

Govt likely to amend NIA in monsoon session

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"We have worked out something. It will go for Cabinet approval and we are hoping to introduce it in the monsoon session," a senior finance ministry official said.

However, the official did not share details.

Finance Minister Arun Jaitley had made an announcement to this effect in the Budget 2017-18 (rpt) 2017-18.

"As we move faster on the path of digital transactions and cheque payments, we need to ensure the payees of dishonoured cheques are able to realise the payments. The government is therefore considering the option of amending the Negotiable Instruments Act suitably," Jaitley had said.

In 2015, Parliament passed amendment to the Negotiable Instrument Act, providing for filing of cheque bounce cases at the place where a cheque is presented for clearance and not the place of issuance.

The amendments in the Act had implications for over 18 lakh cheque bounce cases pending in various courts.

Jaitley had said that "after cheque bounce, the litigation process is very complex and takes time. So, for traders with a bounced cheque, litigation takes a long time to recover the money".

There were some suggestions that the persons whose cheques bounce should be allowed to defend the case only after depositing the money in the court first, according to the minister.

(Moneycontrol.com)