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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **CRL.M.C. 6055/2025, CRL.M.A. 25748/2025 & CRL.M.A. 25749/2025**

VIKAS GUPTAPetitioner
Through: Mr. Onkar Raj, Mr. Puneet Singh Yadav & Mr. Vatanjeet Singh, Advs.

versus
MANPREET SINGH SAINIRespondent
Through:

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+ **CRL.M.C. 6076/2025, CRL.M.A. 25839/2025 & CRL.M.A. 25840/2025**

HEMA GUPTAPetitioner
Through: Mr. Onkar Raj, Mr. Puneet Singh Yadav & Mr. Vatanjeet Singh, Advs.

versus
MANPREET SINGH SAHNIRespondent
Through:

CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

ORDER
29.08.2025

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1. The present petition is filed challenging the orders dated 23.01.2025 (hereafter '**impugned orders**'), passed by the learned Additional Sessions Judge ('**ASJ**'), North District, Rohini Courts, in CR Nos. 176/2023 and 177/2023 respectively.
2. By the impugned orders, the learned ASJ dismissed the petitions filed by the petitioner and upheld the respective orders dated 15.04.2023, passed in Ct Case Nos. 188/2019 and 189/2019, whereby the learned Trial Court allowed the applications under Section 143A of the Negotiable Instruments Act, 1881 ('**NI Act**') and directed the respective petitioner



accused to pay a sum of ₹1,20,00,000/- to the complainant in each case.

3. Briefly stated, the respondent filed separate complaints against the petitioners, who are husband and wife, respectively alleging that they approached him to purchase a property in Gurugram for a consideration amount of ₹1.25 crores. Pursuant to executing an agreement to sell, the complainant allegedly paid earnest amount of ₹8 lakhs. Subsequently, since the petitioners were unable to transfer the property as agreed, they offered to pay double the earnest amount, that is, ₹16 lakhs. For the said purpose, the petitioner Vikas issued a cheque for ₹6 lakhs and the petitioner Hema issued a cheque for ₹ 10 lakhs. The said cheques were dishonoured upon presentation and led to filing of the separate complaints.

4. During the pendency of the complaints, the complainant filed applications for interim compensation in both the complaints which were allowed by the learned Trial Court by orders dated 15.04.2023 after observing that the complainant had been able to make a *prima facie* case in his favour and the defence taken by the petitioners appeared to be flimsy.

5. The said orders were upheld by the impugned orders, which led to the filing of the present petitions.

6. The learned counsel for the petitioners submits that interim compensation has been erroneously awarded in favour of the complainant without appreciating the defence of the petitioners.

7. He submits that the cheques in question had been issued by the petitioners to one Mr. Kapil Mehta as a security, which aspect has been brushed aside by the lower courts.

8. He submits that the execution of any agreement to sell is denied and that the same is inadmissible as evidence as it was



never attested by the respondent. He further submits that the purported agreement to sell is being executed by both the petitioners, however, the property in question was owned by only the petitioner Hema which belies the case of the complainant.

9. He submits that ₹3 lakhs out of the purported earnest money of ₹8 lakhs is also claimed to have been paid in part in cash to the petitioners, which casts further doubt on the case of the complainant.

10. I have heard the counsel for the petitioners and perused the record.

11. At the outset, it is relevant to note that the petitioner has approached this Court after availing the remedy of revision. While it is settled law that a second revision cannot be filed in terms of the bar under Section 438 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (earlier Section 397 of the Code of Criminal Procedure, 1973), the inherent power of this Court has a wide ambit and can be exercised in the interest of justice. However, the inherent power is to be exercised cautiously and sparingly, especially when Sessions Judge has already exercised revisional power. The Hon'ble Apex Court, in the case of **Krishnan v. Krishnaveni : (1997) 4 SCC 241**, had observed as under:

“8. The object of Section 483 and the purpose behind conferring the revisional power under Section 397 read with Section 401, upon the High Court is to invest continuous supervisory jurisdiction so as to prevent miscarriage of justice or to correct irregularity of the procedure or to mete out justice. In addition, the inherent power of the High Court is preserved by Section 482. The power of the High Court, therefore, is very wide. However, the High Court must exercise such power sparingly and cautiously when the Sessions Judge has simultaneously exercised revisional power under Section 397(1). However, when the High Court notices that there has been failure of justice or misuse of judicial mechanism or procedure, sentence or



order is not correct, it is ~~not~~ a salutary duty of the High Court to prevent the abuse of the process or miscarriage of justice or to correct irregularities/incorrectness committed by inferior criminal court in its juridical process or illegality of sentence or order.”

(emphasis supplied)

12. Before delving into the facts of the case, it is important to discuss the law in relation to Section 143A of the NI Act. In the case of **Rakesh Ranjan Shrivastava v. The State of Jharkhand & Anr. : 2024 INSC 205**, the Hon'ble Apex Court had clarified the position in respect of the factors to be considered while exercising the discretion to direct the accused to pay interim compensation under Section 143A of the NI Act. The relevant portion of the judgment is as under:

***“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.*”**



17. In the present case, the Trial Court has mechanically passed an order of deposit of Rs.10,00,000/- without considering the issue of prima facie case and other relevant factors. It is true that the sum of Rs.10,00,000/- represents less than 5 per cent of the cheque amount, but the direction has been issued to pay the amount without application of mind. Even the High Court has not applied its mind. We, therefore, propose to direct the Trial Court to consider the application for grant of interim compensation afresh. In the meanwhile, the amount of Rs. 10,00,000/- deposited by the appellant will continue to remain deposited with the Trial Court.

18. Hence, impugned orders are set aside, and the application made by the complainant in Complaint Petition No. 1103/2018 under Section 143A (1) of the N.I. Act is restored to the file of Judicial Magistrate First Class, Bokaro. The learned Judge will hear and decide the application for the grant of interim compensation afresh in the light of what is held in this judgment. The amount deposited by the appellant of Rs. 10,00,000/- shall be invested in a fixed deposit till the disposal of the said application. At the time of disposing of the application, the Trial Court will pass an appropriate order regarding refund and/or withdrawal and/or investment of the said amount.

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

- a. 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.”
- b. **While deciding the prayer made under Section 143A, the Court must record brief reasons indicating consideration of all relevant factors.**
- c. The broad parameters for exercising the discretion under Section 143A are as follows:
 - 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.
 - ii. A direction to pay interim compensation can be issued, only if the complainant makes out a prima facie case.
 - 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.
 - 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.

- 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.”

(emphasis supplied)

13. In line with the dictum of the Hon’ble Apex Court in ***Rakesh Ranjan Shrivastava v. The State of Jharkhand & Anr.*** (*supra*), while dealing with an application under Section 143A of the NI Act, the Court would have to *prima facie* evaluate the merits of the case as made out by the complainant. A direction to pay interim compensation ought to be issued only if the complainant makes out a *prima facie* case. If the Court is of the opinion that interim compensation ought to be granted, the Court has to take into account various factors such as the nature of the transaction, relationship between the parties, the paying capacity of the accused, the pendency of civil suit etcetera.

14. In the present case, the petitioners have not raised any argument in relation to them being destitute or lacking the financial capacity to pay the awarded compensation amount, however, a number of arguments have been raised in relation to the merits of the case.

15. It is pertinent to note that a bare perusal of the reply filed by the petitioners to the applications under Section 143A of the NI Act as well as the revision petition reflects that the only grounds essentially agitated before the lower Courts were in relation to the application being filed belatedly. The learned Trial Court has even observed that the petitioners have not said anything on the executed agreement.

16. Even otherwise, it is relevant to note that the accused petitioners have admitted their signatures on the cheques and



there is no dispute regarding their dishonour, whereby, the statutory presumption under Section 139 of the NI Act comes into operation.

17. While the presumption itself is no ground for awarding interim compensation, the learned Trial Court has rightly found the defence raised by the petitioners in relation to the cheques being given as securities as flimsy before observing that the complainant has been able to canvas a *prima facie* case in his favour. It has been rightly noted that the petitioners have failed to give any particulars of the supposed loan taken from Mr. Kapil Mehta against which they had issued the cheques in question.

18. It has been rightly appreciated by the lower Courts that the petitioners have also not been able to explain the transactions as alleged by the complainant. While some portion of the purported earnest money was paid by the complainant in cash which is supported by a disputed promissory note, the petitioners have failed to furnish an explanation for the transaction for the remaining amount of ₹5 lakhs as well.

19. It is argued that the agreement to sell as well as the promissory note are inadmissible as evidence. At this stage, this Court does not consider it apposite to extensively comment upon the said aspect considering that the said argument was never agitated earlier and has been agitated by the petitioners at a belated stage before this Court. It appears that the said agreement is signed by both the petitioners and the promissory note bears the signatures of the petitioner Hema.

20. While the admissibility of the said documents as well as the other relied documents will be ascertained during the course of the trial, at this stage, this Court finds no infirmity in the observation of the lower courts that a *prima facie* case is



established in favour of the complainant on account of the admitted signatures on the cheques in question as well as the unexplained transaction of ₹5 lakhs.

21. Whether the cheques were issued in discharge of an enforceable liability or were merely security instruments is a matter of defence, which can only be finally adjudicated during trial. At this stage, the Court is not required to conclusively evaluate the defence but only to assess whether a *prima facie* case existed and whether any plausible justification existed to deny relief to the complainant. In the impugned orders, the learned ASJ has rightly noted that well-reasoned orders have been passed by the learned Trial Court and the learned Trial Court has also specifically recorded reasons for exercising its discretion in favour of the complainant.

22. In view of the aforesaid discussion, this Court finds no reason to interfere with the impugned orders.

23. The present petitions are accordingly dismissed. Pending applications are also disposed of.

24. It is clarified that the observations in the present order are for the purpose of deciding the present petitions and should not effect the trial.

25. A copy of this order be placed in both the matters.

AMIT MAHAJAN, J

AUGUST 29, 2025