INDIAN JOURNAL OF LEGAL REVIEW

VOLUME 5 AND ISSUE 13 OF 2025

INSTITUTE OF LEGAL EDUCATION

INDIAN JOURNAL OF LEGAL REVIEW

APIS – 3920 – 0001 | ISSN - 2583-2344

(Open Access Journal)

Journal's Home Page – https://ijlr.iledu.in/

Journal's Editorial Page - https://ijlr.iledu.in/editorial-board/

Volume 5 and Issue 13 of 2025 (Access Full Issue on - https://ijlr.iledu.in/volume-5-and-issue-13-of-2025/)

Publisher

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INDIAN JOURNAL OF LEGAL REVIEW [IJLR – IF SCORE – 7.58]

VOLUME 5 AND ISSUE 13 OF 2025

APIS – 3920 - 0001 *(and)* ISSN - 2583-2344

Published by

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JURISDICTIONAL CLARITY AND INTERIM RELIEF: ASSESSING EFFECTIVENESS OF RECENT AMENDMNETS TO NEGOTIABLE INSTRUMENTS ACT, 1881

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BEST CITATION - MOHAMMAD ANAS, JURISDICTIONAL CLARITY AND INTERIM RELIEF: ASSESSING EFFECTIVENESS OF RECENT AMENDMNETS TO NEGOTIABLE INSTRUMENTS ACT, 1881, *INDIAN JOURNAL OF LEGAL REVIEW (IJLR)*, 5 (13) OF 2025, PG. 298-314, APIS – 3920 – 0001 & ISSN - 2583-2344

ABSTRACT

The pendency of cheque dishonor litigation under Section 138 of the Negotiable Instruments Act, 1881 (the 'NI Act') has emerged as one of the most significant challenges for India's judicial system. An Expert Committee was constituted as per the directions of the Hon'ble Supreme Court in *Expeditious Trial of Cases Under Section 138 of NI Act, 1881, In re*[461] in November 2021, for the purpose of giving suggestions to tackle the pendency of cheque bounce cases, and the pendency in each State. When the report was submitted, among other things, it was brought to the notice of the Supreme Court that within the period of 5 months, from November 2021 to April 2022, the pendency of cheque dishonour cases increased from 26,07,166 to 33,44,290, marking an increase of 7,37,124 cases.

These figures indicate that cheque dishonour cases are not just a marginal problem but a systematic problem. They undermine judicial efficiency and erode commercial certainty. Who can be blamed for this mammoth of pendency—the legal framework, the lagging litigation system, or the judicial system?

Reasons could be the legal framework lagging behind the jurisdiction clarity, which was made more confusing by the various judgments of the high courts and the Supreme Court. As there was no jurisdictional clarity as to where to file the cases, this confusion facilitated the increase in forum shopping by enabling the complainants to institute proceedings across multiple forums.

Judgments like *Dashrath Rupsingh Rathod v. State of Maharashtra*[462], tried to settle the issue of forum shopping by strictly interpreting the cause of action, and giving jurisdiction to the place where the cheque was dishonoured, meaning the place from where the bank of the payee informs about the cheque bounce. But still, it did not solve the issue of jurisdiction, and was sort of unjust to an accused who may be forced to travel more in case the complaint is filed far away from his place.

The Negotiable Instruments (Amendment) Act, 2015 ('2015 Amendment Act') has tried to resolve this issue by dividing the cheque into two categories. According to the newly amended Section 142[463] of the NI Act, in case of an 'account payee cheque', the payee's branch will have jurisdiction, and if it is 'otherwise than an account payee cheque', the drawer's bank branch will have jurisdiction.

On the other hand, there was another issue—the lack of interim relief mechanisms. Many representations were received before the Parliament from the public, including trading community, about the increasing pendency of cheque dishonor cases, and the delayed tactics employed by unscrupulous drawers. They filed appeals, obtained stays, and used techniques to prolong litigation

[461] Expeditious Trial of Cases Under Section 138 of NI Act, 1881, In re14, 2022 SCC OnLine SC 649.
[462] Dashrath Rupsingh Rathod v. State of Maharashtra, 2014 11 S.C.R. 921.
[463] Section 142, The Negotiable Instruments Act, 1881.

INDIAN JOURNAL OF LEGAL REVIEW [IJLR – IF SCORE – 7.58]
VOLUME 5 AND ISSUE 13 OF 2025
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and this denied timely justice to payees. The Negotiable Instruments (Amendment) Act, 2018 ('2018 Amendment Act) was enacted to introduce Sections 143A and 148 to provide interim reliefs at trial and appeals stage.

The discussion, therefore, seeks to assess whether the combined effect of legislative reform and judicial interpretation has been sufficient to restore confidence in the cheque as a reliable instrument of commerce. It also aims to identify the practical challenges that continue to affect the expeditious resolution of cheque dishonour cases.

I. INTRODUCTION

A. The Pendency Crisis: Quantifying the Challenge

The Indian judicial system is currently dealing with an unprecedented crisis in the adjudication of cheque dishonor cases under Section 138[464] of the Negotiable Instruments Act, 1881 (the 'NI Act'). In *In re, Expeditious Trial of Cases Under Section 138 of the NI Act, 1881,*[465] the Hon'ble Supreme Court gave certain directives to tackle the pendency of the cheque bounce cases, and in consonance with that, an Expert Committee was formed to make suggestions and give a report on pending cases. The *Amici Curiae* of the Committee documented a startling reality, that within a span of five months, from the date the Committee was actually formed till the next hearing, the number of pending cheque bounce cases increased by 7,37,124[466]. This represents an average daily accumulation of 4,914 new pending cases, which can be described as a judicial avalanche.

It was also submitted that, as per the data available on 8th November 2021, the NI Act cases contribute to 8.81% of the total criminal cases pending in the courts. In fact, 11.82% of all stagnant criminal cases are linked to appearance or service-related delays, and these are predominantly cases filed under the Negotiable Instruments (NI) Act.

This shows the disproportionate burden on judicial resources and highlights the need for a fundamental transformation of the character of India's criminal justice system. A single category of commercial disputes is burdening the courts. The main issues involved in these cases are that the majority of them involve straightforward factual determinations like jurisdiction, dishonour, and notice served, which is burdening the courts. And, these take over the time of the courts, which could have been used to deal with more serious matters. This is acting as a domino effect, which is impacting not only commercial dispute matters, but also affects an entire spectrum of criminal adjudication.

The same level of seriousness can be observed in commercial certainty, where cheques, which used to be viewed as "as good as cash," are now stuck in long legal battles that last for years instead of months. This is mostly because debtors are using legal proceedings in a planned way to put off paying what they owe. Small and medium-sized businesses that depend on checks to keep their financial flow going are especially at risk.

This systematic nature of the crisis indicates the paucity of deterrent effect that the NI Act intended to have and the lack on the part of judicial institutions to deliver timely resolution. This reality of indefinite procedural delays is overwhelming the swift prosecution that Section 138[467] originally intended— to have a slight deterrent effect.

B. Historical Context and Legislative Response

The NI Act was enacted during the British colonial administration to systematise the legal

[464] Section 138, The Negotiable Instruments Act, 1881.
[465] *Supra note* 1.
[466] Swarnendu Chatterjee† Anwesha Pal and Yashwardhan Singh, *Compilation of Important Judgments of Supreme Court and High Courts regarding Section 138 of the Negotiable Instruments Act, 1881*, SCC ONLINE TIMES, (4th January, 2023), *available at* Compilation of Important Judgments of Supreme Court and High Courts regarding Section 138 of the Negotiable Instruments Act, 1881 | SCC Times (Last visited on 10th September, 2025).
[467] Supra note 4.

framework that governed promissory notes and bills of exchange within the Indian subcontinent.[468] The original Act focused primarily on traditional commercial instruments that were already prevalent in colonial commerce. Its 'saving clause' made it clear that the indigenous hundi system would be kept alive. The Act was originally drafted by the 3rd Indian Law Commission in 1886, introduced before the council in December 1867 and then referred to the Select Committee.

The historical significance of payment systems in pre-colonial and colonial India cannot be understated. For centuries, the Indian subcontinent relied upon sophisticated indigenous financial instruments, particularly the hundi system, which has a very long history in India. Written records show their use at least as far back as the Twelfth century. These hundis functioned as precursors to modern negotiable instruments, facilitating long-distance trade without the physical transportation of coins. A *Hundi* is a written unconditional order by a person commanding another to pay a certain amount of money to a person listed in the order. They were used as a substitute for cheques issued by indigenous bankers.

The transition from indigenous payment systems to modern banking instruments occurred gradually during the colonial period. Cheques were first used in India by the Bank of Hindustan, the first joint stock bank established in 1770.[469] However, cheques remained relatively uncommon during the colonial era, with until the eighteenth century, coins being the only form of payment. However, for long-distance transactions, trust networks drove a system of *hundis* or bills of exchange.

The NI Act was originally designed to regulate a limited sphere of commercial activity, but the post-independence period witnessed the explosive growth of cheque-based transactions. This transformation reflected fundamental changes in India's banking infrastructure, urbanisation patterns, and the emergence of a more sophisticated commercial ecosystem requiring flexible payment mechanisms. The commercial significance of cheques as reliable instruments of commerce became paramount only in India's post-independence economic development trajectory, particularly following the nationalisation of banks in 1969 and the subsequent expansion of banking services to rural areas.

Parliament's 1988 intervention through the addition of Chapter XVII represented a watershed moment in this evolutionary process. By creating criminal liability for cheque dishonour, Parliament responded to the erosion of commercial confidence caused by increasing instances of cheque bouncing without adequate legal remedies. In order to ensure promptitude and remedy against the defaulters of the Negotiable Instrument, a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 by amending it with Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Act, 1988. This criminalisation reflected Parliament's recognition that civil remedies alone proved inadequate to maintain commercial confidence in the increasingly cheque-dependent transaction system.

However, the intervening decades witnessed the emergence of systematic challenges that the original legislative framework failed to anticipate. The Expert Committee's documentation reveals that unscrupulous drawers developed sophisticated strategies to exploit procedural complexities, transforming what should constitute expeditious summary proceedings into prolonged adversarial litigation. Parliamentary representations from trading communities increasingly highlighted how appeal filing, stay procurement, and jurisdictional forum shopping enabled

[468] See Preamble, Negotiable Instruments Act, 1881.
[469] *History of Banking In India: All The First In Banking*, Banking Adda, (9th January, 2023), available at https://www.bankersadda.com/history-of-banking-in-india-all-the-first-in-banking/ (Last visited on 12th September, 2025).

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APIS – 3920 - 0001 *(and)* ISSN - 2583-2344
Published by
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systematic frustration of the legislative intent behind Section 138[470].

These representations catalysed the legislative reforms of The Negotiable Instruments (Amendment) Act, 2015[471] (2015 Amendment Act) and The Negotiable Instruments (Amendment) Act, 2018[472] (2018 Amendment Act), each attempting to address specific aspects of the emerging crisis while preserving the fundamental balance between deterrence and due process that characterised the original framework.

C. Scope and Objectives of Analysis

This analysis is undertaking a comprehensive assessment of the recent amendments to the NI Act, specifically examining the jurisdictional reforms introduced through the 2015 Amendment Act and the interim relief mechanisms established by the 2018 Amendment Act.

The critical evaluation is encompassing three primary dimensions: first, the effectiveness of legislative reforms in addressing the identified problems of forum shopping, procedural delays, and systemic pendency; second, the coherence and consistency of judicial interpretation of the amended provisions; and third, the broader impact upon commercial certainty and the institutional capacity of India's judicial system to handle commercial disputes effectively.

Particular attention focuses upon how the Supreme Court treated Sections 143A[473] and 148[474] differently when deciding whether these laws apply to old cases or only new ones. This analysis examines whether the Court's reasoning was consistent and what this means for predictability in the legal system. The analysis also addresses practical implementation challenges that continue to affect cheque dishonour case resolution despite legislative intervention.

The identification of continuing practical challenges aims to inform future policy development while providing a critical evaluation of the amendments' legal framework and their theoretical objectives of reducing delays and restoring commercial confidence in cheque-based transactions.

II. THE JURISDICTIONAL CONUNDRUM: FROM CONFUSION TO CLARITY

A. Pre-2015 Jurisdictional Uncertainty

1. Legal Framework Deficiencies

The absence of specific jurisdictional provisions within the original Negotiable Instruments Act, 1881 created a legislative vacuum that generated systematic uncertainty in cheque dishonour litigation. The NI Act was originally designed to regulate promissory notes and bills of exchange in a simpler commercial environment, and contained no explicit guidance regarding territorial jurisdiction for prosecuting offences for cheque-bouncing under Section 138[475].

Up until the *K. Bhaskaran v. Sankaran Vaidhyan Balan* judgment, the courts simply applied the general territorial jurisdiction principle under Section 177 of the Code of Criminal Procedure, 1973 ('CrPC'), which provides that ordinary offences shall be tried by courts within whose territorial jurisdiction the offence was committed. As there was no definitive legal framework, the High Courts were applying different interpretations:

- Some focused in where the cheque was drawn
- Others on where it was presented
- Some where it was dishonoured
- Others on where notice was received

This gave birth to the issue of forum shopping. The lawyers, especially in Delhi, convinced the complainants to send the notice from Delhi in order to earn a little money. Also, certain complainants took advantage of this opportunity of several forums, and just to

[470] *Supra* note 4.
[471] The Negotiable Instruments (Amendment) Act, 2015 (No. 26 of 2015).
[472] The Negotiable Instruments (Amendment) Act, 2018 (NO. 20 of 2018).
[473] Section 143A, The Negotiable Instruments Act, 1881.
[474] Section 148, The Negotiable Instruments Act, 1881.
[475] *Supra* note 4.

disturb the drawer, in case their cheque bounced, they started sending notices, from the place the payee livesd, so as to force the drawer to travel at farther locations, to make appearances before the court.

2. Judicial Attempts at Clarification with respect to Jurisdiction

K. Bhaskaran v. Sankaran Vaidhayan Balan[476] (K.Bhaskaran), was the first major attempt by the Supreme Court to bring jurisdictional clarity. It established the 'five acts' framework by holding that courts could exercise jurisdiction wherever any one of these five acts occurred:

1. Drawing of the cheque

2. Presentation of the cheque

3. Return of the cheque unpaid

4. Issuance of notice

5. Failure to make payments within 15 days (was criticised by later judgments)

The liberal jurisdictional framework established in *K. Bhaskaran* created systematic problems by enabling widespread forum shopping and uncertainty, as complainants could file cases in any court where any of the five constituent acts occurred. This multiplicity of jurisdictional options transformed what should be straightforward venue determination into complex strategic choices. Also, it led to an increase in forum shopping, as lawyers lured the complainants to send notice from let us say for example, Delhi, and the Delhi courts were burnded with the cheque bounce cases.

The Supreme Court in ***Harman Electronics Pvt. Ltd. v. National Panasonic India Pvt. Ltd.***[477] (Harnam Electronics) began the process of restricting the liberal jurisdictional approach established in *K. Bhaskaran*, particularly targeting the 'issuance of notice' criterion. The Court held that courts within whose territorial limits a notice under Section 138[478] was merely posted or dispatched could not exercise jurisdiction, as the legally significant event was the receipt of notice by the drawer, not its issuance by the complainant. The Court distinguished between these two acts, observing that *"the cause of action cannot arise by any act of omission or commission on the part of the 'accused', which on a holistic reading has to be read as 'complainant'."*[17]

In this case, the Court recognised that letting complainants choose where to send notices would lead to systematic forum shopping, since complainants could pick any convenient postal location to send their notices from and then claim jurisdiction in that area, even if it had nothing to do with the transaction or the defendant's actual location.

In *Dashrath Rupsingh Rathod v. State of Maharashtra*[479] (Dashrath Rupsingh), the Supreme Court completely rejected the liberal *K. Bhaskaran*[480] framework and instead set up a restrictive approach focused solely on the place of dishonour. The Court interpreted the cause of action in a different way than *Harnam Electornics*[481], and observed that *"once the cause of action accrues to the complainant, the jurisdiction of the Court to try the case will be determined by reference to the place where the cheque is dishonoured."*

The Court further clarified that *"the general rule stipulated under Section 177 of Cr.P.C applies to cases under Section 138 of the Negotiable Instruments Act. Prosecution in such cases can, therefore, be launched against the drawer of the cheque only before the Court within whose jurisdiction the dishonour takes place except in situations where the offence of dishonour of the cheque punishable under Section 138 is committed along with other offences in a single transaction."*[482]

There was still some confusion about the forums, and the *Dashrath Rupsingh* judgment

[476] K. Bhaskaran v. Sankaran Vaidhayan Balan, AIR 1999 SUPREME COURT.
[477] Harman Electronics Pvt. Ltd. v. National Panasonic India Pvt. Ltd. (2009) 1 SCC 720.
[478] *Supra* note 4.
[479] Dashrath Rupsingh Rathod v. State of Maharashtra (2014) 9 SCC 129, para 49(vi).
[480] *Supra* note 6.
[481] Supra note 17.
[482] *Supra* note 19.

INDIAN JOURNAL OF LEGAL REVIEW [IJLR – IF SCORE – 7.58]

VOLUME 5 AND ISSUE 13 OF 2025

APIS – 3920 - 0001 *(and)* ISSN - 2583-2344

Published by

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did not really clarify what would happen with respect to the pending cases, now that jurisdiction issue has been decided. The Court even though addressed the practical issue of pending cases by stating that cases where recording of evidence had already commenced would continue in their original forums, but complaints where service had not been completed would be returned to complainants for re-filing before the appropriate court (where the cheque was dishonoured) within 30 days.

This created a significant transitional burden, as thousands of pending cases had to be transferred or re-filed, causing additional delays and procedural complications that the 2015 amendments later sought to address through more comprehensive transitional provisions (Section 142A).

The cumulative effect of these deficiencies was the creation of a legal environment characterised by uncertainty, inefficiency, and susceptibility to manipulation—precisely the opposite of what Parliament intended when criminalising cheque dishonour to restore commercial confidence in negotiable instruments.

B. The 2015 Amendment: A Bifurcated Approach

1. Section 142(2): Jurisdictional Restructuring

The 2015 Amendment Act, represented Parliament's decisive intervention to resolve the jurisdictional confusion that had plagued cheque dishonour litigation since the inception of criminal liability under Section 138[483]. The amendment introduced a bifurcated jurisdictional framework through the insertion of Section 142(2)[484], which established two distinct pathways for determining territorial jurisdiction based upon the method of cheque presentation.

The statutory language of Section 142(2) provides that *"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."*[485]

The first category, encompassing cheques "*delivered for collection through an account*," acknowledged the reality that most commercial cheque transactions occur through the payee's banking relationship rather than direct presentation to the drawee bank. By conferring jurisdiction upon courts 'where the payee maintains their account', Parliament prioritised the convenience of complainants in the most common form of cheque transaction.

The second category addressed situations where cheques are presented directly for payment "*otherwise than through an account*," maintaining the traditional approach of jurisdiction at the drawee bank location. This provision preserved the *Dashrath Rupsingh*[486] principle for direct presentation scenarios while creating an alternative pathway for collection-based transactions that better reflected modern commercial practices.

The amendment further included an Explanation to Section 142(2)(a) providing that *"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."*[487] This clarification addressed the practical reality of modern banking, where customers can deposit cheques at any branch of their bank through the widespread branch

[483] *Supra* note 4.
[484] *Supra* note 3.
[485] Section 142(2), Negotiable Instruments Act, 1881 (as amended by Act 26 of 2015).
[486] *Supra* note 19.
[487] Explanation to Section 142(2)(a), *Supra* note 25.

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network, not merely the specific branch where they maintain their account.

The consolidation mechanism in Section 142A(2)[488] directly tackled the chaotic problem of multiple proceedings against the same drawer scattered across different courts. The provision clearly mandates that "*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.*"[489] This consolidation requirement eliminated the systematic abuse of filing multiple cases in different forums to harass accused persons.

Section 142A(3) aggressively addressed the existing mess of multiple prosecutions already pending before different courts when the amendment took effect. The provision unambiguously mandated that courts transfer such cases "*to the court having jurisdiction under sub-section (2) of section 142, as amended by the Negotiable Instruments (Amendment) Ordinance, 2015 (Ord. 6 of 2015), before which the first case was filed and is pending, as if that subsection had been in force at all material times.*"[490] This retrospective consolidation finally brought order to the jurisdictional chaos that had plagued the system.

3. Judicial Reception and Constitutional Validity

The constitutional challenges to the 2015 amendments[491] predictably emerged, with entities like *Refex Energy Ltd. v. Union of India*,[492] arguing before the Madras High Court that the amendment arbitrarily overturned established judicial precedent and violated Article 14[493] of the Constitution. The primary contention questioned the amendment's departure from the restrictive *Dashrath Rupsingh* framework, which had at least provided certainty even while creating practical hardships for complainants.

The Madras High Court rejected these constitutional challenges, firmly establishing Parliament's competence to override judicial interpretations through legislation. The Court observed that "*it is well settled right from the decision in Shri Prithvi Cotton Mills Ltd., etc., v. Broach Borough Municipality and others reported in AIR 1970 SC 192 that Legislation can take away the basis of a judgment.*"[494] This principle conclusively established Parliament's authority to enact amendments that nullified prior judicial decisions, provided such amendments remained within constitutional bounds.

The Court found no constitutional defect in the 2015 amendments, concluding that "*Parliament is competent to bring out the amendment under the Negotiable Instruments Act*" and that the "*said amendment cannot be said to be ultra vires in view of the provisions of the Act or Part III of the Constitution of India.*"[495] This judicial validation provided essential legitimacy to the new jurisdictional framework.

C: Evaluation of Jurisdictional Reforms

The 2015 jurisdictional amendments achieved their primary objective of eliminating the systematic forum shopping that had characterised cheque dishonour litigation under the *K. Bhaskaran* framework. The bifurcated approach effectively restricted complainants' venue choices to two clearly defined options, fundamentally altering the

[488] Section 142A (2), Negotiable Instruments Act, 1881 (as amended by Act 26 of 2015).
[489] *Ibid.*
[490] *Ibid.*
[491] *Supra* note 11.
[492] *Refex Energy Ltd. v. Union of India,* 2019 SCC OnLine Mad 9941.
[493] Article 14, Constitution of India, 1950.
[494] *Supra* note 32.
[495] *Ibid.*

strategic calculus that had previously enabled widespread jurisdictional manipulation. This restriction represented a decisive victory for legal certainty over litigant convenience, establishing predictable rules that both parties could understand and plan around.

The forum shopping reduction proved particularly significant in addressing the harassment potential that had emerged under earlier frameworks. The consolidation requirements of Section 142A[496] eliminated the practice of filing multiple complaints against the same drawer in different jurisdictions, a tactic that had transformed legitimate debt recovery into a tool for systematic oppression. Commercial entities could no longer exploit jurisdictional uncertainty to multiply litigation costs and procedural burdens for accused persons, restoring some balance to what had become an asymmetric system heavily favouring complainants.

However, the practical implementation of the new framework exposed serious gaps between legislative intent and commercial reality. The distinction between 'account payee' and 'otherwise than account payee' cheques created interpretative challenges that courts struggled to resolve consistently. Many commercial transactions involved hybrid payment mechanisms that did not fit neatly into the statutory categories, forcing courts to engage in complex factual determinations about banking relationships and transaction structures. These interpretative difficulties demonstrated that even well-intentioned legislative clarity could generate new forms of uncertainty when applied to diverse commercial practices.

The 2015 amendments clearly prioritised protecting accused persons from jurisdictional harassment over making things convenient for complainants. Parliament chose to shield accused persons from forum shopping abuse, even though this made it harder for legitimate complainants to pursue their cases.This represented a major shift from the *K. Bhaskaran* approach, which had favoured complainants. Parliament finally recognised that the original liberal framework had been unfair to accused persons. However, the pendulum swing toward accused protection generated legitimate complaints from the commercial community about the practical difficulties of pursuing geographically distant litigation, particularly for small and medium enterprises with limited resources.

Section 142A was included to handle pending cases in a way that avoided the chaos that had been created by *Dashrath Rupsingh* judgment to jurisdictional transitions. Instead of mass re-filing of complaints being forced upon litigants, continuity was ensured through retrospective application mechanisms while the new framework was being implemented. The procedural disasters that had characterised earlier jurisdictional shifts were prevented by this approach, indicating that lessons had been learned from prior implementation failures.

Nevertheless, the 2015 reforms failed to address the fundamental pendency crisis that had motivated their enactment. While forum shopping decreased and jurisdictional certainty improved, the underlying problems of judicial capacity constraints and case management inefficiencies remained untouched. The amendment succeeded in redistributing cases according to new criteria but did nothing to accelerate their actual resolution, highlighting the limitations of purely jurisdictional solutions to systematic judicial administration problems.

Recent Supreme Court decisions show that the 2015 framework continues to generate interpretative disputes that undermine its intended clarity. In *M/s Shri Sendhur Agro & Oil Industries v. Kotak Mahindra Bank Ltd.*,[497] the Court had to clarify that Section 142(2)(a) allows complaints to be filed "*before courts within whose jurisdiction the collection branch of the bank falls*," indicating that even a decade

[496] *Supra* note 28.

[497] M/s Shri Sendhur Agro & Oil Industries v. Kotak Mahindra Bank Ltd., 2025 INSC 328.

after enactment, fundamental jurisdictional questions remain contested. Similarly, in *Kedar Bhausaheb Malhari v. Axis Bank Limited*,[498] the Supreme Court found the jurisdictional issues sufficiently complex to require the Union of India's input on whether courts can transfer complaints to drawers' bank locations, revealing continuing confusion about the amendment's practical application.[2]

Most critically, empirical evidence demonstrates that the 2015 amendments achieved procedural reorganisation without delivering substantive relief from the pendency crisis. The Expert Committee's 2022 findings of cases increasing from 26,07,166 to 33,44,290 in five months occurred well after the jurisdictional reforms had taken effect, proving that redistributing cases according to clearer criteria does nothing to expedite their actual disposal. The amendments addressed symptoms of systematic dysfunction rather than its root causes, leaving the fundamental problem of judicial capacity constraints completely untouched while creating new interpretative burdens for already overburdened courts.

III. INTERIM RELIEF MECHANISMS: THE 2018 PARADIGM SHIFT

A. Genesis of Interim Relief Provisions

1. Judicial Recognition of Systemic Delays and Abuse

Before the 2018 Amendment Act, courts were repeatedly pointing out how the legal system was being misused in cheque dishonour cases. The Supreme Court in *R. Vijayan v. Baby*[499]made important observations that showed the clear gap between what the law intended and what was actually happening. The Court noted that *"in spite of section 143(3) of the Act requiring the complaints in regard to cheque dishonour cases under section 138 of the Act to be concluded within six months from the date of the filing of the complaint, such cases seldom reach finality before three or four years let alone six months."*[500]

The Court highlighted that while proceedings under Section 138[501] are meant to determine criminal liability for dishonour of a cheque, with the actual recovery of the cheque amount being a matter for a civil suit—the reality is different.

The Supreme Court later took up the matter on its own in *Expeditious Trial of Cases Under Section 138 of NI Act, 1881, In re*[502] and found shocking numbers about pending cases. As of December 2019, "35.16 lakh cases were pending under section 138" with "30-40% of the pending cases in the high court were cases of cheque dishonor."[503] These numbers showed that this was not just a small problem but a major crisis affecting the entire court system.

2. Parliamentary Response to Stakeholder Representations

The legislature finally acted after getting many complaints from people affected by these delays. The Statement of Objects and Reasons of the 2018 Amendment Act clearly stated that "*The Central Government has been receiving several representations from the public including trading community relating to pendency of cheque dishonour cases. This is because of delay tactics of unscrupulous drawers of dishonoured cheques due to easy filing of appeals and obtaining stay on proceedings.*"[504]

It was realised that dishonest people were gaming the system. The Statement of Objects and Reasons explained that "*injustice is caused to the payee of a dishonoured cheque who has to spend considerable time and resources in court proceedings to realise the value of the*

[498] Kedar Bhausaheb Malhari v. Axis Bank Limited (2024), mentioned in Section 142 of Negotiable Instruments Act, 1881 - iPleaders, September 8, 2024, (Last visited on 14th September, 2025).
[499] R. Vijayan v. Baby & Anr., (2011) Criminal Appeal No. 1902 of 2011.
[500] *Ibid.*
[501] Supra note 4.
[502] *Supra* note 1. *Expeditious Trial of Cases Under Section 138 of NI Act, 1881, In re*, 2022 SCC OnLine SC 649.
[503] Supreme Court Observer, 'Supreme Court Frames Guidelines to Tackle Pendency of Cheque Dishonour Cases' (9 October 2023) https://www.scobserver.in/journal/supreme-court-frames-guidelines-to-tackle-pendency-of-cheque-dishonour-cases/ accessed 20 September 2025.
[504] The Negotiable Instruments (Amendment) Act, 2018, Statement of Objects and Reasons.

INDIAN JOURNAL OF LEGAL REVIEW [IJLR – IF SCORE – 7.58]
VOLUME 5 AND ISSUE 13 OF 2025
APIS – 3920 - 0001 *(and)* ISSN - 2583-2344
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cheque" because of these delay tactics. The amendment was meant to address the issue of undue delay in final resolution of cheque dishonour cases so as to provide relief to payees of dishonoured cheques and to discourage frivolous and unnecessary litigation.

B. Section 143A: Trial Stage Interim Compensation

1. Statutory Framework and Prerequisites

The addition of Section 143A brought a major change from only punishing people after conviction to giving relief during the trial itself. The law allows courts to order interim compensation in two specific situations: first, "*in a summary trial or summon case, where the drawer pleads not guilty to the accusation made in the complaint*" and second, "*in any other case, upon framing of charge*."[505]

The law puts a clear limit saying that "*the interim compensation shall not exceed twenty per cent of the amount of the cheque*." This limit shows that Parliament wanted to balance helping the payee while not being unfair to the accused person before they are found guilty. The law also says that payment must be made "*within sixty days from the date of order, or within such further period not exceeding thirty days as may be directed by the Court on sufficient cause being shown*."

The recovery method under Section 143A(3) gives real power to enforce this provision. "*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*." This means courts can use all the tools of criminal law to recover the money, including taking and selling the person's property.

2. Discretionary Nature vs. Mandatory Application

The Supreme Court clearly explained in *Jamboo Bhandari v. M.P. State Industrial Development*[506] that Section 143A gives courts choice, not a duty. More recently, in *Rakesh Ranjan Shrivastava v. State of Jharkhand*,[507] the Court said that "*if the word 'may' is interpreted as 'shall', it will have drastic consequences as in every complaint under Section 138, the accused will have to pay interim compensation up to 20 per cent of the cheque amount.*"[508]

The Court observed that adopting such an interpretation would be unjust and inconsistent with the established principles of fairness and justice. It cautioned that if interpreted in this manner, the provision could be vulnerable to a challenge on grounds of manifest arbitrariness and may even be held violative of Article 14[509] of the Constitution. This highlights the significance that courts are required to exercise caution and consider the facts of each case rather than ordering compensation mechanically.

The Supreme Court gave guidelines for how courts should use this power: "*The Court will have to* prima facie *evaluate the merits of the case made out by the complainant and the merits of the defence pleaded by the accused in the reply to the application.*"[510] Importantly, "*the presumption under Section 139 of the N.I. Act, by itself, is no ground to direct the payment of interim compensation as the presumption is rebuttable.*"[511]

3. Prospective Application: The Supreme Court's Ruling

The Supreme Court in *G.J. Raja v. Tejraj Surana*[512] decided the important question of whether Section 143A applies to old cases or only new ones. The Court said that Section 143A only applies to new cases, explaining that the provision "creates a liability in as much as a Drawer of the cheque can be directed to pay up to 20% of the cheque amount to the

[505] *Supra* note 13.
[506] Jamboo Bhandari v. M.P. State Industrial Development, SLP (Crl.) No(s). 4927 of 2023.
[507] Rakesh Ranjan Shrivastava v. State of Jharkhand, (2024) 4 SCC 419.
[508] *Ibid.*, para 13.
[509] Article 14, Constitution of India, 1950.
[510] *Ibid.*, para 18.
[511] *Ibid.*, para 19.
[512] G.J. Raja v. Tejraj Surana, 2019 Latest Caselaw 605 SC.

INDIAN JOURNAL OF LEGAL REVIEW [IJLR – IF SCORE – 7.58]
VOLUME 5 AND ISSUE 13 OF 2025
APIS – 3920 - 0001 *(and)* ISSN - 2583-2344
Published by
Institute of Legal Education
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complainant, without being found guilty in the eyes of law."[513]

The Court also noted that the said section makes available the machinery for recovery, as if the interim compensation were arrears of land revenue. Thus, it not only creates a new disability or an obligation but also exposes the accused to coercive methods of recovery of such interim compensation through the machinery of the State. Based on this reasoning, the Court concluded that Section 143A of the NI Act must, therefore, be held to be "*prospective in nature and confined to cases where offence were committed after the introduction of Section 143A*."[514]

C. Section 148: Appellate Stage Security

1. Appellate Court Powers and Conditions

Section 148[515] was designed to close another loophole that dishonest drawers were using - filing appeals and getting automatic stays without any financial consequences. The provision allows appellate courts to order that "*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*." This ensures that appeals cannot be used purely for delay without any cost to the appellant.

The law makes it clear that this deposit is in addition to any interim compensation paid by the appellant under Section 143A. This means that a person cannot escape paying more money at the appeal stage by claiming they already paid interim compensation during trial. The payment timeline follows the same structure as Section 143A, requiring deposit within sixty days from the date of order, or within such further period not exceeding thirty days as may be directed by the Court on sufficient cause being shown.

A key feature of Section 148[516] is that it only applies after conviction. Unlike Section 143A which can be applied during trial before guilt is proven, Section 148 comes into play only when the trial court has already found the person guilty. This makes the provision less controversial from a constitutional standpoint since it operates after guilt has been established.

2. Retrospective Application: Judicial Rationale

The Supreme Court in *Surinder Singh Deswal alias Colonel S.S. Deswal & others v. Virender Gandhi*[517] took a completely different approach to Section 148 compared to Section 143A. The Court held that Section 148 is a mandatory provision and can be applied retrospectively to cases filed before the 2018 Amendment Act.

This reasoning of the Court reasoning was based on what it called 'purposive interpretation.' The Court said that "*So as to see that due to delay tactics by the unscrupulous drawers of the dishonoured cheques due to easy filing of the appeals and obtaining stay in the proceedings, an injustice was caused to the payee of a dishonoured cheque who has to spend considerable time and resources in the court proceedings to realise the value of the cheque and having observed that such delay has compromised the sanctity of the cheque transactions, Parliament has thought it fit to amend Section 148 of the NI Act*."

The Court argued that Section 148[518] does not create any new burden because it relies on existing legal machinery under Sections 421 and 357 of the CrPC. Since these recovery mechanisms already existed, the Court reasoned that Section 148 was merely directing the use of existing powers rather than creating new disabilities for the accused.

3. Comparing Sections 143A and 148

The Supreme Court's different treatment of Sections 143A and 148 creates an interesting legal puzzle. While Section 143A was held to be prospective only, Section 148 was given retrospective effect. The Court tried to justify this

[513] *Ibid.*, para 7.
[514] *Ibid.*, para 9.
[515] Section 148, The Negotiable Instruments Act, 1881.
[516] *Ibid.*
[517] Surinder Singh Deswal alias Colonel S.S. Deswal & others v. Virender Gandhi, 2020 Latest Caselaw 20 SC.
[518] *Supra* note 55.

INDIAN JOURNAL OF LEGAL REVIEW [IJLR – IF SCORE – 7.58]
VOLUME 5 AND ISSUE 13 OF 2025
APIS – 3920 - 0001 *(and)* ISSN - 2583-2344
Published by
Institute of Legal Education
https://iledu.in

difference by arguing that Section 143A creates 'new disabilities' while Section 148 uses 'existing machinery.'

The logic was that Section 143A imposed a completely new burden on accused persons that never existed before, making it unfair to apply it to old cases. In contrast, Section 148 simply directed courts to use recovery powers they already had under the CrPC, so applying it to old cases was seen as less harsh.

However, this distinction is not entirely convincing. Both sections create new financial obligations that did not exist before 2018 Amendment Act. Both use similar recovery mechanisms under the CrPC (Section 357). The real difference seems to be that Section 143A operates before conviction (making it more constitutionally sensitive) while Section 148 operates after conviction (making it easier to justify).

This differential treatment reflects the practical challenges courts face in balancing the need to provide relief to payees while protecting the constitutional rights of accused persons. The Court appears to have been more cautious with Section 143A because ordering interim compensation before guilt is proven raises serious questions about the presumption of innocence.

The policy rationale behind this differential treatment seems to be that once a person is convicted, they have fewer grounds to complain about additional financial obligations. At the appeal stage, the legal system has already determined their guilt, making it more acceptable to impose conditions on their right to appeal.

IV. JUDICIAL INTERPRETATION AND PRACTICAL IMPLEMENTATION

A. Guidelines for Exercise of Discretion Under Section 143A

1. *Prima Facie* Case Evaluation Parameters

The Supreme Court in *Rakesh Ranjan Shrivastava v. State of Jharkhand*[519] laid down detailed guidelines for how courts should decide applications under Section 143A. The Court made it clear that "*the Court will have to prima facie evaluate the merits of the case made out by the complainant and the merits of the defence pleaded by the accused in the reply to the application*." This requires courts to look at both sides of the story before deciding on interim compensation.

The Court specifically warned against the mechanical application of the presumption under Section 139[520] of the NI Act. It stated that the presumption under Section 139 of the NI Act, by itself, is no ground to direct the payment of interim compensation as the presumption is rebuttable. This means courts cannot simply rely on the legal presumption that cheques are issued for valid debts and automatically order compensation. They must examine whether the complainant has made a strong enough case to justify interim relief.

The evaluation must consider whether the complainant has properly followed all requirements under Section 138[521]. As noted by the Bombay High Court in *Bajaj Constructions v. State of Maharashtra*,[522] factors include "prima facie *compliance of statutory requirement to invoke Section 138 of the NI Act, 1881,* prima facie *merit of the case of the complainant; the nature of the underlying transaction; the nature of the defence, if any, put-forth by the drawer*."[523]

2. Financial Distress and Proportionality Factors

The Supreme Court recognised that the financial distress of the accused can also be a consideration. This shows that courts must balance the need to help the complainant with the impact on the accused person. If ordering

[519] Rakesh Ranjan Shrivastava v. State of Jharkhand, (2024) 4 SCC 419.
[520] Section 139, The Negotiable Instruments Act, 1881.
[521] Section 138, The Negotiable Instruments Act, 1881.
[522] Bajaj Constructions v. State of Maharashtra, 2024 Latest Caselaw 15512 Bom.
[523] Ibid.

interim compensation would cause serious financial hardship to the accused, courts should take this into account.

When deciding the amount of compensation, the Court said that "*if the Court concludes that a case is made out to grant interim compensation, the Court will have to apply its mind to the quantum of interim compensation to be granted and consider various factors such as the nature of the transaction, the relationship, if any, between the accused and the complainant.*"[524] This means courts cannot simply order the maximum 20% in every case but must think carefully about what amount is fair.

The Court also emphasised considering 'the paying capacity of the accused' when deciding the quantum. This practical approach recognises that there is no point in ordering compensation that the accused cannot afford to pay, as this would only lead to further legal complications.

3. Procedural Requirements and Reasoned Orders

One of the most important requirements established by the Supreme Court is that "*while deciding the prayer made under Section 143A, the Court must record brief reasons indicating consideration of all relevant factors.*"[525] Courts cannot simply grant or refuse applications without explaining their reasoning.

In the *Rakesh Ranjan Shrivastava*[526] case, the Supreme Court criticised the lower courts because "*the direction to deposit Rs.10,00,000/- was without considering the issue of prima facie case and other relevant factors and said that it was without application of mind.*" This shows how seriously the Supreme Court takes the requirement for proper reasoning.

The Court also clarified that if the defence of the accused is found to be *prima facie* plausible, the Court may exercise discretion in refusing to grant interim compensation. This gives courts clear guidance that a strong defence case can be a valid reason to refuse interim compensation, but only if the court explains this reasoning in its order.

B. Judicial Application in Practice

1. Common Judicial Errors and Corrections

The Supreme Court has repeatedly found that lower courts make the mistake of granting interim compensation automatically without proper consideration. In several cases, the Court has noted that trial courts were "*passing orders mechanically*"[527] without applying their minds to the specific facts.

One common error is treating Section 143A[528] as mandatory rather than discretionary. The Supreme Court has had to repeatedly clarify that courts must exercise genuine discretion rather than feeling bound to grant compensation in every case where the basic requirements are met.

Another frequent problem is inadequate reasoning in orders. Many trial courts were simply stating that interim compensation was granted under Section 143A without explaining why they thought it was appropriate in that particular case. The Supreme Court's insistence on "*brief reasons indicating consideration of all relevant factors*"[529] is designed to prevent this mechanical approach.

The Supreme Court has also corrected the misconception that the presumption under Section 139 automatically justifies interim compensation. Courts were wrongly thinking that since the law presumes cheques are issued for valid debts, interim compensation should be granted as a matter of course. The Supreme Court's clarification that "*the presumption is rebuttable*"[530] has helped correct this error.

V. CONTINUING CHALLENGES AND SYSTEMIC ASSESSMENT

[524] *Supra* note 59.
[525] *Supra* note 59, para 22.
[526] *Ibid.*
[527] *Ibid*, para 25.
[528] *Supra* note 13.
[529] *Supra* note 59, para 22.
[530] Ibid.

INDIAN JOURNAL OF LEGAL REVIEW [IJLR – IF SCORE – 7.58]

VOLUME 5 AND ISSUE 13 OF 2025

APIS – 3920 - 0001 *(and)* ISSN - 2583-2344

Published by

Institute of Legal Education

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A. Implementation Difficulties and Practical Concerns

1. Judicial Infrastructure Constraints

Despite the 2018 amendments introducing interim relief mechanisms, the fundamental problem of judicial infrastructure remains unaddressed. The Supreme Court's own findings in *In re: Expeditious Trial of Cases Under Section 138 of NI Act, 1881*[531] revealed the staggering scale of the pendency crisis. As documented, cheque dishonour cases account for more than 8% of the total pending criminal cases with a total of 35.16 lakh pending cheque dishonour cases.

The root cause of this pendency lies not in the absence of interim relief provisions, but in systemic judicial capacity issues. The Law Commission of India noted that courts in India are overburdened with dishonoured cheque cases and that around thirty-eight lakhs of cheque bouncing cases were pending adjudication before various courts across the country. These numbers show that even after the 2018 amendments, the sheer volume of cases continues to overwhelm the system.

A major contributor to delays is the routine conversion of summary trials to summons trials by magistrates. The Supreme Court found that "*the high number of pending cases can be attributed to the conversion of summary trials to summons trials by Magistrates in the exercise of discretionary power conferred under the Act.*"[532] This practice defeats the very purpose of providing expedited proceedings under the NI Act.

2. Interim Relief Assessment Challenges

The implementation of Section 143A[533] has created new challenges for lower courts that were not adequately prepared for the complex evaluation required. In *Rakesh Ranjan*, the Court observed that, "*prima facie evaluation of the merits of the case made out by the complainant and the merits of the defence pleaded by the accused*"[534] while also ensuring they do not mechanically grant compensation.

Many trial courts struggle with this balance, leading to frequent reversals by higher courts. The Supreme Court has repeatedly found that lower courts were "*passing orders mechanically*" without proper application of mind. This suggests that the discretionary framework, while legally sound, requires significant judicial training and capacity building that has not been adequately provided.

The requirement for "*brief reasons indicating consideration of all relevant factors*" places additional burden on already overworked magistrates. In a system where "every 10 lakh Indians have access to just 19 Judges,[535] asking courts to conduct detailed analysis for interim compensation applications adds to the existing workload pressure.

B. Systemic Issues Beyond Legislative Amendments

1. Judicial Vacancy Crisis

The most significant challenge facing the implementation of any legal reform is the acute shortage of judicial officers. The Supreme Court documented that "*as on 22-10-2018, there were 5133 judicial vacancies out of a total of 22,036 such posts.*"[536] This represents nearly 25% vacancy rate in lower courts where cheque dishonour cases are tried.

The impact of these vacancies extends beyond mere numbers. The Law Commission observed that regardless of whether cheque dishonouring is decriminalised, if the problem of judicial vacancies in the lower courts is not addressed, a mechanism for more expeditious disposal of such cases will remain elusive. This suggests

[531] Supra note 1.
[532] *Pending Cheque Dishonour Cases - The Way Forward,* Lexology (2 April 2023), available at, https://www.lexology.com/library/detail.aspx?g=73801c54-3ebe-4219-b0b3-d6b7ca46429c (Last visited on 12th September, 2025).
[533] *Supra* note 13.
[534] *Supra* note 59.
[535] '*Decriminalisation of Cheque Dishonour: A Step Forward*', SCC Times, (16th February, 2021) https://www.scconline.com/blog/post/2021/02/16/cheque-dishonour/, (Last visited on 10th September, 2025.
[536] *Ibid.*

that the 2018 amendments, while helpful, cannot solve the fundamental capacity constraints.

The problem is particularly acute in certain states. Data analysis shows that "*the highest average pendency is seen in Gujarat, with cases pending on average for 3,608 days (a little less than 10 years), whereas Himachal Pradesh has the lowest average pendency of 967 days (nearly two years and nine months).*"[537] Even the best-performing states are taking nearly three years to dispose of cases that are supposed to be concluded within six months.

2. Case Management Inefficiencies

Beyond staffing issues, the system suffers from fundamental case management problems. The Supreme Court found that "*of the 27,925 pending cases, a little less than half, or 12,725 cases, are in the notice or summons stage.*"[538] This indicates that cases are getting stuck at the very initial stages of proceedings.

The conversion of summary trials to summons trials, while providing more procedural safeguards, has significantly lengthened the trial process. The Supreme Court noted that magistrates routinely exercise this discretionary power without applying or recording cogent reasoning. This practice effectively nullifies the legislative intent of providing expedited proceedings.

Another systemic issue is the inadequate use of technology and alternative dispute resolution mechanisms. Despite provisions for mediation and compounding, these alternatives remain underutilised due to lack of infrastructure and awareness.

C. Recommendations for Further Reform

1. Infrastructure and Capacity Building

The Law Commission of India recommended "the creation of Fast Track Courts of Magistrates to dispose of the cases under section 138 of the NI Act" and suggested that "Central Government and State Governments must provide necessary funds to meet the expenditure involved in the creation of these fast-track courts."[539] However, these recommendations remain largely unimplemented.

The Supreme Court has directed High Courts to deliberate the necessity of additional courts in order to try complaints under section 138 of the N.I. Act. This recognition by the apex court that additional judicial infrastructure is needed shows that legislative amendments alone cannot solve the pendency crisis.[540]

Beyond creating new courts, there is urgent need for training existing judicial officers on the proper application of interim relief provisions. The frequent mechanical granting or refusing of Section 143A applications suggests that magistrates need clearer guidance and regular training on exercising discretion appropriately.

2. Procedural Streamlining and Technology Integration

The Supreme Court, in a case, has suggested several procedural improvements, including allowing "*more than three offences of the same kind to be tried jointly if they were committed within the last 12 months*" and treating "*service of summons in one complaint under Section 138 forming part of a transaction, as deemed service in respect of all the complaints filed before the same court.*"[541]

Technology integration remains a largely untapped solution. Digital filing systems, online hearings for procedural matters, and automated case management systems could significantly reduce delays. However, implementation of such systems requires substantial investment in both technology and training.

[537] *'An Analysis of Cheque Dishonour Cases'* , DAKSH, available at, https://www.dakshindia.org/Daksh_Justice_in_India/22_chapter_01.xhtml (last visited on 15th September, 2025).
[538] *Ibid.*
[539] *'Cheque dishonour proceedings require expeditious resolution'*, REEDLAW, , available at, https://www.reedlaw.in/articles/cheque-dishonour-proceedings-require-expeditious-resolution (Last visited on 16th September, 2025).
[540] Supra note 1.
[541] *Ibid.*

INDIAN JOURNAL OF LEGAL REVIEW [IJLR – IF SCORE – 7.58]

VOLUME 5 AND ISSUE 13 OF 2025

APIS – 3920 - 0001 *(and)* ISSN - 2583-2344

Published by

Institute of Legal Education

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The Supreme Court's suggestion to refer pending revisions "to mediation"[542] shows recognition that alternative dispute resolution mechanisms need to be strengthened. This could reduce the burden on formal court proceedings while providing faster resolution for parties.

VI CONCLUSION

The 2015 and 2018 amendments to the NI Act represent a response to the systematic abuse that had transformed cheque dishonour litigation from expeditious summary proceedings into prolonged adversarial battles. These reforms achieved their primary objectives while revealing the fundamental limitations of purely legislative solutions to institutional capacity crises.

The 2015 Amendment successfully eliminated the widespread forum shopping that characterised the *post-K. Bhaskaran* era. By establishing a clear bifurcated framework based on cheque presentation methods, the legislature replaced uncertainty with predictability. The consolidation requirements under Section 142A prevented the systematic harassment enabled by multiple parallel proceedings across different forums.

Similarly, the 2018 Amendment that inserted the interim relief mechanisms introduced meaningful financial consequences for delay tactics. Section 143A's provision for up to 20% interim compensation during trial and Section 148's mandatory deposit requirements during appeals created real costs for frivolous litigation. Careful interpretation by the Supreme Court in *Rakesh Ranjan Shrivastava v. State of Jharkhand* ensured these provisions remained discretionary tools rather than automatic penalties.

However, the amendments' impact on the fundamental pendency crisis remains limited. Despite these reforms, 35.16 lakh cheque dishonour cases continue pending before various courts, representing over 8% of all criminal cases. The Expert Committee's finding in *Expeditious Trial of Cases Under Section 138 of NI Act, 1881*, In re14, 2022 SCC OnLine SC 649 that cases increased by 7,37,124 in just five months after the reforms took effect demonstrates that redistributing cases according to clearer criteria does nothing to expedite their actual disposal.

The root problem lies in severe judicial infrastructure constraints that legislative amendments cannot address. With only 19 judges available per 10 lakh Indians and 25% vacancy rates in lower courts, even sophisticated legal provisions cannot function effectively. Cases designed for six-month disposal are taking three years in the best-performing states and nearly ten years in others.

The routine conversion of summary trials to summons trials by magistrates has effectively nullified the legislative intent of expedited proceedings. This practice, often exercised without proper reasoning, reveals how procedural discretion can undermine carefully crafted statutory schemes when institutional accountability mechanisms remain weak.

Implementation challenges surrounding Section 143A further illustrate the gap between legislative design and ground reality. Despite detailed Supreme Court guidelines, many trial courts continue applying these provisions mechanically, leading to frequent reversals. This pattern suggests the discretionary framework requires substantial judicial training that has been inadequately provided.

The differential temporal application of Sections 143A and 148 highlights constitutional complexities in balancing immediate relief against due process rights. While legally defensible, this inconsistency reflects the inherent tensions between providing swift commercial remedies and maintaining procedural safeguards in criminal proceedings.

Most significantly, the study reveals that cheque dishonour pendency is symptomatic of broader

[542] Ibid.

systemic failures extending beyond any single legislative intervention. The Law Commission's recommendation for dedicated fast-track courts remains unimplemented due to resource constraints. Technology solutions and alternative dispute resolution mechanisms remain underutilised despite their potential for reducing formal court burdens.

The amendments succeeded in creating deterrent effects against purely frivolous appeals and provided a legal framework for interim relief. However, they addressed symptoms rather than root causes of the judicial administration crisis. The massive pendency exists not because of inadequate laws, but due to fundamental capacity constraints that no amount of legal refinement can overcome.

Future reform efforts must adopt holistic approaches combining legal amendments with substantial investment in judicial infrastructure, technology integration, and human resource development. The experience demonstrates that targeted legislative interventions can address specific procedural problems but cannot overcome institutional capacity constraints rooted in inadequate infrastructure and insufficient personnel.

The analysis concludes that while these amendments made meaningful contributions to protecting payee interests and deterring abuse, they represent only partial solutions to ensuring timely commercial dispute resolution. Restoring cheques as reliable instruments of commerce requires not merely better laws, but fundamental transformation of judicial capacity and case management systems. Until these underlying structural issues are comprehensively addressed, even well-crafted legal reforms will struggle to achieve their full potential in serving India's commercial economy.