KABC0C0240112021

IN THE COURT OF XXXIII ADDL. CHIEF JUDICIAL MAGISTRATE, MAYO HALL UNIT, BENGALURU

-: PRESENT:-

Sri P.S. Santhosh Kumar, M.Com., LL.M.,
XXXIII ADDL.CHIEF JUDICIAL MAGISTRATE, BENGALURU.

DATED THIS THE 4TH DAY OF AUGUST 2026

C.C.NO.57485/2021

COMPLAINANT	:	**M/S. RAJLAXMI GLASS & PLYWOOD,** Rep. by its Proprietor **SMT. SHANTHI DEVI,** W/o. Prabhu Ram, Aged about 49 years, Residing at # No.4, Narmadha complex, Near Anjeneya Temple, Kalkere main road, K. Chennasandra, Hormavu post, Bangalore-560043. **[By Sri. K.S. Mahadeva Prasad, Advocate]** **Vs.**
ACCUSED	:	**M/S. B.M. DEVELOPERS,** Having its office at Plot No.405, Vandhana nest, No.14, 7th 'A' cross,

Jakkasandra Extension,
Bangalore-560034,
Represented by its
Proprietor **MR. P. GAJENDRA,**
Aged about 45 years,
Father name not known.
[By Sri. R. Mohan Kumar, Advocate]

J U D G E M E N T

The complainant has filed this private complaint U/s.200 of Cr.P.C., against the accused for the offence punishable U/sec.138 of the Negotiable Instruments Act.

2. The factual matrix of the case are as follows:-

The complainant is a wholesale and retail dealer in glass and plywood items having shop by name S.S. Rajalakshmi Glass and Plywoods. The accused is a regular customer of complainant and the accused used to purchase glass and plywood materials from the complainant. The accused had purchased glass and plywood from complainant on various dates. As on the date of filing this complaint, the accused was due to complainant to the tune of Rs.20,14,857/- (Rupees Twenty lakhs fourteen thousand eight hundred and fifty seven only). The transaction has taken place from 2017. The accused agreed to pay the total amount of Rs.21,00,000/- to the complainant to discharge the amount due by the accused including damages for delay payment. Towards the repayment of the part of the amount due by the accused, the accused had issued a cheque bearing No.733972 dated 27.06.2021 for Rs.3,00,000/- drawn on Syndicate Bank, Whitefield branch, Bangalore, which is presently merged with Canara Bank, Bangalore-560066. The complainant presented the said cheque for encashment through its banker Canara Bank, K.R. Puram-2 branch, Bangalore. But, the said cheque came to be dishonored for the reason **"Account closed"** vide bank endorsement dated 15.09.2021. Thereafter, the complainant got issued legal notice dated 13.10.2021 through R.P.A.D., calling upon the accused to pay the cheque amount. The notice sent was served to the accused on

16.10.2021. Inspite of service of notice, the accused failed to pay the cheque amount. Hence, the accused has committed the offence punishable U/s.138 of Negotiable Instruments Act.

3. Based on the complaint, the sworn statement affidavit, the documents etc., the court took cognizance of an offence punishable under Sec.138 of the Negotiable Instruments Act by following the guidelines of Apex Court issued in Indian Bank Association's case and ordered to register a criminal case against the accused for the offence punishable U/s.138 of Negotiable Instruments Act.

4. In pursuance of summons, the accused appeared through his counsel, he was enlarged on court bail, further, substance of plea was recorded, the accused pleaded not guilty and he claimed to be tried. In order to prove her case, the G.P.A. holder of the complainant is examined as PW1 and got marked Ex.P1 to P6. Upon closure of complainant's side evidence, the court examined the accused U/sec.313 of Cr.P.C., the accused denied the incriminating materials appearing against him and the accused is examined as DW1 and got marked no documents and closed his side.

5. Heard both the sides. I have gone through the following citation relied upon by the learned counsel for the complainant.

1. (2025) 1 Supreme Court Cases 108 between State of M.P. Vs. Balu of the Hon'ble Supreme Court of India.

Perused the materials available on record.

6. The following points would arise for my consideration:-

1. Whether the complainant proves beyond all reasonable doubts that the accused has committed an o/p/u/s 138 of the Negotiable Instruments Act?

2. What Order?

7. My findings on the above points are as follows;

Point No.1: In the **Negative,**

Point No.2: As per final **order,**

for the following,

REASONS

8. POINT No.1: I have gone through the materials available on record. The G.P.A. holder of the complainant, who has been examined as PW1, has reiterated the facts stated in the complaint in his chief examination also and got marked Ex.P1 to 6.

9. Ex.P1 is the General power of attorney dated 26.11.2021 authorizing PW1 to prosecute the case. Ex.P2 is the original cheque bearing No.733972 dated 27.06.2021 drawn on Syndicate Bank, Whitefield branch, Bangalore-560066, said to have been issued by the accused in favour of the complainant for Rs.3,00,000/-. Ex.P3 is the bank return memo dated 15.09.2021 which goes to show that the said cheque came to be dishonored for the reason **"Account**

closed”. Ex.P4 is the copy of the legal notice dated 13.10.2021 said to have been issued by the complainant to the accused intimating the fact of dishonour of cheque and demanding payment of cheque at Ex.P2. Ex.P5 is the postal receipt for having sent legal notice as per Ex.P4 to the accused. Ex.P6 is the postal tracking details which goes to show that the legal notice sent was delivered to the accused on 16.10.2021.

10. It is relevant to mention here that on perusal of the documentary evidence adduced by the complainant, particularly Ex.P3 which is the bank endorsement dated 15.09.2021 said to have been issued by complainant's banker Canara Bank, K.R. Puram-2 branch, Bangalore, goes to show that the cheque in question was dishonored for the reason **“Account closed”.** It is pertinent to mention here that the drawee bank of Ex.P1 was merged with Canara Bank on 01.04.2020 and the said has been admitted by PW1 in his complaint itself. No doubt, the complainant or the accused did not produce any materials to show the said fact, but for the said reason the said fact cannot be ignored. Further the complainant did not adduce any cogent evidence to show that how long the cheques of Syndicate Bank were valid after its merger with Canara Bank. In view of the fact of merger of the drawee bank with Canara Bank as earlier as 01.04.2020 itself, I would like to rely upon decision of the Hon'ble Allahabad High Court in **Application No.9536 of 2024 dated 05.06.2024 between Archana Singh Goutham Vs. State of U.P. and another** and the decision of Hon'ble High Court of Andhara Pradesh in **Crl. Petition No.8827/2022 dated 25.10.2024 between Ms. Ganta Kavitha Devi Vs. State of Andhara Pradesh**. In the above said decision of Hon'ble Andhara High Court itself the above said decision of the Hon'ble Allahabad High Court has been referred in para No.10 which reads as follows:

"10. In **Archana Singh Gautam's case**, it was held as under:

> "…….So far as the judgment of the Delhi High Court in Sri Premananda Prusty (supra) relied upon the counsel for the opposite party no.2 is concerned, this court is of the view that this judgment has not been correctly decided.
>
> 11. In view of the above analysis, the cheque in question, which was issued from the account maintained in erstwhile Allahabad Bank after its merger with Indian Bank, was not the valid cheque on the date of presentation before the Indian Bank as required by proviso (a) of Section 138 of N.I. Act; therefore, dishonoring the same will not attract the liability u/s 138 N.I. Act.
>
> 12. **This Court is also of the view that the above analogy will also be applicable to the cheques of all banks which had merged with other banks.**
>
> 13. Therefore, the present application is allowed and the proceeding of Complaint Case No.712 of 2023 (Brajesh Kumar Singh Vs. Smt. Archana Singh Gautam and others), under section 138 N.I. Act, pending in the Court of Learned Special Judicial Magistrate-II, Banda, is hereby quashed."

The Hon'ble Andhra Pradesh High Court referring the above said decision has also held in its decision at para No.12 as follows:

> "12. In view of the above discussions, the subject cheque, which was issued from the account maintained in erstwhile State Bank of Hyderabad after its merger with State Bank of India, was not a valid cheque on the date of its presentation before the ICICI Bank as required by proviso (a) of Section 138 of N.I. Act. Hence, dishonouring the same will not attract the liability under Section 138 of N.I. Act. Therefore, this Court is of the view that, it is a fit case to exercise the jurisdiction under Section 482 Cr.P.C., for quashing the proceedings against the petitioner".

Upon going through the above said decisions, it is relevant to mention here that the decision in the case of **Gantha Kavitha Devi (supra)**, fully governs to the facts of the case on hand, as the State Bank of Hyderabad was also an Associate Bank which came to be merged with the State Bank of India like Syndicate Bank and the cheques therein were presented for encashment after its validity period as stipulated by the RBI like the case in hand, as in this case also the cheque in question which is pertaining to erstwhile Syndicate Bank after its merger with Canara Bank was not a valid cheque as on the date of its presentation as required by the proviso (a) of Section 138 of Negotiable Instruments Act and hence, dishonor of the same would not attract the liability under Section 138 of Negotiable Instruments Act. As such, the ratio laid down in the above said decisions are squarely applicable to the present case on hand. Hence, I am of the opinion that the complainant has failed to prove his case beyond all reasonable doubts and even failed to raise presumptions under Section 118 and 139 of the Negotiable Instruments Act. Hence, I am of the opinion that the accused has not committed the offence punishable U/Sec.138 of Negotiable Instruments Act. With these observations, my findings on Point No.1 is in the **Negative.**

11. Point No.2: In view of my findings on Point No.1, I proceed to pass following;

O R D E R

Acting u/s. 255(1) of Cr.P.C., the accused is hereby acquitted of the offence punishable u/s.138 of Negotiable Instrument Act, 1881.

The bail bond and cash security furnished by the accused shall stand hereby continued till the appeal period is over.

(Typed to my dictation by the Stenographer, directly over Computer, corrected, signed and then pronounced by me in the open court, on this the ***4th day of August 2026)***

SANTHOSHKUMAR P S
Digitally signed by SANTHOSHKUMAR P S
Date: 2026.08.04 17:37:48 +0530

(P.S. Santhosh Kumar),
XXXIII ACJM, BENGALURU.

A N N E X U R E

1. Witnesses examined on behalf of Complainant:

P.W.1	:	**Sri. Dinesh Seervi**

2. Documents marked on behalf of complainant:

Ex.P.1	:	General power of attorney
Ex.P.2	:	Original cheque
Ex.P.2(a)	:	Signature of the accused

Ex.P.3	:	Bank return memo
Ex.P.4	:	Office copy of the legal notice
Ex.P.5	:	postal receipt
Ex.P.6	:	Postal tracking details

3. Witnesses examined on behalf of Accused:

DW1 : **Sri. Gajendra**

4. Documents marked on behalf of Accused:

NIL

SANTHOSHKUMAR P S

Digitally signed by SANTHOSHKUMAR P S
Date: 2026.08.04 17:38:01 +0530

(P.S. Santhosh Kumar),
XXXIII ACMM, BENGALURU.