



CRM-M-43627-2023

1

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH

CRM-M-43627-2023

Baljeet Singh

...Petitioner

Versus

Maninder Singh and another

...Respondents

1.	Date when Order was reserved	23.12.2025
2.	Date of Pronouncement of Order	30.01.2026
3.	Date of uploading Order	30.01.2026
4.	Whether operative part or full Order is pronounced	FULL
5.	Delay, if any, in pronouncing of full order, and reasons thereof	NOT APPLICABLE

CORAM: HON'BLE MR. JUSTICE SANJAY VASHISTH

Present: Mr. H.S. Randhawa, Advocate,
Amicus Curiae.

Mr. Jaspreet Singh Brar, Advocate,
for the petitioner.

None for respondent No. 1-complainant.

SANJAY VASHISTH, J.

1. Petitioner – Baljeet Singh has filed the instant petition, under Section 482 Cr.P.C. (Section 528 of BNSS, 2023), for setting aside order dated 17.05.2023 (Annexure P-7), passed by the Court of learned Judicial Magistrate Ist Class, Faridkot, in Criminal Complaint No. NACT-787-2021 (Annexure P-3), titled as “Maninder Singh v. Baljeet Singh”, allowing the application under Section 143-A of the Negotiable Instruments Act, 1881 (for short, ‘the NI Act’), filed by respondent No.



CRM-M-43627-2023

2

1/complainant, and directing the petitioner to pay interim compensation to the tune of 20% of the cheque amount.

The petitioner has also challenged the order dated 26.07.2023 (Annexure P-9), passed by learned Sessions Judge, Faridkot, in Criminal Revision No. 26 of 05.07.2023 (Annexure P-8), vide which while upholding the impugned order dated 17.05.2023 (Annexure P-7) passed by the Trial Court, revision petition filed by the petitioner was dismissed.

2. Brief facts of the present case are that respondent No. 1/complainant filed a complaint under Section 138 of the NI Act alleging that on 04.02.2019, the petitioner took a cash loan of Rs. 11,00,000/- from him and agreed to pay interest @ 12% per annum, and also executed a pronote in his favour. The said loan amount was to be returned within 2 – 2½ years. Petitioner/accused also issued a cheque No. 465230, dated 03.06.2021, amounting to Rs. 14,08,000/- from his Account No. 02062413000137 in Punjab National Bank, Faridkot. When the said cheque was presented to the bank, the same was returned on 15.06.2021, with endorsement **“PAYMENT STOPPED BY DRAWER”**.

After filing of the complaint (Annexure P-3), Trial Court took cognizance and ordered summoning of the petitioner/accused to face trial for an offence punishable under Section 138 of the NI Act, vide order dated 19.10.2021. During pendency of the trial, an application under Section 143-A of the NI Act was filed by respondent No. 1/complainant seeking interim compensation, which was decided by way

**CRM-M-43627-2023****3**

of impugned order dated 17.05.2023 (Annexure P-7), directing the petitioner/accused to pay 20% of the cheque amount as interim compensation to the complainant, within a period of 60 days.

Feeling aggrieved, the petitioner preferred aforementioned revision petition, which was also dismissed, vide order dated 26.07.2023 (Annexure P-9), passed by learned Sessions Judge, Faridkot. Hence, the present petition.

3. Learned counsel for the petitioner submitted that the petitioner is an agriculturist and had dealings with one commission agent, namely, Rajesh Kumar, owner of M/s Rajesh Kumar and Company, Shop No. 24, New Grain Market, Faridkot. Said Rajesh Kumar had taken 10 blank signed cheques from the petitioner as security towards their loans. Petitioner was not having any financial dealing with respondent No. 1/complainant. It was said Rajesh Kumar, Commission Agent, who had got presented the cheque in question through his good friend Maninder Singh (respondent No. 1/complainant).

Learned counsel for the petitioner further submitted that after receiving summons of the complaint filed by respondent No. 1, and apprehending misuse of other cheques, the petitioner also filed a representation/complaint dated 03.11.2021 (Annexure P-5), to the Senior Superintendent of Police, Faridkot, against Rajesh Kumar, Maninder Singh and Beant Singh, with the allegation that they are misusing the cheques which were given by the petitioner to Rajesh Kumar.

Learned counsel also argued that Section 143-A of the NI Act is discretionary and not mandatory, as the word “may” cannot be read



CRM-M-43627-2023

4

as “shall.”, and the learned Courts below failed to appreciate the facts in the right perspective and imposed the condition to deposit 20% of the cheque amount and such a condition is illegal, arbitrary and in violation of the law as laid down by the Hon’ble Supreme Court in the case of **Rakesh Ranjan Shrivastava v. State of Jharkhand and another**, Law Finder Doc Id # 2521128 : (2024) 4 SCC 419. Thus, prayed for setting aside of the impugned orders dated 17.05.2023 (Annexure P-7) and 26.07.2023 (Annexure P-9).

4. This petition was filed on 28.08.2023, and from 01.09.2023 to 21.03.2024, hearing was adjourned six times on the request made on behalf of counsel for the petitioner. On 14.05.2024, the arguments were addressed and notice of motion was issued by the Co-ordinate Bench of this Court. It was also ordered that operation of the impugned order shall remain stayed till the next date of hearing. Thereafter from 22.08.2024 to 28.07.2025 turn of the case for hearing did not mature. On 20.11.2025, this petition was ordered to be heard alongwith CRM-M-28757-2025, and interim order was also continued.

Finally, on 23.12.2025 total 18 petitions came up for consideration before this Court, of which present petition was one of them. During course of hearing, it came to the notice of this Court that the issue involved in the present petition pertains to Section 143-A of the NI Act, and after hearing arguments the order was reserved on 23.12.2025.

5. It is also apposite to mention here that vide order dated 17.11.2025, passed in one of the aforementioned 18 petitions, i.e. CRM-



M-54140-2025, the Co-ordinate Bench of this Court appointed Mr. H.S. Randhawa, Advocate (Enrl. No. P/1444/2011) as as *Amicus Curiae*, to assist the Court on behalf of the respondents.

6. Assisting the Court, learned *Amicus* also submitted that Section 143-A of the NI Act is discretionary and not mandatory, as the word “may” cannot be read as “shall.”, and the learned Court below failed to appreciate the facts in the right perspective and imposed the condition to deposit 20% of the cheque amount.

Learned *Amicus*, thus, submitted that the matter can be remanded back to the learned Trial Court for decision afresh in the light of the mandate of law laid down by the Hon’ble Apex Court in the case of **Rakesh Ranjan Shrivastava (supra)**.

7. Before adjudging the sustainability of the impugned orders dated 17.05.2023 (Annexure P-7) and 26.07.2023 (Annexure P-9), passed by the learned Trial Court and learned Revisional Court, respectively, in light of the parameters laid down by the Hon’ble Apex Court in the case of **Rakesh Ranjan Shrivastava (supra)**, this Court deems it appropriate to first refer to the observations made by the respective Courts below for reaching to the conclusion to direct the petitioner to pay interim compensation to the tune of 20% of the cheque amount. Accordingly, the relevant portion(s) of the aforementioned impugned orders are extracted and reproduced as under:-

Impugned order dated 17.05.2023, by the Trial Court:

“ *Heard on application filed by the complainant through his counsel to direct the accused to pay 20% of the*



cheque amount as interim compensation under section 143-A of NI Act.

2. *It has been pleaded in the application that complainant has filed the complaint on very strong grounds. It is further pleaded that accused may be ordered to pay 20% of the amount of the cheque in question to the complainant as envisaged under the provisions of NI Act. Lastly, prayer for allowing the application has been made.*

3. *Upon notice, reply to said application has been filed by taking preliminary objections that from the admitted documents as referred in the reply to the notice and other aspects which are fully proved from the documents which shall be filed at the time of consideration and decision of this application, it is fully established that the accused is under no legal liability to pay 20% of the cheque amount. It is also established that the complainant has played a fraud with the accused and wants to deprive him of his money by resorting to all unfair and foul means. The amended provisions requiring accused to deposit 20% of the cheque amount are not mandatory. It is also submitted that the said provisions adversely affect the rights of an accused to defend the case free of any charges. The accused are even entitled to get legal aid from the Legal Aid Services without payment of any charges to the learned Advocates. The accused are even immune from making payment of any sort of Court fee. They have got a right to be defended from all charges and without any costs and expenses right from the appearance till final decision of the criminal case. Lastly, prayer for dismissal of the application has been made.*

4. *I have heard learned counsel for both the parties and perused the record carefully.*

5. *Perusal of file reveals that the present complaint has been filed on 06.08.2021 and accused was ordered to be summoned on 19.10.2021. On 07.05.2022 accused was released on bail and on 30.05.2022 after hearing on the point of service of notice of accusation, finding a prima-facie case being made out against the accused for commission of offence punishable under section 138 of NI Act 1881, notice of accusation was served upon the accused. The contents of the notice were read over and explained to the accused in vernacular to which the accused pleaded not guilty and claimed trial. However, accused was not ordered to pay the amount of 20% of cheque amount as per latest provisions of NI Act. To the mind of this court, the application deserves to be allowed and as per latest*



provisions by insertion of section 143(A) of NI Act, accused is directed to pay 20% of the cheque amount as interim compensation to the complainant within period of 60 days. Application stands disposed off accordingly.”

Impugned order dated 26.07.2023, by the Revisional Court:

“6. It goes without saying that trial Court has taken cognizance under Section 138 of the Negotiable Instruments Act, on the basis of cheque dated 3.6.2021, which purports to have been issued by the accused in favour of the complainant. Till this stage, accused has nowhere denied that the cheque bears his signature. The accused had opportunity to do so when he received the legal notice dated 6.7.2021. The accused having received the legal notice, instead of filing reply, rather requested the complainant to supply photographed copies of the cheque and the pronote. No categorical stand was adopted by the accused whether the cheque bore his signature or not. In any case all these facts are matter of evidence yet to be established on record. The question is whether the power of the Court under Section 143-A of the Negotiable Instruments Act was justifiably exercised by the Court by way of impugned order. It is clear from the said provisions of Section 143-A that it is not only the power which is granted to the court by the legislature to direct payment of compensation not exceeding 20% of the amount of the cheque, however, after empowering the Court to pass an order directing to pay compensation under Sub Section (1) of Section 43-A, thereafter Sub Section (2) mandates that said compensation should not exceed 20% and the period within which the interim compensation must be paid is clearly stipulated in Sub Section (3). Sub Section (4) deals with situation where the drawer of the cheque is acquitted. Of course the stage at which Section 143-A of the Negotiable Instruments Act is to be invoked is preliminary stage, at this stage, it is not obligation of the complainant to fully establish his case or an obligation of the Court to wait for the accused to establish his defence. Because it is clearly provided in Sub Section (4) of Section 143-A of the Negotiable Instruments Act as to how the repayment of interim compensation is to be done along with interest in case the accused is acquitted, therefore, it cannot be said that if the accused is made to pay the interim compensation, he shall suffer from any irreparable loss.

7. This Court is of the confirmed and considered view that whatsoever defence the accused is going to adopt and



whether or not he will be able to establish his defence, whether or not the complainant will be able to prove his case during trial, those contingencies are not meant to dissuade the Court in exercising power under Section 143-A of the Negotiable Instruments Act. This Court is, thus, of the view that the trial Court was justified in its approach when it exercised its power under Section 143-A of the Negotiable Instruments Act and directed the accused to pay 20% of the cheque amount as interim compensation. No ground is made out to interfere with the impugned order. While dismissing the revision in hand, the impugned order is affirmed.

8. *It is hereby made clear that the trial Court will afford another period of 30 days to the accused to pay interim compensation, failing which the trial Court will proceed according to law. The period of 30 days shall reckon from the date already fixed by the trial Court being the next date of hearing.”*

8. I have heard learned counsel for the petitioner as well as learned *Amicus Curiae*, and also gone through the material available on record.

9. In the case of **Rakesh Ranjan Shrivastava (supra)**, the primary issue which came up for consideration before the Hon’ble Apex Court was that whether the provision of sub-section (1) of Section 143A of the NI Act, which provides for the grant of interim compensation, is ‘directory’ or ‘mandatory’, and if it is held to be a ‘directory provision’, what are factors to be considered while exercising under sub-section (1) of Section 143A of the NI Act.

10. After noticing factual matrix of the said case; provisions of Section 143A of the NI Act; and rival contentions of the parties, in para No. 19(a) of the judgment, it has been held by the Hon’ble Apex Court that *‘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”.

11. As regards the factors to be considered while exercising ‘discretion’, in para No. 16 of the judgment in **Rakesh Ranjan Shrivastava’s case (supra)**, it has been observed 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.”

12. Further, in para No. 19(b) it has been held that *“while deciding the prayer made under Section 143A, the Court must record brief reasons indicating consideration of all relevant factors.”*



13. Finally, in para No. 19(c) of the judgment, the Hon'ble Apex Court laid down the broad parameters for exercising the discretion under Section 143A, which are reproduced as under:-

- “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.”*

14. From reading of the impugned orders dated 17.05.2023 (Annexure P-7) and 26.07.2023 (Annexure P-9), passed by both the Courts below, it comes out that the cheque in question involved a huge amount of Rs. 14,08,000/-, and plea of fraud has been taken by the accused/petitioner in his reply to the application under Section 143-A of the NI Act. The said plea has to be considered by taking into consideration the probability of the allegations levelled in the complaint



and also the feasibility of the payment of the said amount by the complainant to the accused.

In light of the law laid down by the Hon'ble Apex Court in the case of **Rakesh Ranjan Shrivastava (supra)**, this Court finds that the pleas raised by the petitioner in reply to the application have not been examined deeply or, if noticed, have not been appreciated by the learned Courts below, by recording reasons. According to the judgement of the Hon'ble Apex Court in the case of **Rakesh Ranjan Shrivastava (supra)**, while dealing with the application under Section 143-A of the NI Act, the Court has to *prima facie* evaluate the merits of the case by taking note of the version of the complainant and also the defence pleaded by the accused in his reply to the application. While considering so, presumption under Section 139 of the NI Act is of no consequence.

Furthermore, in the case of **Rakesh Ranjan Shrivastava (supra)**, Hon'ble Apex Court has also laid down certain parameters, which are already detailed in preceding para of this judgement. Since, the judgement in **Rakesh Ranjan Shrivastava (supra)**, has been pronounced subsequent to the orders impugned in the present case, this Court is of the considered view that the application under Section 143-A of the NI Act, filed by the complainant, needs to be re-decided by the Trial Court, because as per the information available on the web-portal of Faridkot Sessions Division, Criminal Complaint No. NACT-787-2021, titled as "Maninder Singh v. Baljeet Singh", is still pending at the stage of defence evidence, and fixed for 11.02.2026, before the Trial Court.



CRM-M-43627-2023

12

15. As a result of above discussion, impugned order dated 17.05.2023 (Annexure P-7), passed by learned Judicial Magistrate Ist Class, Faridkot, in Criminal Complaint No. NACT-787-2021, and the order dated 26.07.2023 (Annexure P-9), passed by learned Sessions Judge, Faridkot, in Criminal Revision No. 26 of 05.07.2023, are hereby set aside.

Learned Trial Court is directed to re-decide the application under Section 143-A of the NI Act afresh, after following the mandate of law laid down by the Hon'ble Apex Court in the case of **Rakesh Ranjan Shrivastava (supra)**.

Registry is directed to transmit a copy of this order to the learned Trial Court forthwith, for compliance.

16. This petition stands **disposed of** in the above terms.

(SANJAY VASHISTH)
JUDGE

January 30, 2026
Pkapoor

Whether Speaking/Reasoned: YES/~~NO~~
Whether Reportable: YES/~~NO~~