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Part IV—Section 4

CENTRAL ACTS AND ORDINANCES

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 22nd September, 2015/Bhadra 31, 1937 (Saka)

**THE NEGOTIABLE INSTRUMENTS (AMENDMENT)
SECOND ORDINANCE, 2015**

No.7 OF 2015

Promulgated by the President in the Sixty-sixth Year of the Republic of India.

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

WHEREAS the Negotiable Instruments (Amendment) Ordinance, 2015 was promulgated by the President on the 15th day of June, 2015;

AND WHEREAS the Negotiable Instruments (Amendment) Bill, 2015 to replace the Negotiable Instruments (Amendment) Ordinance, 2015 has been passed by the House of the People and is pending in the Council of States;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. (1) This Ordinance may be called the Negotiable Instruments (Amendment) Second Ordinance, 2015.

Short title and commencement

(2) It shall be deemed to have come into force on the 15th day of June, 2015.

26 of 1881

2. In the Negotiable Instruments Act, 1881 (hereinafter referred to as the principal Act), in section 6,—

Amendment of Section 6

(i) in *Explanation 1*, for clause (a), the following clause shall be substituted, namely:—

‘(a) “a cheque in the electronic form” means a cheque drawn in electronic form by using any computer resource and signed in a secure system with digital signature (with or without biometrics signature) and asymmetric crypto system or with electronic signature, as the case may be;’;

(ii) after *Explanation II*, the following *Explanation* shall be inserted, namely:—

Explanation III.—For the purposes of this section, the expressions “asymmetric crypto system”, “computer resource”, “digital signature”, “electronic form” and “electronic signature” shall have the same meanings respectively assigned to them in the Information Technology Act, 2000.’

21 of 2000.

Amendment
of Section
142

3. In the principal Act, section 142 shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

“(2) The offence under section 138 shall be inquired into and tried only by a court within whose local jurisdiction,—

(a) if the cheque is delivered for collection through an account, the branch of the bank where the payee or holder in due course, as the case may be, maintains the account, is situated; or

(b) if the cheque is presented for payment by the payee or holder in due course otherwise through an account, the branch of the drawee bank where the drawer maintains the account, is situated.

Explanation.—For the purposes of clause (a), where a cheque is delivered for collection at any branch of the bank of the payee or holder in due course, then, the cheque shall be deemed to have been delivered to the branch of the bank in which the payee or holder in due course, as the case may be, maintains the account.”.

Insertion of
new section

4. In the principal Act, after section 142, the following section shall be inserted, namely:—

Validation for
transfer of
pending
cases.

“142A. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 or any judgment, decree, order or directions of any court, all cases transferred to the court having jurisdiction under sub-section (2) of section 142, as amended by the Negotiable Instruments (Amendment) Ordinance, 2015, shall be deemed to have been transferred under this Ordinance, as if that sub-section had been in force at all material times.

2 of 1974

6 of 2015

(2) Notwithstanding anything contained in sub-section (2) of section 142 or sub-section (1), where the payee or the holder in due course, as the case may be, has filed a complaint against the drawer of a cheque in the court having jurisdiction under sub-section (2) of section 142 or the case has been transferred to that court under sub-section (1), and such complaint is pending in that court, all subsequent complaints arising out of section 138 against the same drawer shall be filed before the same court irrespective of whether those cheques were delivered for collection or presented for payment within the territorial jurisdiction of that court.

(3) If, on the date of the commencement of this Ordinance, more than one prosecution filed by the same payee or holder in due course, as the case may be, against the same drawer of cheques is pending before different courts, upon the said fact having been brought to the notice of the court, such court shall transfer the case to the court having jurisdiction under sub-section (2) of section 142, as amended by the Negotiable Instruments (Amendment) Ordinance, 2015, before which the first case was filed and is pending, as if that sub-section had been in force at all material times.”.

Ord. 6 of
2015.

PRANAB MUKHERJEE,
President.

DR. SANJAY SINGH,
Secretary to the Government of India.

(Re-published by Order of the Governor)

S.S. POOVALINGAM,
*Secretary to Government (In-Charge),
Law Department.*