

**INTHE HIGH COURT OF JAMMU & KASHMIR AND LADAKH**  
**AT SRINAGAR**

**CRM(M) 6/2024**

SHABIR AHMAD TANTRAY

...Appellant(s)/Petitioner(s)

Through: M/s Junaid, Adv. and Inayat Jamal, Adv.

**Vs.**

GHULAM HASSAN LONE

...Respondent(s)

Through: None

**CORAM:**

**HON'BLE MR. JUSTICE VINOD CHATTERJI KOUL-JUDGE**

**ORDER**  
**12.02.2025**

1. Petitioner challenges the order dated 11.08.2023 passed by the Judge Small Causes, Srinagar (*Trial court*) in an application under Section 143-A of Negotiable Instrument Act (for short "*the Act*") and seeks setting-aside thereof.
2. Respondent herein has filed a complaint under Section 138 read with Section 142 of the Act before the Trial Court. While the complaint was pending, an application under Section 143-A of the Act came to be filed by respondent for grant of 20% of total cheque amount as interim compensation. The Trial Court, however, in terms of order impugned directed petitioner herein to deposit 18% of the cheque amount.
3. Counsel for petitioner states that impugned order does not specify as to how and on which basis the Trial Court has reached to the conclusion that 18% of cheque amount should be given to complainant. Neither the complaint nor

the application under Section 143-A of the Act specify the loss which the complainant has suffered.

4. It is also stated by counsel that the most important aspect of the matter to be taken into consideration under Section 143-A of the Act is the loss shown in the complaint or application and it is only on that basis the Court can award compensation. The Trial Court is stated to have not dealt with and answered as to why complainant/respondent has been awarded interim compensation @ 18% of the cheque amount and not anything less than that. Reference in this regard has been made to judgement dated 23.12.2022 passed by a Bench of this Court in CRM(M) no.50/2020 titled *Nazir Ahamd Chopan v. Abdul Rehman Chopan*, wherein it was observed that before directing the accused to deposit or pay the amount in terms of Section 143 of the Act, reasoning is required to be given.
5. There is no dispute with regard to the fact that while passing the interim compensation as provided under Section 143-A of the Act, the court granting such interim compensation has to record reasoning for exercise of such discretionary powers. So far as the Judgment relied upon by the petitioner is concerned, there is no dispute with regard to the same. The question, however, arises as to whether in the case in hand, the Trial court while exercising discretionary powers ordering payment of interim compensation @ 18% of the Cheque amount, has given reasoning or not.
6. Perusal of the order impugned reveals that the Trial court while taking note of the provisions of the Act as well as the judgments regarding the payment of the interim compensation has given detailed reasoning for passing thereof.
7. The question which is being raised by the petitioner is that Trial court has not given any reasoning for granting the interim compensation @ 18% of the

- Cheque amount and that the Trial court was required to give such reasons to the extent that how Trial Court has come to such a conclusion for ordering payment of interim compensation to the extent of 18% of the Cheque amount.
8. While granting interim compensation @ 18% of the Cheque amount, Trial court has observed in para 17 that as the total cheque amount is on higher side, so 2% thereof are slashed while granting interim relief. The said amount was directed to be paid within 60 days from the date of impugned order.
9. It is made clear here that there is no illegality in the order impugned. However, it is submission of counsel for the petitioner that petitioner is not in a position to deposit 18% of the cheque amount which is on the higher side.
10. Although there is no illegality in the order impugned however, having an overall view of the case set up and submissions made by the petitioner, the impugned order dated 11.08.2023 passed by the Judge Small Causes, Srinagar in an application under Section 143-A of Negotiable Instrument Act, is **modified** and 18% of cheque amount as interim compensation granted by the Trial Court is slashed down to 15% of the cheque amount, which shall be deposited by the petitioner within a period of one month.
11. Trial court shall proceed with the matter.
12. **Disposed of** as above.

(VINOD CHATTERJI KOUL)  
JUDGE

SRINAGAR  
12.02.2025  
"Imtiyaz"