accused

This petition came before me for final hearing on 15.05.2026 in the presence of the Learned counsel Mr.M.Alagu Ramakrishnan., appearing for the Petitioner/complainant and Mr.J. Joel., Learned counsel appearing for the Respondent/ accused and after hearing both side and having stood over consideration, on perusal of this court delivers the following,

ORDER

This petition is filed by the Petitioner/complainant under section 143A of Negotiable instruments act to direct the respondent/accused to pay as interim compensation of 20% of the cheque amount Rs.1,00,000/- to this petitioner/complainant for the reasons stated in the petition and thus render justice.

1. AVERMENTS IN THE PETITION:

It is the case of the petitioner/complainant that the above case was filed for cheque amount of Rs.5,00,000/- and the case is now posted for complainant side evidence and that it is utmost necessary for this court to grant interim compensation of 20% of cheque amount and so prays to allow this petition.

2. AVERMENTS IN THE COUNTER:

2.1) Due to prior acquaintance, the respondent/accused (who works in the Tamil Nadu Electricity Board) approached the complainant (who runs a CCTV installation business and formerly worked at Grameen Koota Financial Services in 2020) on 20.03.2024, requesting a loan of ₹5,00,000/- for immediate financial needs. The accused promised to return the money within a month. Relying on this promise, the complainant paid the requested sum. A week later, the accused handed over a post-dated cheque (No. 786285, dated 28.04.2024) drawn on Canara Bank, Thisayanvilai Branch, as security/repayment. These assertions have been categorically denied and contested by the respondent/accused.

2.2) The allegations made by the petitioner/complainant regarding the presentation, dishonor, and subsequent legal notice are entirely false and unfounded. The accused strongly denies ever contacting the complainant or representing that sufficient funds were available in his account to encash the cheque on 28.04.2024.

2.3) It is the case of the accused that no such post-dated cheque dated 28.04.2024 was ever validly issued to discharge any legally enforceable debt. The accused further contends that the complainant's claim of presenting the cheque at Tamil Nadu Mercantile Bank, Sathankulam Branch, its return on 08.05.2024 for "Funds Insufficient", and the subsequent issuance and service of the demand notice dated 03.06.2024 are part of a fabricated narrative. The accused denies any liability to reply to the notice or pay the amount, asserting that the present complaint has been instituted on a completely false basis.

3) Learned counsel for petitioner/ complainant submitted that there is no reply notice sent by the respondent/accused denying the transaction averred by the petitioner/complainant and there is no restriction in sec 143A and prays to allow this petition.

4) Learned counsel for respondent/ accused denied the contentions of the petitioner/complainant that the respondent/accused had borrowed Rs. 5,00,000/- from the petitioner/complainant and that the same could be decided at trial and so prays to dismiss this petition.

5. **POINTS FOR CONSIDERATION:**

WHETHER THIS PETITION FILED UNDER SECTION 143A OF NEGOTIABLE INSTRUMENTS ACT HAS TO BE ALLOWED OR NOT ?

5.1) Heard both and perused the records. The same shows that this petition is filed by the Petitioner/complainant under section 143A of Negotiable instruments act

DEVI RAKSHA M V Digitally signed by DEVI RAKSHA M V Date: 2026.06.08 18:01:39 +0530 to direct the respondent/accused to pay as interim compensation of 20% of the cheque amount Rs.1,00,000/- to this petitioner/complainant stating that it is utmost necessary for this court to grant interim compensation.

5.2) However, it was denied by the respondent/accused that he had not issued the cheque or borrowed the cheque amount and the averment of the petitioner/complaint that he had issued a post-dated cheque dated 28.04.2024 is false and only the entire facts will be unraveled only after the trial and so prays to dismiss this petition.

5.3) Before, going into the merits it would be relevant to state sec 143A of Negotiable Instruments Amendment Act 2018 where in it was stated that,

143A. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the Court trying an offence under section 138 may order the drawer of the cheque to pay interim compensation to the complainant—

(a)in a summary trial or a summons case, where he pleads not guilty to the accusation made in the complaint; and

(b) in any other case, upon framing of charge.

(2) The interim compensation under sub-section (1) shall not exceed twenty per cent. of the amount of the cheque.

(3) The interim compensation shall be paid within sixty days from the date of the order under sub-section (1), or within such further period not exceeding thirty days as may be directed by the Court on sufficient cause being shown by the drawer of the cheque.

(4) If the drawer of the cheque is acquitted, the Court shall direct the complainant to repay to the drawer the amount of interim compensation, with interest at the bank rate as published by the Reserve Bank of India, prevalent at the beginning of the relevant financial year, 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 complainant.

(5) The interim compensation payable under this section may be recovered as if it were a fine under section 421 of the Code of Criminal Procedure, 1973.

(6) The amount of fine imposed under section 138 or the amount of

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compensation awarded under section 357 of the Code of Criminal Procedure, 1973, shall be reduced by the amount paid or recovered as interim compensation under this section.".

5.4) Reading which provision shows that interim compensation may be ordered by the court trying offence U/s 138 NI Act which shows that it is not a mandatory relief. At this juncture this court finds it fit to cite Judgment of Hon'ble Supreme court rendered in Rakesh Ranjan Shrivastava Vs The state of Jharkhand & ANR, 2024 in which the purpose of introduction of sec 143A was discussed and Hon'ble Supreme Court had held in para No.16 as to the factors to be taken it account while exercising the power of grant of interim compensation as follows,

16. When the court deals with an application under Section 143A of the N.I. Act, 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 under sub-section (1) of Section 143A. The presumption under Section 139 of the N.I. Act, by itself, is no ground to direct the payment of interim compensation. The reason is that the presumption is rebuttable. The question of applying the presumption will arise at the trial. Only if the complainant makes out a prima facie case, a direction can be issued to pay interim compensation. At this stage, the fact that the accused is in financial distress can also be a consideration. Even if the Court concludes that a case is made out for grant of interim compensation, the Court will have to apply its mind to the quantum of interim compensation to be granted. Even at this stage, the Court will have to consider various factors such as the nature of the transaction, the relationship, if any, between the accused and the complainant and the paying capacity of the accused. If the defence of the accused is found to be prima facie a plausible defence, the Court may exercise discretion in refusing to grant interim compensation. We may note that the factors required to be considered, which we have set out above, are not exhaustive. There could be several other factors in the facts of a given case, such as, the pendency of a civil suit, etc. While deciding the prayer made under Section 143A, the Court must record brief reasons indicating consideration of all the relevant factors.

6) Reasoning and Conclusion:

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The award of interim compensation is a discretionary power that hinges on the merits of the case; where a valid, triable defence exists, such a grant may be refused.

In the matrix of the present case, this Court finds the petition untenable on the following grounds:

- **Lack of Pleadings and Belated Stage:** The petitioner/complainant has failed to state any specific grounds or reasons in the petition. Moreover, introducing this application at the stage of complainant-side evidence raises doubts regarding the petitioner's conduct and the necessity of the application.
- **Plausible Defence Raised:** The respondent/accused has consistently denied the execution of the cheque, both in his counter-affidavit and during the framing of the substance of accusation, maintaining that a false case has been foisted against him.

Since the denial of execution raises a plausible question of fact that requires comprehensive adjudication through trial, this Court finds no merit in granting interim compensation at this stage.

Hence, in view of the above discussion this petition is dismissed. There shall be no order as to costs.

Dictated to typist and typed by her and corrected by me and pronounced by me on 08th day of June 2026.

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Judicial Magistrate,
Sathankulam.