

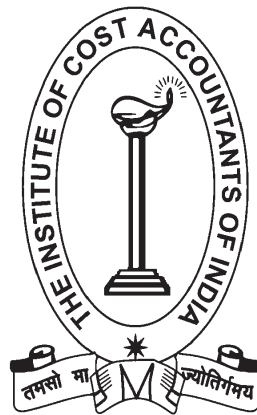
Supplementary Material

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**Paper - 3**  
**FUNDAMENTALS OF LAWS AND ETHICS**

**Foundation**  
**[Syllabus - 2012]**



**The Institute of Cost Accountants of India**

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### List of Amended Sections under respective Acts

Name of the Act	Sections	
The Negotiable Instrument Act, 1881	• 6	Modified
	• 142	Re-numbered
	• 142(2)	Inserted
The Indian Partnership Act, 1932	• 464 of CA, 2013	Modified
The Payment of Wages Act, 1936	• 1(6)	Modified
The Employee's State Insurance Act, 1948	• 2(9)	Modified



## The Negotiable Instrument Act, 1881

### Section 6 — Modified

#### Cheque

A cheque is a bill of exchange drawn on a specified banker payable on demand (Sec 6). Further, the expression includes the electronic image of a truncated cheque or a cheque in electronic form.

“A cheque in electronic form” means a cheque drawn in electronic form by using any computer resources 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.

For the purpose of this section, the expression “asymmetric crypto system”, “computer resources”, “digital signature”, “electronic form” and “electronic signature” shall have the same meanings respectively assigned to them in the Information Technology Act, 2000.

#### Additional Information

Cheque should be presented to the banker within – (a) 3 months from the date of issue of cheque, or (b) validity period of the cheque, whichever is earlier.

### Section 142 — Modified as 142(1)

#### Cognizance of offences

The payee/holder must make a complaint with the court [Sec 142(1)]. The following conditions should be satisfied :

1. A complaint should be made to the court, and the complaint shall be in writing.
2. It shall be made – (i) by the payee, or (ii) the holder in due course of a cheque.
3. The complaint shall be made within 1 month of the date on which the cause of action arises u/s 138(c). However the court may relax this time period if the complainant satisfies the court that he had sufficient cause for not making the complaint within such period.

#### Section 142(2) — Inserted

The offence under section 138 shall be inquired into and tried only by a court within whose local jurisdiction **[Sec 142(2)]** –

(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.

For the purpose 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.

### **Indian Partnership Act, 1932**

As per Section 464 of Companies Act, 2013 the maximum number of persons in a partnership should not exceed 50.

**Please note the above while studying characteristics and differences of partnership.**

### **Payment of Wages Act, 1936**

#### **Section 1(6) — Modified**

The Ministry of Labour and Employment, Government of India vide SO 2260(E) dated 11.9.2012 specified the wage ceiling ₹ 18,000 based on the figure of the consumer expenditure survey published by the National Sample Survey Organisation.

### **Employee's State Insurance Act, 1948**

#### **Section 2(9) — Modified**

The wage ceiling for coverage of employees under the ESI Act 1948 has been enhanced from ₹ 10,000 to ₹ 15,000 per month w.e.f. 1.5.2010.