2025 INSC 897

Non-reportable

IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION

CRIMINAL APPEAL NOs. OF 2025
(@ S.L.P.(Crl.) Nos. 5540-5543 of 2024)

Prakash Chimanlal Sheth … Appellant

Versus

Jagruti Keyur Rajpopat … Respondent

J U D G M E N T

SANJAY KUMAR, J

1. Leave granted.

2. The short issue in these appeals is as to where the appellant was required to file his complaints in relation to offences punishable under Section 138 of the Negotiable Instruments Act, 1881 (for brevity, 'N.I. Act').

3. The appellant's case was that Keyur Lalitbhai Rajpopat borrowed a sum of ₹38,50,000/- from him and the respondent herein, viz., Jagruti Keyur Rajpopat, being the wife of Keyur Lalitbhai Rajpopat,

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Reason:

stood as a guarantor for the repayment of the loan. It appears that she also availed financial assistance from the appellant and four cheques came to be issued by her during September, 2023, in discharge of her husband's liability and her own liability. These cheques were deposited by the appellant at Kotak Mahindra Bank, Opera House Branch, Mumbai. However, they were dishonored due to insufficiency of funds, as was intimated to the appellant on 15.09.2023. Thereupon, he filed four complaint cases in C.C. Nos. 1258, 1259, 1260 and 1261 of 2023 under Section 200 Cr.P.C. read with Section 138 of the N.I. Act before the learned Judicial Magistrate First Class, Fifth Court, Mangalore. However, by order dated 12.12.2023, the learned Magistrate returned the complaint cases for presentation before the jurisdictional Court, stating that the drawee bank was Kotak Mahindra Bank at Mumbai and, therefore, his Court had no territorial jurisdiction to entertain the complaint cases.

4. Aggrieved thereby, the appellant approached the High Court of Karnataka at Bengaluru under Section 482 Cr.P.C., *vide* Criminal Petition Nos. 1237, 1720, 1769 and 1770 of 2024. However, the High Court confirmed the order passed by the learned Magistrate and dismissed his petitions by order dated 05.03.3024. Hence, these appeals.

5. The learned senior counsel for the appellant asserts that the appellant maintains his bank account with the Kotak Mahindra Bank at its Bendurwell, Mangalore Branch, and that he had merely presented the cheques issued by the respondent at the Bank's Branch at Opera House, Mumbai, to be credited to the said account. He would contend that the High Court proceeded on the erroneous assumption that the appellant maintained his bank account at the Opera House Branch of Kotak Mahindra Bank in Mumbai and on the strength of this wrong premise, the High Court confirmed the order of the learned Magistrate, returning the complaint cases on the ground of territorial jurisdiction.

6. The respondent filed a counter-affidavit along with details of her own account with Kotak Mahindra Bank. Her account statement dated 25.11.2024 reflects the account number of the appellant as 0412108431. The appellant placed on record the letter issued by the Kotak Mahindra Bank, Bendurwell, Mangalore Branch, certifying that his account number in that Branch is 0412108431. The learned counsel for the respondent fairly states that the appellant earlier maintained his bank account with the Opera House Branch of the Kotak Mahindra Bank at Mumbai but, thereafter, he got it transferred to the Bendurwell, Mangalore Branch. Therefore, as matters stand, it is not in dispute that the appellant maintains his bank account with the Bendurwell, Mangalore Branch, of the Kotak Mahindra Bank and merely deposited

the respondent's cheques at its Mumbai Branch for the purpose of crediting his account in Mangalore.

7. As regards territorial jurisdiction for instituting a complaint in relation to dishonor of a cheque, Section 142(2)(a) of the N.I. Act makes it clear that an offence under Section 138 thereof should be inquired into and tried only by a Court within whose local jurisdiction, if the cheque is delivered for collection through an account, the branch of the bank where the payee maintains the account is situated. This provision, as it stands after its amendment in 2015, was considered in ***Bridgestone India Private Limited vs. Inderpal Singh***[1] and this Court affirmed that Section 142(2)(a) of the N.I. Act vests jurisdiction apropos an offence under Section 138 thereof in the Court where the cheque is delivered for collection, that is, through an account in the Branch of the Bank where the payee maintains that account.

8. Therefore, once it is established that, at the time of presentation of the cheques in question, the appellant maintained his account with the Kotak Mahindra Bank at its Bendurwell, Mangalore Branch, he was fully justified in filing his complaint cases before the jurisdictional Court at Mangalore. The understanding to the contrary of the learned Magistrate at Mangalore was erroneous and completely opposed to the clear mandate of Section 142(2)(a) of the N.I. Act. The

[1] (2016) 2 SCC 75

High Court proceeded to confirm the erroneous order passed by the learned Magistrate under the wrong impression that the appellant maintained his bank account at the Opera House Branch of the Kotak Mahindra Bank at Mumbai.

9. The appeals are accordingly allowed; setting aside the impugned order dated 05.03.2024 passed by the High Court of Karnataka at Bengaluru as well as the order dated 12.12.2023 passed by the learned Judicial Magistrate First Class, Fifth Court, Mangalore. The learned Judicial Magistrate First Class, Fifth Court, Mangalore, shall entertain and expeditiously adjudicate the complaint cases filed by the appellant in accordance with law.

Pending applications, if any, shall stand closed.

....., J
(SANJAY KUMAR)

....., J
(SATISH CHANDRA SHARMA)

July 25, 2025
New Delhi.