

THE NEGOTIABLE INSTRUMENTS (AMENDMENT) ACT, 2018**[Act No. 20 of 2018]****[02nd August, 2018]****PREAMBLE**

An Act further to amend the Negotiable Instruments Act, 1881.

Be it enacted by Parliament in the Sixty-ninth Year of the Republic of India as follows:--

Section 1 - Short title and commencement

(1) This Act may be called the Negotiable Instruments (Amendment) Act, 2018.

(2) It shall come into force on such date¹ as the Central Government may, by notification in the Official Gazette, appoint.

1. w.e.f. 01.09.2018 Vide Notification No. SO3995(E) Dated 16.08.2018.

Section 2 - Insertion of new section 143A

In the Negotiable Instruments Act, 1881 (26 of 1881) (hereinafter referred to as the principal Act), after section 143, the following section shall be inserted, namely:--

"143A. Power to direct interim compensation

(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), 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 sub-section (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."

Section 3 - Insertion of new section 148

In the principal Act, after section 147, the following section shall be inserted, namely:--

"148. Power of Appellate Court to order payment pending appeal against conviction.

(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), in an appeal by the drawer against conviction under section 138, the Appellate Court may order the appellant to deposit such sum which shall be a minimum of twenty per cent. of the fine or compensation awarded by the trial Court:

Provided that the amount payable under this sub-section shall be in addition to any interim compensation paid by the appellant under section 143A.

(2) The amount referred to in sub-section (1) shall be deposited 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 appellant.

(3) The Appellate Court may direct the release of the amount deposited by the appellant to the complainant at any time during the pendency of the appeal:

Provided that if the appellant is acquitted, the Court shall direct the complainant to repay to the appellant the amount so released, 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."
