

CrI.O.P.(MD)Nos.16929 of 2023, 17468 of 2023,
17470 of 2023, 17463 of 2023 and 17465 of 2023

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

RESERVED ON: 27.04.2026

PRONOUNCED ON:14.07.2026

CORAM

THE HON'BLE MR.JUSTICE P.DHANABAL

CrI.O.P.(MD)Nos.16929 of 2023, 17468 of 2023,
17470 of 2023, 17463 of 2023 and 17465 of 2023
and

CrI. M.P. (MD) Nos.13473/2023, 4265/2026, 13882/2023, 4271/2026,
13885/2023, 4263/2026, 13875/2023, 4261/2026 and 13879/2023,
4270/2026

CrI. O.P. No.16929 of 2023

1. M. Mohamed Saleem

S/o. Mohamed Kasim

2. Bnazum Agro Exports (P) Ltd.,

Petitioners / Accused 1 & 2

Vs.

A. Raju S/o. Alagarsamy Naidu

.. Respondent

PRAYER : Criminal Original Petition filed under Section 482 of Cr.P.C. to quash the complaint in S.T.C. No.1115 of 2023 on the file of the learned Judicial Magistrate No.II, Dindigul for the offences under Sections 138 read with 142 of the Negotiable Instruments Act 1881.

CrI. O.P. No.17468 of 2023

1. M. Mohamed Saleem S/o. Mohamed Kasim

2. Bnazum Agro Exports (P) Ltd.,

represented by its Managing Director

M. Mohamed Saleem

Petitioners / Accused 1 & 2

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R. Saranya D/o. Raju

Vs.

.. Respondent

PRAYER : Criminal Original Petition filed under Section 482 of Cr.P.C. to quash the complaint in S.T.C. No.1390 of 2023 on the file of the learned Judicial Magistrate No.II, Dindigul for the offences under Sections 138 read with 142 of the Negotiable Instruments Act 1881.

Crl. O.P. No.17470 of 2023

1.M. Zakira Nazreen W/o. M. Mohamed Saleem
2. Bnazum Agro Exports (P) Ltd.,
represented by its Director
M. Zakira Nazreen

Petitioners / Accused 1 & 2

Vs.

A.Raju

.. Respondent

PRAYER : Criminal Original Petition filed under Section 482 of Cr.P.C. to quash the complaint in S.T.C. No.1114 of 2023 on the file of the learned Judicial Magistrate No.II, Dindigul for the offences under Sections 138 read with 142 of the Negotiable Instruments Act 1881.

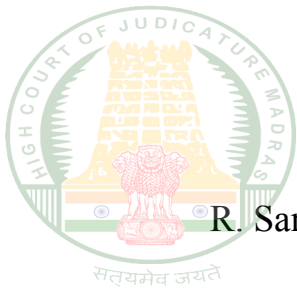
Crl. O.P. No.17463 of 2023

1. M. Mohamed Saleem S/o. Mohamed Kasim
2. Bnazum Agro Exports (P) Ltd.,
represented by its Managing Director
M. Mohamed Saleem

Petitioners / Accused 1 & 2

Vs.

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Crl.O.P.(MD)Nos.16929 of 2023, 17468 of 2023,
17470 of 2023, 17463 of 2023 and 17465 of 2023

R. Saranya D/o. Raju

.. Respondent

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PRAYER : Criminal Original Petition filed under Section 482 of Cr.P.C. to quash the complaint in S.T.C. No.1113 of 2023 on the file of the learned Judicial Magistrate No.II, Dindigul for the offences under Sections 138 read with 142 of the Negotiable Instruments Act 1881.

Crl. O.P. No.17465 of 2023

1. M. Mohamed Saleem S/o. Mohamed Kasim
2. Bnazum Agro Exports (P) Ltd.,
represented by its Managing Director
M. Mohamed Saleem

Petitioners / Accused 1 & 2

Vs.

A. Raju

.. Respondent

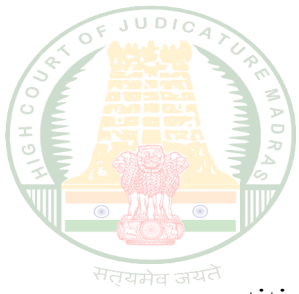
PRAYER : Criminal Original Petition filed under Section 482 of Cr.P.C. to quash the complaint in S.T.C. No.1391 of 2023 on the file of the learned Judicial Magistrate No.II, Dindigul for the offences under Sections 138 read with 142 of the Negotiable Instruments Act 1881.

For Petitioners : Mr. Abudu Kumar Rajaratnam,
[All Crl. O.Ps.] Senior Counsel for Mr. F. Deepak

For Respondents
[All Crl. O.Ps.] : Mr. E.K. Kumaresan for Mr. S. Harish

COMMON ORDER

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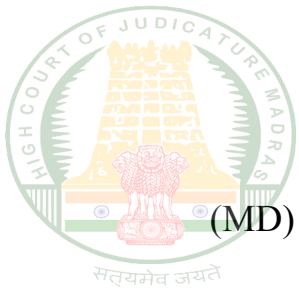


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These Criminal Original Petitions have been filed by the

petitioners to call for records in S.T.C. No.1115 of 2023, S.T.C. No.1390 of 2023, S.T.C. No.1114 of 2023, S.T.C. No.1113 of 2023 and S.T.C. No.1391 of 2023 respectively, on the file of the Judicial Magistrate No.II, Dindigul and to quash the same.

2. According to the petitioners, they are the respondents in the cheque complaints lodged by the respondents herein. Based on the complaint, lodged by the respondents herein, the cases in S.T.C. No.1115 of 2023, S.T.C. No.1390 of 2023, S.T.C. No.1114 of 2023, S.T.C. No.1113 of 2023 and S.T.C. No.1391 of 2023 have been taken on the file of Judicial Magistrate Court No.II, Dindigul and the same are pending trial. The averments of the complaints show that there were money transactions between the parties for the past 20 years. While so, the 1st petitioner had approached the respondents during the period between 2021 and 2022, for getting loan for the purpose of developing the business. At request of the 1st petitioner, the respondent in Crl. O.P. (MD) No.17468 of 2023, has paid Rs. 60 lakhs between the year 2021 and 2023, respondent in Crl. O.P.(MD) No. 17463 of 2023 has paid Rs.90 lakhs in the year 2022, respondent in Crl. O.P. (MD) NO.16929 of 2023 has paid Rs.50 lakhs, the respondent in Crl. O.P. 4/14



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(MD) No.17470 of 2023 has paid Rs.50 lakhs on 01.02.2022 and the respondent in Crl. O.P. (MD) No.17465 of 2023 has paid Rs.50 lakhs on 05.10.2021, to the 1st petitioner as loan and the 1st petitioner also agreed to repay the same with interest and executed Promissory Note in favour of the respondents. The 1st petitioner had assured to repay the said money within a period of 3 months and issued post dated cheques. On 27.03.2023, he issued three post dated cheques, each for Rs.20 lakhs, in favour of Saranya, who is the 1st respondent in Crl. O.P. (MD) No.17468 of 2023. On 13.03.2023, the 1st petitioner issued a cheque for a sum of Rs.90,00,000/- in favour of Saranya, who is 1st respondent in Crl.O.P. (MD) No.17463 of 2023, on 06.03.2023, he issued two cheques, each for a sum of Rs.25 lakhs, in favour of one Raju, who is the 1st respondent in Crl. O.P. (MD) No.17470 of 2023 and on 21.03.2023, he issued two cheques, each for Rs.25 lakhs, in favour of Raju, who is the 1st respondent in Crl.O.P. (MD) No.17465 of 2023 and on 18.03.2023, he issued two cheques, each for a sum of Rs.25 lakhs, in favour of Raju, who is the 1st respondent in Crl.O.P. (MD) No. 16929 of 2023. When the said cheques were presented for collection at Union Bank, Dindigul, they were returned through return memos as 'insufficient funds'. Thereafter, legal notices were sent to the petitioners and they have also received the same and sent reply notices. Thereafter,

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they have failed to pay the cheque amount. Therefore, the complainants lodged complaints before the Judicial Magistrate No.II, Dindigul under Section 138 of Negotiable Instruments Act and the same are pending. Now these petitioners have challenged the pending proceedings on various grounds.

3. The learned Senior Counsel appearing for the petitioners would submit that these petitioners had money dealings with the complainants for the past 10 years between the years 2012 and 2017, they had borrowed a sum of Rs.2,36,00,000/- from the respondents through bank transaction and the entire loan amount along with interest was repaid in the year 2017 itself through bank transactions. Except the said transactions, there was absolutely no loan transaction between the petitioners and the respondents after the year 2017. At the time of lending loan, the respondents had received ten blank cheques with signature from November 2012 to October 2013 drawn on Corporation Bank, Dindigul branch. Thereafter, the respondents represented that the above said ten cheques were misplaced and requested to provide 25 cheques. Totally the petitioners have handed over 35 blank cheques signed cheques as security for the loan amount borrowed by them. After repayment of the loan amount, when the

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1st petitioner demanded to return the blank signed cheques and promissory

notes, the respondents did not return the cheques and documents.

Thereafter, the Corporation bank was amalgamated with the Union Bank in the year 2020 itself. However, by using the old cheques drawn in the name of Corporation Bank, the complainants presented the cheques belatedly after amalgamation and filed these complaints and the complaints are not maintainable as there were no valid cheques. However, the complaints were taken on file and thereby, the pending proceedings are abuse of process of law and the same are liable to be quashed.

4. The learned counsel for the respondents would submit that there were money transactions between the petitioners and the respondents upto 2017 and for the past 10 years, they had money dealings and the petitioners repaid the money. While so, the petitioners in Crl. O.P. (MD) No.17468 of 2023 borrowed Rs.60 lakhs between the year 2021 and 2023, in Crl. O.P.(MD) No.17463 of 2023 has borrowed Rs.90 lakhs in the year 2022, in Crl. O.P. (MD) NO.16929 of 2023 has borrowed Rs.50 lakhs, in Crl. O.P. (MD) No.17470 of 2023 has borrowed Rs.50 lakhs on 01.02.2022 and in Crl. O.P. (MD) No.17465 of 2023 has borrowed Rs.50 lakhs on 05.10.2021 and the respondents have also paid the above said amounts to

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the petitioners for their business purposes and the 1st petitioner executed

Promissory notes agreeing to repay the said money with interest.

Thereafter, they issued post dated cheques accordingly and when the said cheques were presented for collection, they were returned as 'insufficient funds' and thereafter, the respondents issued Legal notices. After the receipt of notice, the 2nd petitioner had alone replied with false averments. The 1st petitioner has neither sent reply nor repaid the money. Therefore, the respondents filed cheque complaints before the Judicial Magistrate No.II, Dindigul and the same are pending trial. The cheques were dishonoured with return memo that the funds are insufficient. Therefore, it is a matter of trial. As far as amalgamation of the banks are concerned, the cheques were not returned for that purpose and the cheques were returned for insufficient funds. Therefore, prayed to dismiss the petitions.

5. Heard both sides and perused the materials available on record.

6. It is an admitted fact that there were money transactions between the parties and the petitioners have admitted that they issued cheques for the money transactions. However, according to the petitioners, they repaid the entire money and even after repayment of money, the signed blank cheques



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and promissory notes were not returned to the petitioners. The above said repayment of money cannot be decided at this stage.

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7. As far as the ground raised by the petitioners that the Corporation Bank was amalgamated with Union Bank is concerned, it is true that the Corporation Bank was amalgamated with Union Bank in the year 2020 and the alleged cheques were issued between the years 2021 and 2023, i.e., after amalgamation. However, the cheques were not returned for the reason that the Corporation Bank has been amalgamated with Union Bank, but they were returned for 'insufficient funds'. Therefore, the above said ground raised by the petitioners can be decided through trial, not at this stage. The ground raised by the petitioners are nothing but the defense to be taken before the trial Court and once the petitioners admitted the issuance of cheques, it is a matter of trial and the same can be decided after trial.

7.1. The learned counsel appearing for the petitioners has relied upon the following judgments:

1. Correspondence, RBANMS Educational Institution v. B. Gunashekar and another reported in 2025 SCC Online SC 793.

2. Ganta Kavitha Devi and others v. State of Andhra Pradesh represented by its Public Prosecutor, High Court of Andhra Pradesh and

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another reported in 2024 SCC OnLine AP 5115.

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3. New Bank of India Employees' Union and another v. Union of India and others reported in (1996) 8 Supreme Court Cases 407.

4. Archana Singh Gautam v. State of U.P. and another reported in 2024 SCC OnLine All 4599.

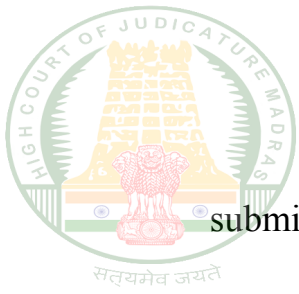
5. Brijesh Kumar Singh v. Archana Singh Gautam and another in Special Leave Appeal (Crl) No.11392 of 2024.

6. Jeena P.P. v. Prabhakaran P.V. and another in Special Leave to Appeal (Crl) No.15581-15582/2025.

7. Prabhakaran P.V. v. Jeena P.P. in Crl. M.C. No.1612 of 2023.

On a careful perusal of the said judgments, it is clear that if any invalid cheque is presented before the bank and the same is dishonoured, it can be said that there is no liability under Section 138 of Negotiable Instruments Act.

8. As far as the judgments relied on by the petitioners in respect of invalidity of cheques after amalgamation of banks are concerned, in the said cases, cheques have been returned as 'invalid cheques', but in the case on hand, the cheques were not returned as 'invalid cheques', they were returned only as 'insufficient funds'. Therefore, the above said case laws



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submitted by the petitioners are distinguishable to the present facts of the case.

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8.1. The learned counsel appearing for the respondents has relied upon the following judgments:

1. Sri Om Sales v. Abhay Kumar alias Abhay Patel and another reported in 2025 SCC Online SC 2897.

2. Sanjabij Tari v. Kishore S. Borcar and another reported in 2025 SCC Online SC 2069.

3. Tedhi Singh v. Narayan Dass Mahant reported in (2022) 6 Supreme Court Cases 735.

4. Rangappa v. Sri Mohan reported in (2010) 11 Supreme Court Cases.

5. Bir Singh v. Mukesh Kumar reported in (2019) 4 Supreme Court Cases 197.

6. M.M.T.C. Ltd. and another v. Medhil Chemicals and Pharma (P) Ltd., and another reported in (2002) 1 Supreme Court Cases 234.

7. M/s. Manpuria Agro Products Private Limited and another v. M/s.Kotak Mahindra Bank Limited in Crl. O.P. No.9044 of 2024.



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8. NEPC MICON Ltd., and others v. MAGMA Leasing Ltd.,

reported in (1999 (4) Supreme Court Cases 253.

9. Laxmi Dyechem v. State of Gujarat and others reported in 2012

(13) Supreme Court Cases 375.

**10. Agarwal Polysacks Limited and others v. State of Gujarat and
another in Crl Misc. Application (For quashing and set aside FIR / order)
No.24845 of 2024.**

**11. Chetan Sunderji Bhanushali and others v. Hema Ramesh
Chheda and others reported in 2026 SCC OnLine Bombay 987.**

On a careful perusal of the said judgments, it is clear that the Court should be slow to grant the relief of quashing a complaint at a pre-trial stage and in cases, where despite the original drawee bank having ceased to be the bank within the meaning of Proviso (a) of Section 138 of Negotiable Instruments Act, the cheque is returned unencashed with the remarks ‘insufficiency of funds’ and the like, the investigation into facts becomes necessary and the question whether the drawee bank could have honoured the cheque as it was rendered invalid, would warrant adjudication at the trial.

9. In the case on hand, the cheques were not returned as ‘invalid’, per



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contra they were returned as 'insufficient funds', thereby, in view of the said discussions and judgments relied by the respondents' counsel, the matter requires adjudication through trial. The validity of cheques and the alleged payments made by the petitioners are to be decided by trial and thereby, there are no grounds to quash the proceedings pending before the trial Court. Therefore, these petitions have no merits and deserve to be dismissed.

10. Accordingly these Criminal Original Petitions stand ***dismissed***.

Consequently connected miscellaneous petitions stand closed.

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NCC : Yes/No
Index : Yes / No
Internet : Yes / No
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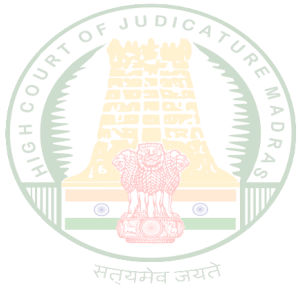
To

1. The Judicial Magistrate No.II, Dindigul

2.The Additional Public Prosecutor,
Madurai Bench of Madras High Court,
Madurai.

P.DHANABAL,J.

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MJS

PRE-DELIVERY ORDER IN

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