



17th October, 2019

Shri Ravi Shankar Prasad

Hon'ble Minister of Law & Justice, Electronics & IT
Govt. of India
Shastri Bhawan
NEW DELHI-110001

Respected Sir,

Sub: Stringent action required against repeated cases of cheque dishonor

Greetings from the Gujarat Chamber of Commerce & Industry.

We would like to draw your kind attention to a serious issue which needs your urgent intervention.

Sir, the traders and industrialist issue post dated cheques in the normal course of business with the objective of bringing transparency in their operations and as security. Post-dated cheques are widely accepted even by Nationalized and Private Banks, NBFCs and other financial institutions for various financial transactions. However, it is observed that when these cheques are deposited in the bank by businessmen, there are many instances of cheque dishonor.

In earlier times the cases of cheque bounce / return were considered as derogatory to the goodwill by businessmen and therefore they used to take all possible care to ensure that their cheque is not dishonored. In current times, however, this feeling of maintaining one's dignity and honor is lost and cases of cheque dishonor are not taken seriously. This has given rise to lack of trust amongst the businessmen.

In such cases of cheque bounce/return, if a notice is served within 15 days then legal recourse can be taken against the defaulter as per Section 138 of Negotiable Instrument Act-1881. However, such cases lie pending for decades in the courts of law.

In case of dishonor of cheque, the businessman to whom such cheque was issued has to face severe cash crunch. We therefore recommend that in case of repeated cheque return / bounce for more than 3 times, a non-bailable warrant should be issued and provision for registering police complaint should be allowed. Moreover, the personal account of the defaulter should be suspended so that the business fraternity is protected against such cases where cheque has been issued with willful intent of getting it dishonored.

Sir, we therefore request you to issue a notification incorporating the above measures which will give a strong message against such wrongful practices.

With regards,

Yours sincerely,

Durgesh Buch
President

Durgesh V. Buch
President

Natubhai Patel
Sr. Vice President

Bhargav Thakkar
Vice President

Sanjeev Chhajer
Secretary

Dilip M. Padhya
Secretary (R)

Pathik S. Patwari
Treasurer