IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10-03-2026

CORAM

THE HON'BLE MR JUSTICE G.K. ILANTHIRAIYAN

CRL OP No. 32488 of 2022
and
CRL MP Nos. 20055 and 20054 of 2022

Sukanta Banerjee
Proprietor of S B Associates,
99, Foreshore Road, Howrah - 711 102.

..Petitioner

Vs

TVS Supply Chain Solutions Limited
(formerly known as TVS Logistics Services Limited)
Rep by its National Head Receivable,
Mr Karthikeyan Kannabiran,
58, Eldams Road, Teynampet,
Chennai – 600018.

..Respondent

Prayer : This Criminal Original Petition is filed under Section 482 of the Code of Criminal Proceedure to quash the proceedings in STC No.2092 of 2022 on the file of the Metropolitan Magistrate, Fast Track Court-IV, George Town Chennai.

For Petitioner: M/s.Viyyash Kumar
Mr.S.Dhanu Prashanth

For Respondent : Mr.S.C.Vishwanth
M.K.Adhma Priyadharisini

ORDER

This Criminal Original Petition has been filed to quash the proceedings in S.T.C. No.2092 of 2022 on the file of the Metropolitan Magistrate, Fast Track Court – IV, George Town, Chennai.

2. The petitioner is the accused in the complaint lodged by the respondent for the offence punishable under Section 138 of the Negotiable Instruments Act. It is alleged that the respondent was engaged in the business of providing supply of chain management services, including warehousing, among other services. The petitioner, being the sole proprietor of the firm, viz., S.B. Associates, was in need of warehousing services and approached the respondent in or around the year 2019. Upon insistence, the respondent entered into a Service Agreement dated 04.02.2019 with the petitioner for providing warehousing service, power back up, rack infrastructure etc. After availing continuous services provided by the respondent, the petitioner was in due of Rs.1,70,89,251/- to the respondent. The petitioner had issued three cheques each for a sum of Rs.11,04,160/- towards repayment of partial liability. All the three cheques were presented for collection. However, all the cheques were returned dishonoured with the endorsement "Funds Insufficient". After causing a statutory notice, the respondent lodged a private complaint and the same has been taken cognizance by the Trial Court.

3. The learned counsel appearing for the petitioner would submit that the cheques were presented for collection on 27.07.2020 and the same were returned with the endorsement "Funds Insufficient" on 29.07.2020. Thereafter, the respondent caused a statutory notice dated 18.08.2020 as contemplated under Section 138 of the Negotiable Instruments Act, and the same was duly received by the petitioner on 22.08.2020. Thereafter, there was a negotiation and the cheque amount was adjusted from the security deposit which was already paid by the petitioner to the respondent to the tune of Rs.38,00,000/. Hence, the respondent kept quite for two years and thereafter filed the complaint only on 05.08.2022, that too without any filing any petition to condone the delay. Absolutely, there is no explanation for the delay in lodging the complaint that too after two years from the date of receipt of the statutory notice. Further, the entire cheque amount was already adjusted from the security deposit amount paid by the petitioner.

4. Per contra, the learned counsel appearing for the respondent submitted that though the complaint was filed belatedly, the same has been taken cognizance by the Trial Court and the matter is now posted for trial. That apart, the pendency of a civil suit has nothing to do with the offence committed by the petitioner under Section 138 of the Negotiable Instruments Act. He further submitted that the petitioner, despite knowing that there were insufficient funds in his account, issued the cheques and thereby cheated the

respondent. Therefore, the petitioner is liable to be punished under Section 138 of the Negotiable Instruments Act.

5. Heard the learned counsel appearing on either side and perused the materials available on record.

6. A perusal of the records reveals that the cheques were presented for collection on 27.07.2020 through the Standard Chartered Bank, Kolkata, by the respondent. All the three cheques were returned dishonoured with the endorsement "Funds Insufficient" by return memo dated 29.07.2020. Thereafter, the respondent caused a statutory notice on 18.08.2020 as contemplated under Section 138(b) of the Negotiable Instruments Act and the same was duly received by the petitioner on 22.08.2020. Thereafter, the petitioner approached the respondent for the purpose of arriving at an amicable settlement. In pursuant to the discussions between the parties, a reconciliation of accounts was carried out and the petitioner admitted his liability to pay a sum of Rs.1,16,55,873.41/- Further, the respondent calculated the total outstanding dues and had given adjustments of a sum of Rs.38,00,000/- which was received by the respondent on account of security deposit and also an aggregate sum of Rs.37,15,956/-. After such adjustments, the petitioner had acknowledged the liability towards the outstanding amount of Rs.1,16,55,873.41/-. Therefore, the respondent did not file the complaint within a period of thirty days from the date of expiry of 15 days time which was given to the petitioner for repayment of the

cheque amount. In the meanwhile, the respondent also filed a suit for recovery of money in O.S.No.23 of 2021 on the file of the Commercial Court, Howrah, sitting at Rajarhat for a sum of Rs.2,47,42,238.45/- and the same is pending for adjudication.

7.Thus, it is clear that the cheque amount i.e. Rs.33,12,480/- was duly adjusted from the security deposit which was made by the petitioner at the time of entering into the agreement. After such adjustment, the petitioner admitted his liability to the tune of Rs.1,16,55,873/-. However, the same was not paid and as such, the respondent rightly filed a suit for recovery of money including all the dues to the tune of Rs.2,47,42,238.45/-. Further, the statutory notice was duly received by the petitioner on 22.08.2020. As per the statutory notice, the petitioner was given 15 days time to settle the cheque amount, which expired on 07.09.2020. From 07.09.2020, the respondent had 30 days time to initiate proceedings under Section 138 of the Negotiable Instruments Act. Therefore, the respondent ought to have filed the complaint on or before 07.10.2020. The learned counsel appearing for the respondent submitted that the complaint was lodged on 01.10.2020. However, it was taken on file on 05.08.2022. Therefore, it cannot be construed that the complaint was filed with delay, that too without filing a petition to condone the delay. However, once the cheque amount has been adjusted from the security deposit made by the petitioner at the time of entering into agreement, no cause of action would arise to file the complaint.

Therefore, it is nothing but a clear abuse of process of law and as such, the entire proceedings initiated under Section 138 of the Negotiable Instruments Act cannot be sustained and are liable to be quashed.

8. In view of the above, the proceedings in S.T.C. No.2092 of 2022 on the file of the Metropolitan Magistrate, Fast Track Court – IV, George Town, Chennai, are hereby quashed. Accordingly, this Criminal Original Petition stands allowed. Consequently, connected miscellaneous petitions are closed.

10-03-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

LPP

To

The Metropolitan Magistrate,
Fast Track Court No.IV,
George Town, Chennai.

G.K.ILANTHIRAIYAN J.

LPP

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