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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CRIMINAL APPELLATE JURISDICTION**

WRIT PETITION NO.2644 OF 2022

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Kaluvoy Sreenivasulu Reddy

... Petitioner

V/s.

The State of Maharashtra & Anr.

... Respondents

Mr. Niranjan Mundargi with Ms. Keral Mehta and Ms. Arundhati Korade i/by Vis Legis Law Practice for the petitioner.

Mr. A.R. Patil, APP for respondent no.1/State.

Mr. Rajesh Kanojia for respondent no.2.

CORAM : AMIT BORKAR, J.

DATED : MARCH 29, 2023

PC.:

1. The challenge in this writ petition is to the order dated 18th March 2021 passed by the Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai in C.C. No.1462/SS/2019.

2. By the impugned order, the directors of accused no.1/company are directed to deposit 20% of the cheque amount as interim compensation in exercise of powers under section 143A of the Negotiable Instruments Act, 1881.

3. The writ petition arises out of filing of complaint under section 138 of the Negotiable Instruments Act, 1881. After recording of plea, application under section 143A of the Negotiable Instruments Act, 1881 filed by the complainant has

been allowed by the impugned order. Aggrieved thereby, the directors of accused no.1/company have filed present writ petition.

4. This Court by order dated 8th March 2023 in a group of matters, lead matter being Criminal Application NO.886 of 2022 (**Lyka Labs Limited & Anr v. The State of Maharashtra & Anr.**) has held that the authorised signatory of a company is not liable for payment of interim compensation under section 143A of the Negotiable Instruments Act, 1881. It was held that the accused no.1/company is solely responsible for payment under section 143A of the Act as the company being legal person is 'drawer' within the meaning of section 138 of the Act.

5. According to the complainant, the applicants are promoters/managing directors but, in my opinion, this will not make any difference as regards liability of directors under section 143A of the NI Act as even promoter/directors are liable under section 141 of the NI Act and are not 'drawers'.

6. For the reasons stated in the order dated 8th March 2023, the impugned order cannot be sustained. Hence, following order:

a) The impugned order 18th March 2021 passed by the Metropolitan Magistrate, 33rd Court, Ballard Pier, Mumbai in C.C. No.1462/SS/2019 is quashed and set aside;

b) Rule is made absolute in terms of prayer clause (b).

7. The writ petition is disposed of in above terms. No costs.

(AMIT BORKAR, J.)