



IN THE HIGH COURT OF ORISSA AT CUTTACK

CRLMC No.3651 of 2025

Dhobani Mohanty & Ors. *Petitioner(s)*

Mr. A.K. Nayak, Adv.

-versus-

State of Odisha & Anr. *Opposite Party(s)*

Ms. Gayatri Patra, ASC (for O.P. No.1)

Mr. Bhojaraj Seth, Adv. (for O.P.No.2)

CORAM:

HON'BLE DR. JUSTICE SANJEEB K PANIGRAHI

ORDER

Order No.

03.

27.02.2026

1. This matter is taken up through hybrid arrangement.
2. The Petitioners have filed the present CRLMC under Section 482 of Cr.P.C. assailing the order dated 13.09.2025 passed by the learned J.M.F.C., Bhubaneswar in 1 C.C. Case No.8062 of 2022, whereby interim compensation to the extent of 20% of the cheque amount has been awarded in favour of Opposite Party No.2 under Section 143-A Negotiable Instruments Act, 1881 (for short, "N.I. Act").
3. The factual matrix, in brief, is that the proceeding under Section 138 of the N.I. Act was initiated at the instance of the Opposite Party No.2 alleging dishonour of two cheques amounting to Rs.14,60,000/- (rupees fourteen lakhs sixty thousand only), purportedly issued by the Petitioners in due discharge of a legally enforceable liability. The said



cheques were returned unpaid on the ground of insufficiency of funds. Upon consideration of the complaint and materials on record, the learned Magistrate took cognizance of the offence and issued process against the Petitioners.

4. After appearance of the Petitioners, Opposite Party No.2 filed an application under Section 143-A of the N.I. Act seeking a direction to the Petitioners to pay interim compensation to the extent of 20% of the cheque amount. The Petitioners opposed the said application contending, *inter alia*, that the complaint is false, based on forged and manipulated cheques and filed with an intention to harass and extort money from them. It was further contended that the financial condition of the Petitioners renders the alleged transaction doubtful.

5. The learned Magistrate, upon hearing the parties, allowed the application and directed payment of 20% of the cheque amount as interim compensation within 60 days, subject to the statutory condition that in the event of acquittal, Opposite Party No.2 shall refund the amount with interest at the bank rate.

6. Learned counsel for the Petitioners further contends that learned Magistrate has committed error of law in awarding 20% of the cheque amount as interim amount which is maximum limit prescribed.



7. Learned counsel for the Petitioners placing reliance in the case of *Rakesh Ranjan Shrivastava v. The State of Jharkhand & Anr.*¹ submits that the exercise of power under sub-section (1) of Section 143A is discretionary. The provision is directory and not mandatory. The word “may” used in the provision cannot be construed as “shall”.

8. Per contra, learned counsel for Opposite Party No.2 supporting the impugned order submits that the learned Magistrate has exercised discretion judiciously in accordance with law and there is no illegality in the impugned order warranting interference under Section 482 Cr.P.C.

9. Heard learned counsel for the Petitioners and learned counsel for Opposite Party No.2. Perused the available materials on record.

10. Section 143-A of the N.I. Act empowers the Court trying an offence under Section 138 to direct the drawer of the cheque to pay interim compensation, not exceeding 20% of the cheque amount, in cases where the accused pleads not guilty to the accusation. The provision confers discretion upon the Court; however, such discretion is to be exercised on sound judicial principles and upon consideration of the facts and circumstances of each case.

¹ 2024 INSC 205



11. On perusal of the impugned order, it is evident that the learned Magistrate has taken note of the nature of accusation, the issuance and dishonour of the cheque and the statutory object behind introduction of Section 143-A, which is to provide relief to the complainant during pendency of trial. The defence raised by the Petitioners pertains to disputed questions of fact, which can only be adjudicated upon appreciation of evidence during trial.

12. The contention that the learned Magistrate awarded the maximum permissible amount without application of mind is not borne out from the record. The order reflects due consideration of the pleadings and reliance upon judicial precedents governing the field. Merely because the maximum percentage has been awarded does not *ipso facto* render the order illegal, particularly when the statute permits grant of compensation up to 20%.

13. It is well settled that inherent jurisdiction under Section 482 Cr.P.C. is to be exercised sparingly and with circumspection to prevent abuse of process of Court or to secure the ends of justice. This Court does not find any perversity, illegality, or jurisdictional error in the impugned order warranting interference.

14. Accordingly, the CRLMC stands dismissed.

15. Pending application (s), if any, stands disposed of.

16. The interim order, if any, stands vacated.



17. The learned trial Court shall proceed with the matter expeditiously in accordance with law.
18. Issue urgent certified copy of this order as per Rules.

(Dr. Sanjeeb K Panigrahi)
Judge

Sipun