



2026:AHC:127931

HIGH COURT OF JUDICATURE AT ALLAHABAD

MATTERS UNDER ARTICLE 227 No. - 8429 of 2026

Surendra Kumar

.....Petitioner(s)

Versus

State of U.P. and Another

.....Respondent(s)

Counsel for Petitioner(s)	:	Lakshmi Kant Pandey, Sandeep Kumar Pandey
Counsel for Respondent(s)	:	G.A.

Court No. - 46

HON'BLE GARIMA PRASHAD, J.

1. Heard learned counsel for the petitioner and the learned AGA for the State.

2. By means of the present petition under Article 227 of the Constitution of India, the petitioner has challenged the order dated 18.02.2026 passed by the Additional Sessions Judge, Varanasi in Criminal Revision No. 273 of 2024 as well as the order dated 24.07.2024 passed in Complaint Case No. 17154 of 2020, whereby the application filed by opposite party no.2 under Section 143A of the Negotiable Instruments Act, 1881 has been allowed and the petitioner has been directed to pay interim compensation to the extent of 20% of the cheque amount.

3. Learned counsel for the petitioner submits that the complaint under Section 138 of the Negotiable Instruments Act has been falsely instituted. It is contended that there was no legally enforceable liability towards opposite party no.2 and that the cheque in question had been lost/stolen. It is further submitted that despite the aforesaid defence, the courts below have mechanically directed payment of interim compensation under Section 143A of the Act. Reliance has been placed upon the judgment of the Supreme Court in ***Rakesh Ranjan Shrivastava v. State of Jharkhand, (2024) 4 SCC 419***, to contend that grant of interim compensation under Section 143A is discretionary and not mandatory and that the Court is required to consider the facts and circumstances of each case before directing payment thereof.

4. I have considered the submissions advanced by learned counsel for the

petitioner and perused the material brought on record.

5. There can be no dispute with the proposition laid down in ***Rakesh Ranjan Shrivastava (supra)***. The Supreme Court has held that the power under Section 143A of the Negotiable Instruments Act is discretionary in nature and cannot be exercised mechanically merely because the accused has pleaded not guilty. The Court is required to apply its mind to the facts and circumstances of the case and thereafter determine whether the discretion vested by Section 143A ought to be exercised.

6. A perusal of the order passed by the trial court indicates that the defence raised by the petitioner was taken into consideration. The trial court noticed the stand of the petitioner that the cheque in question had been lost/stolen and further considered the fact that such a plea had not been taken by the petitioner in his statement recorded under Section 251 Cr.P.C. The trial court thereafter exercised the discretion vested under Section 143A of the Act and directed payment of interim compensation to the extent of 20% of the cheque amount. Thus, it cannot be said that the application under Section 143A was allowed mechanically or without adverting to the defence set up by the petitioner.

7. The revisional court thereafter examined the correctness, legality and propriety of the order passed by the trial court. While exercising jurisdiction under Sections 397 and 401 Cr.P.C., the revisional court is empowered to scrutinize the record and determine whether the discretion exercised by the subordinate court is based upon relevant considerations.

8. In the present case, the revisional court independently examined the material available on record and noticed that the cheque in question admittedly pertained to the account of the petitioner and bore his signatures. Though the petitioner sought to contend that the cheque had been lost or stolen, no contemporaneous material in support of such a plea was produced. Neither any first information report nor any other reliable documentary material regarding the alleged loss or theft of the cheque was brought on record.

9. The revisional court further noticed that no material had been produced to demonstrate that any instructions had been issued to the bank for stoppage of payment of the cheque. It also found that inconsistent stands had been taken by the petitioner regarding the cheque in question. While one plea was that the cheque had been lost or stolen, another plea

suggested that signed cheques used to be issued in connection with business dealings. No satisfactory explanation was furnished as to how the cheque reached the complainant.

10. The revisional court additionally recorded that despite receipt of the statutory notice, no reply disputing the liability had been sent by the petitioner. It also noticed that the plea regarding loss/theft of the cheque was not taken in the statement recorded under Section 251 Cr.P.C. These circumstances were treated as relevant considerations while affirming the order passed by the trial court.

11. Thus, the trial court had exercised its discretion under Section 143A of the Act after considering the defence raised by the petitioner and the revisional court, upon independent scrutiny of the record, found no error in such exercise of discretion. The revisional court also recorded additional reasons supporting the conclusion reached by the trial court. On a cumulative reading of the orders passed by the courts below, it is evident that the discretion under Section 143A of the Act was exercised upon consideration of the facts and circumstances of the case and not as a matter of course. The requirement indicated by the Supreme Court in ***Rakesh Ranjan Shrivastava (supra)*** stands duly satisfied in the facts of the present case.

12. The jurisdiction of this Court under Article 227 of the Constitution is supervisory in nature. No patent perversity, manifest illegality or jurisdictional error has been demonstrated in the orders impugned so as to warrant interference by this Court.

13. The petition lacks merit and is accordingly dismissed.

(Garima Prashad,J.)

June 18, 2026

Kuldeep