

MHKO030045502021 	<u>ORDER BELOW EXH.NO.20</u> <u>S.C.C.NO.2781/2021</u> Steel Empire Vs Alliance Assembling & Stamping Pvt.Ltd.
---	---

(1) This is an application filed by the complainant under section 143-A of the Negotiable Instruments Act, 1881 (Hereinafter referred as “the NI Act”) to direct the accused to pay interim compensation.

(2) The prayer of the complainant is in nutshell as-
The complainant is doing foundry material business. The accused purchased sheet metal material time to time from the complainant. The amount of Rs.2,84,412/- was outstanding against the accused. After repeated demands by the complainant the accused issued subject cheque of Rs.27,773/- in favour of the complainant. The complainant deposited the said cheque in the bank, but said cheque was dishonoured and returned same to the complainant. The complainant has filed the present complaint against the accused. In the above circumstances, the accused is liable to pay interim compensation @20% as provided in section 143-A of the N.I.Act. Hence, the application.

(3) The accused filed reply to this application and submitted that he is not liable to pay the cheque amount. No any transaction has taken place between the complainant and

accused. The accused is ready to conduct the matter. Therefore, the application may liable to be rejected.

(4) Perused the application, complaint and documents on record. Heard learned counsel of the complainant. The accused and his counsel are absent when called. Hence, the application is proceeded further without argument of the accused.

(5) The provision regarding interim compensation under section 143-A of the N.I.Act came into force w.e.f. 01/09/2018 by way of amendment to the N.I.Act. On perusal of record, it is seen that the cause of action to this complaint arose after enforcement of section 143-A of the N.I.Act in the month of May – 2021. Hence, this application is tenable.

(6) The record shows that the cheque in question is total of Rs.27,773/-. The contention of the complainant that accused issued subject cheque cannot be ignored at this juncture. Another aspect is that notice issued to the accused is also not replied. Therefore, on available record discloses the transaction in between the complainant and accused. Sufficient time is required to dispose the proceeding. In such situation, considering the object of this amendment to the N.I.Act and the material placed on record, it is seen that complainant is entitled to the interim compensation and it would be just to direct the

accused to pay the interim compensation upto 20% amount of the cheque in question. Hence, in view of above discussion, following order is passed.

ORDER

- 1] The application is allowed.
- 2] The accused is hereby directed to pay 20% of the amount of the cheque as a interim compensation to the complainant within 60 days from the date of this order as per sec.143-A of the Negotiable Instrument Act, 1881.
- 3] The complainant is directed to conduct the hearing of the instant matter speedily.

Place : Kolhapur
Date : 24/06/2024

(N.R.Bhalgat)
5th Judicial Magistrate, First Class,
Kolhapur.

I affirm that the contents of this P.D.F. file Judgment/Order are same word to word, as per the original Judgment/Order.

Name of Court	Shri.N.R.Bhalgat, 5 th Jt.C.J.J.D. & J.M.F.C., Kolhapur.
Name of the Stenographer	V.P.Kadam, Stenographer Grade III
Date of Decision	24/06/2024
Judgment signed by the P.O. On	24/06/2024
Judgment uploaded on	24/06/2024