



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 9TH DAY OF JUNE, 2026

BEFORE

THE HON'BLE MR. JUSTICE RAVI V HOSMANI

CRIMINAL PETITION NO. 2959 OF 2019

BETWEEN:

SRI. PRASANNA KUMAR S.M,
S/O MUNIKRISHNAPPA,
AGED ABOUT 35 YEARS,
R/AT SEETHAKEMPANAHALLI VILLAGE,
KAKOLU POST, HESARAGHATTA HOBLI,
BENGALURU - 560 089.

...PETITIONER

(BY SRI. VARAPRASAD K, ADVOCATE)

AND:

SRI. BYREGOWDA B.R.
S/O RAJANNA,
AGED ABOUT 44 YEARS,
R/AT NO.289, TANK ROAD,
BETTAHALASURU, JALA HOBLI,
BETTAHALASURU POST,
BENGALURU - 562 157.

...RESPONDENT

(BY SRI. H.S. HARISH, ADVOCATE)

THIS CRL.P IS FILED U/S.482 OF CR.P.C PRAYING TO SET ASIDE THE ORDER DATED 06.02.2019 PASSED BY THE LEARNED XII A.C.M.M., BENGALURU UNDER SECTION 143A OF THE N.I ACT IN C.C.NO.31541/2018, VIDE ANNEXURE-A.

THIS PETITION, COMING ON FOR ADMISSION, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

Digitally signed
by ANUSHA V
Location: High
Court of
Karnataka



CORAM: HON'BLE MR. JUSTICE RAVI V HOSMANI

ORAL ORDER

Challenging order dated 06.02.2019 passed by XII Addl.C.M.M. Bangalore in C.C.no.31541/2018 under Section 143A of Negotiable Instruments Act, 1881 (**NI Act**) this petition is filed.

2. Sri K.Varaprasad, learned counsel for petitioner submitted that respondent no.2 had filed private complaint in P.C.R.no.12092/2018 as per Annexure-B against petitioner herein for offence punishable under Section 138 of N.I. Act. After recording of sworn statement and plea, wherein petitioner - accused pleaded not guilty and sought to be tried, Trial Court invoking Section 143A of NI Act passed impugned order directing petitioner to pay 20% of cheque amount as interim fine. While passing impugned order, Trial Court erroneously held provision to be mandatory, contrary to decision of Hon'ble Supreme Court in case of **Rakesh Ranjan Shrivastava v. State of Jharkhand & Another** reported in **(2024)4 SCC 419**. On said short ground, learned counsel for petitioner sought for allowing petition.



3. There is no appearance for respondent.
4. Heard learned counsel and perused material on record.
5. To cut short discussion, it would be appropriate to extract order impugned, which reads as follows-

"The accused present. Accused present, plea of accused is recorded in the language known to him. He pleaded not guilty and claims for trial.

Complainant already examined, as pre-trial stage, by way of examination chief, as documents as marked Ex.P-1 to Ex.P-6 and is examination, now treated as post trial stage, the complainant already at the time of recording sworn statement, documents are already marked, said evidence post trial stage, as PW1, documents which are already marked Ex.P-1 to Ex.P-6.

The accused claims for trial at the time of recording of his plea, Hence as per mandatory provision u/s 143A of N.I. Act, the accused is directed to deposit 20% of cheque amount within 60 days, accused is deposit of 20% cheque amount or settlement, Call on 06.03.2019."



6. As rightly submitted, Hon'ble Supreme Court in ***Rakesh Ranjan Shrivastava's*** case (*supra*) has held as follows -

"27. Subject to what is held earlier, the main conclusions can be summarised as follows:

27.1. The exercise of power under sub-section (1) of Section 143-A is discretionary. The provision is directory and not mandatory. The word "may" used in the provision cannot be construed as "shall."

27.2. While deciding the prayer made under Section 143-A, the Court must record brief reasons indicating consideration of all relevant factors.

27.3. The broad parameters for exercising the discretion under Section 143-A are as follows:

27.3.i. 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. The financial distress of the accused can also be a consideration.

27.3.ii. A direction to pay interim compensation can be issued, only if the complainant makes out a prima facie case.

27.4.iii. If the defence of the accused is found to be prima facie plausible, the Court may exercise discretion in refusing to grant interim compensation.



27.4.iv. If the Court concludes that a case is made out to grant interim compensation, it will also have to apply its mind to the quantum of interim compensation to be granted. While doing so, the Court will have to consider several factors such as the nature of the transaction, the relationship, if any, between the accused and the complainant, etc.

27.4.v. There could be several other relevant factors in the peculiar facts of a given case, which cannot be exhaustively stated. The parameters stated above are not exhaustive."

7. Granting of interim compensation under Section 143A of NI Act is held discretionary and indicating parameters based on discretionary order can be passed. However, order impugned herein runs against mandate.

8. In view of above, without any more, Petition is **allowed**. Order impugned is quashed. Matter is remitted back to Trial Court to pass orders afresh under Section 143A of NI Act or proceed with main matter, in accordance with law

**Sd/-
(RAVI V HOSMANI)
JUDGE**