

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

CRM(M) No. 692/2026
CrlM No. 1241/2026

Kuldeep Raj

.....Petitioner(s)

Through: Mr. Aman Bhagotra, Advocate

Vs

Rajinder Kumar

..... Respondent(s)

Through:

Coram: HON'BLE MR. JUSTICE WASIM SADIQ NARGAL, JUDGE

ORDER
(15.07.2026)

1. Learned counsel for the petitioner has drawn the attention of this Court to an order passed by the learned Judicial Magistrate 1st Class, Sunderbani in a complaint titled "Rajinder Kumar vs Kuldeep Raj". It has been vehemently argued by the learned counsel appearing on behalf of the petitioner that the learned Magistrate has fell in error of law by allowing 15% of the cheque amount by way of interim compensation without any cogent reason or justifiable cause and the order impugned according to the learned counsel is liable to be set aside on this ground alone in absence of any cogent reason for awarding 15% of the cheque amount.
2. The learned counsel with a view to fortify his claim has placed reliance upon the judgment passed by the Srinagar Bench of this Court in case titled "**Nargees Javed vs Ghulam Jeelani Nengroo**", decided on **20.04.2026**, a perusal whereof reveals that in the similar facts and circumstances of the case, this Court has already quashed the order impugned in the aforesaid case dated 16.03.2026 passed by the Court of learned Special Mobile Magistrate, Pulwama by holding that the discretionary power under Section 143-A of the Negotiable Instruments Act must be exercised on well-recognized principles and duly supported by a reason and a duty is cast upon the learned trial Court to spell out the reasons for grant of interim compensation in favour of the complainant and the Court has to justify in

its order with reasons the quantum of interim compensation that is being awarded by it, as the said quantum can vary from 1% to 20% of the cheque amount. The learned counsel relying upon the aforesaid principle, has drawn the attention of the Court to the impugned order dated 07.05.2026 passed by the learned Judicial Magistrate 1st Class, Sunderbani by virtue of which the learned trial Court has granted interim compensation @ 15% of the cheque amount but without assigning any cogent reason which was the statutory compulsion in terms of the aforesaid statutory provisions i.e Section 143-A of the Negotiable Instruments Act, which for facility of reference is reproduced as under:

“143A. Power to direct interim compensation.—(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the Court trying an offence under section 138 may order the drawer of the cheque to pay interim compensation to the complainant—

- (a) in a summary trial or a summons case, where he pleads not guilty to the accusation made in the complaint; and*
- (b) in any other case, upon framing of charge.*

(2) The interim compensation under sub-section (1) shall not exceed twenty per cent. of the amount of the cheque.

(3) The interim compensation shall be paid within sixty days from the date of the order under subsection (1), or within such further period not exceeding thirty days as may be directed by the Court on sufficient cause being shown by the drawer of the cheque.

(4) If the drawer of the cheque is acquitted, the Court shall direct the complainant to repay to the drawer the amount of interim compensation, with interest at the bank rate as published by the Reserve Bank of India, prevalent at the beginning of the relevant financial year, within sixty days from the date of the order, or within such further period not exceeding thirty days as may be directed by the Court on sufficient cause being shown by the complainant.

(5) The interim compensation payable under this section may be recovered as if it were a fine under section 421 of the Code of Criminal Procedure, 1973 (2 of 1974).

(6) The amount of fine imposed under section 138 or the amount of compensation awarded under section 357 of the Code of Criminal Procedure, 1973 (2 of 1974), shall be reduced by the amount paid or recovered as interim compensation under this section.”

3. Heard learned counsel for the petitioner at length and perused the record.
4. A prima facie case for indulgence is made out.
5. Issue notice to the respondent returnable within four weeks, subject to taking of steps for service within one week.
6. Registry is directed to summon the scanned record from the Court of learned Judicial Magistrate 1st Class, Sunderbani.
7. List this matter on **18.08.2026**.
8. In the meantime, subject to objections from other side and till next date of hearing before the Bench, the order impugned dated 07.05.2026 passed by the learned Judicial Magistrate 1st Class, Sunderbani in complaint titled “*Rajinder Kumar vs Kuldeep Raj*”, shall remain stayed.
9. Alteration/modification on motion.



(WASIM SADIQ NARGAL)
JUDGE

JAMMU
15.07.2026
Vijay