



FAIR & JUST
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NEWSFLASH

August 4, 2018

The Parliament has recently approved The Negotiable Instrument (Amendment) Act, 2018, pursuant to which, new provisions Section 143(A) and Section 148 have been inserted in The Negotiable Instrument Act, 1881 (“**NI Act**”). The said amendments are effective from August 2, 2018.

1. Section 143(A) of NI Act: The Court has power to order payment of interim compensation **not exceeding 20% (twenty percent) of the cheque amount**, when the accused does not plead guilty in a summary trial or summons cases. Such interim compensation must be paid within a period of 60 (sixty) days from the date of order, which can further be extended upto 30 (thirty) days. Such compensation amount can be recovered from the accused in accordance with the manner of recovery of fine provided in Section 421 of the Code of Criminal Procedure, 1973. If the accused is acquitted after trial, the interim compensation received by the complainant has to be returned to the accused along with the interest at bank rates prescribed by Reserve Bank of India.
2. Section 148 of NI Act: The Appellate Court may direct deposit of **a minimum amount of 20% (twenty percent) of the cheque amount** in appeal by the drawer against conviction under Section 138 of NI Act. Such amount needs to be paid within a period of 60 (sixty) days from the date of order, which can further be extended upto 30 (thirty) days. If the appeal is allowed, such amount shall be released by the complainant to the drawer / appellant with interest.

The aforesaid amendment has been made in order to address the issue of undue delay in final resolution of cheque dishonor cases so as to provide relief to payees of dishonored cheques and to discourage frivolous litigations.



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