

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5236

ANSWERED ON:24.04.2015

CHEQUE BOUNCE CASES

Azad Shri Kirti (JHA);Patel Smt. Anupriya Singh;Somaiya Dr. Kirit

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Apex Court has passed any order on cheque bounce cases recently;
- (b) if so, the details thereof;
- (c) whether the cheque bounce cases is to be filed by the receiver of the cheque under the jurisdiction of the issuing bank branch;
- (d) if so, the details thereof;
- (e) whether the Government has any proposal to set up special court dispose of the pending cheque bounce cases; and
- (f) if so, the details thereof along with the total number of pending cases lying in the courts, State-wise and the time by which such courts are likely to be made operational?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) and (b): The Supreme Court of India in Special Leave Petition [Dashrath Rupsingh Rathod v. State of Maharashtra & Another (2014) 9 SCC 129] has passed an order that territorial jurisdiction for taking cognizance of offence concerning criminal complaint under Chapter XVII of the Negotiable Instrument Act, 1881 is confined to the place where concerned cheque is dishonored. The Supreme Court has decided that the territorial jurisdiction is restricted to the Court within whose local jurisdiction the offence was committed, which in the present context is where the cheque is dishonoured by the bank on which it is drawn.

(c) and (d): The Supreme Court has directed that only those cases where, post the summoning and appearance of the alleged accused, the recording of evidence has commenced as envisaged in Section 145(2) of the Negotiable Instruments Act, 1881, will proceeding continue at that place. All other complaints (including those where the accused/respondent has not been properly served) shall be returned to the Complainant for filing in the proper Court, in consonance with exposition of the law, as determined by the Supreme Court.

(e) and (f): A statement indicating number of cases relating to cheque dishonor pending with High Courts and District and Subordinate Courts as on 31.12.2014 and number of Special Courts functioning in States / Union Territories as on 31.12.2014 is at Annex.