Reserved on :14.08.2026
Pronounced on : 28.08.2026

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IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF AUGUST, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.NAGAPRASANNA

CRIMINAL PETITION NO.4240 OF 2026

BETWEEN:

1. M/S. B.S. ENTERPRISES,
A PARTNERSHIP FIRM,
REPRESENTED BY ITS PARTNERS
SRI A. SHANKAR @ AMMANA SHANKAR
KUNDAR AND
SRI K. BASAVARAJU @ K. BASAVA.

2. SRI A. SHANKAR @
AMMANA SHANKAR KUNDAR
S/O AMMANNA
AGED ABOUT 64 YEARS.

3. SRI K. BASAVARAJU @ K. BASAVA
S/O SRI KORAGA
AGED ABOUT 63 YEARS
HAVING THEIR OFFICE NO.1073/784/785,
VANDANA GARDENIA AND UDUPI GRAND,
16TH 'B' CROSS, SECTOR-B,
YELAHANKA NEW TOWN,

BENGALURU – 560 064.

…PETITIONERS

(BY SRI JANARDHANA REDDY B.J., ADVOCATE)

AND:

M/S. SREE RAMA AND CO.,
A PROPRIETORSHIP CONCERN,
REPRESENTED BY ITS
PROPRIETOR SRI PARTHASARATHY K.S
AGED ABOUT 65 YEARS.

HAVING ITS OFFICE AT NO.167/3,
6TH CROSS, AMPC YARD,
YESHWANTPUR,
BENGALURU – 560 022.

…RESPONDENT

(BY SRI SRIRAMKISHAN B.R., ADVOCATE)

THIS CRIMINAL PETITION IS FILED UNDER SECTION 482 OF CR.P.C.,/ UNDER SECTION 528 OF BNSS, PRAYING TO QUASH THE PROCEEDINGS IN PRIVATE COMPLAINT DATED 19.07.2025 FILED BY THE COMPLAINANT IN C.C.NO.40325/2025 (PCR NO.13298/2025), FOR THE OFFENCES P/U/S 138 AND 142 OF N.I. ACT, 1881 PENDING BEFORE THE HON'BLE XII ADDL. CJM BENGALURU, AT ANNEXURE- B, AGAINST THE PETITIONERS.

THIS CRIMINAL PETITION HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 14.08.2026, COMING ON FOR PRONOUNCEMENT THIS DAY, THE COURT MADE THE FOLLOWING:-

CORAM: **HON'BLE MR. JUSTICE M.NAGAPRASANNA**

CAV ORDER

Petitioners/accused Nos.1 to 3 are before this Court calling in question proceedings in C.C.No.40325 of 2025 (arose out of a private complaint registered by the complainant in P.C.R.No.13298 of 2025) for the offences punishable under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881, pending before the XII Additional Chief Judicial Magistrate, Bengaluru.

2. Heard Sri Janardhana Reddy, learned counsel appearing for the petitioners and Sri Sriramkishan B.R., learned counsel appearing for the respondent.

3. Facts, in brief, germane are as follows: -

The petitioners are a partnership firm. Petitioner No.1 - accused No.1 is the firm and petitioner Nos.2 and 3 - accused Nos.2 and 3 are its partners. The respondent is the complainant, a proprietorship concern. The two have a transaction. In furtherance of the said transaction, it is the case of the complainant that a cheque is issued by the petitioners amounting to ₹80,30,106/- and

the drawee bank of the cheque being Syndicate Bank. The same when presented gets dishonoured not on account of want of sufficient funds but, on account of merger of the drawee bank – Syndicate Bank with the Canara Bank. It was, therefore, returned unpaid with an endorsement in the form of a letter from Union Bank indicating that *'Syndicate Bank is merged with Canara Bank'*. The complainant then initiates proceedings as obtaining in law and finally approaches the concerned Court by filing a private complaint under Section 223 of the BNSS. The concerned Court registers PCR No.13298 of 2025 for offences punishable under Sections 138 and 142 of the Negotiable Instruments Act, 1881 (hereinafter referred to as 'the Act' for short). The matter is pending consideration before the concerned Court. The accused have now knocked at the doors of this Court on the score that the cheque so presented before their Bank - Union Bank and now the instrument before the concerned Court is an invalid cheque. Therefore, the petitioners call in question the entire proceedings instituted by the complainant before the concerned Court.

4. The learned counsel appearing for the petitioners submits that there was no transaction between the petitioners and the respondent for the petitioners - accused to hand over a cheque for ₹80,30,106/- in the year 2025, as the entire amount is for purchase of groceries. The complainant is a distributor in groceries. The learned counsel submits that for transactions the petitioners had given the cheque as security long ago, which is deliberately used now. Even otherwise, the learned counsel submits that legally the said cheque is a valid cheque, which is returned as dishonoured on account of a merger of the banks, will not create a liability under Section 138 of the Act. He would submit that notwithstanding this bar, the concerned Court takes cognizance of the aforesaid offences and issues summons to the petitioners. It is then the subject petition is preferred. He would submit that the petition be allowed and the entire proceedings be held to be a nullity in the light of the instrument itself being a nullity in law.

5. *Per contra*, the learned counsel appearing for the respondent takes this Court through the statement of objections to contend that whether the Bank has merged with the other Bank and

whether the cheque was valid or invalid are all seriously disputed questions of fact. Once signature is admitted, it is for the accused to prove everything before the concerned Court in a full-blown proceeding. The cheque is handed over to the complainant in the month of April, 2025 knowing full well that the Syndicate Bank had been merged with another Bank - Canara Bank. Therefore, it was for the petitioners / accused to hand over a fresh cheque. Even otherwise, all these factors are to be thrashed out before the concerned Court. The learned counsel would seek dismissal of the petition.

6. I have given my anxious consideration to the submissions made by the respective learned counsel and have perused the material on record. In the light of the submissions and contra-submissions, the only issue that falls for consideration is, whether the instrument which is issued on a Bank, getting merged with another Bank, long after the merger, would be a valid instrument in the eyes of law that could attract liability under Section 138 of the Act?

7. Certain skeletal facts are required to be re-noticed. The transaction between the two is as narrated hereinabove. A private complaint under Section 233 of the BNSS comes to be filed on 19-07-2025. Noticing this complaint is imperative. It reads as follows:

"COMPLAINT UNDER SECTION 223 OF THE BHARATIYA NAGARIK SURAKSHA SANHITHA, 2023 READ WITH SECTION 138 & 142 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881

The Complainant most humbly submits as follows:

1. The Complainant is the proprietor of a proprietorship concern viz. M/s Sree Rama & Co., and carrying on business in supply of foodgrains, cereals, pulses, spices and various food products since more than 20 years.

2. The Accused No.2 & 3 had introduced themselves by approaching the Complainant that they were the active partners of Accused No.1 firm and that they were in-charge of and responsible to their firm for the conduct of regular day to day business and affairs of their firm, as well as their firm by running a chain of hotels and restaurants in and around Bengaluru city.

3. Thereafter, Accused No.2 & 3 used to purchase various food items from Complainant for their hotels and restaurants in the name of their partnership firm i.e., Accused No.1, since many years and subsequently the Accused persons became a regular customer to Complainant.

4. Gradually the Accused persons used to purchase goods on credit basis from Complainant and after a couple of days of purchasing goods from Complainant, the Accused used to make payments to Complainant towards their liabilities of credit purchases.

5. It is stated that, during all these years, Accused persons never had any kind of disputes either with the Complainant or any complaints regarding quality or quantity of goods supplied by Complainant in all these years.

6. It is stated that, during first week of April 2025, Accused No.2 & 3 approached my client and informed Complainant that they were opening new branches of hotels & restaurants in the city and that they would be purchasing more goods than usual.

7. **In that regard, since from April 2025, the Accused persons purchased goods from Complainant again on credit basis and they promised to repay the Complainant towards their liability of these credit purchases within end of May 2025.**

8. The Complainant due to the cordial business relation the Accused persons had with him over these years, the Complainant trusted them and sold various goods as per requirement of Accused persons on credit basis which amounted to Rs.80,30,106/- (Rupees Eight Lakhs Thirty Thousand one Hundred and Six only).

9. Upon several follow ups and constant reminders by the Complainant, the Accused persons voluntarily issued a cheque bearing No.544041 to the Complainant during third week of May 2025.

10. The Accused persons had assured the Complainant that their cheque would be honoured and they also instructed the Complainant to present the said cheque for encashment which was issued in favour of the Complainant, drawn on an account maintained by the Accused persons with their Banker for payment of legally dischargeable debt due to the Complainant.

11. The Complainant acted on representation of Accused persons and believed that it would be honoured. The Complainant presented the cheque through his banker

and banker of Accused has refused to honour the said cheque and the cheque was returned unpaid. The details of the cheque being dishonoured are as follows:

a. Cheque No: "544041";

b. Date of Cheque: 19-05-2025;

c. Drawn on (Accused banker): Syndicate Bank, Vijayanagar Branch;

d. Amount of Cheque: Rs. 80,30,106/-;

e. Cheque presented at: Union Bank of India, Yeshwanthpur Branch;

f. Date of Dishonoured by your banker: 12-06-2025;

g. Reason for dishonour: "Bank Merged with Canara Bank" & "returned unpaid".

12. The said dishonour was brought to notice of Accused persons that, the above-said endorsement received would amount to refusal by their banker to honour commitment of Accused persons to Complainant in terms of the said cheque issued by the Accused persons.

13. It is stated that Accused persons knowing that their bank i.e., Syndicate Bank was merged with Canara Bank in the year 2020 and knowing that their cheque would not be honoured, the Accused persons harbouring ulterior motive have deliberately issued a cheque of Syndicate Bank to the Complainant. The said act also amounts to cheating by the Accused persons towards the Complainant.

14. The Complainant sent a Legal Notice dated 19/06/2025 to the Accused persons by way of RPAD through his advocate and informed the accused persons about dishonor of their cheque and also demanded for payment of the amount due to the complainant under the cheques. The notice sent to the accused has been duly served upon all the accused persons.

15. The Accused persons instead of making the payment as demanded in the legal notice, they have responded via an untenable reply notice dated 04/07/2025.

16. The Accused persons therefore have committed an offence punishable under section 138 of the Negotiable Instrument Act. The fifteen days (15 days) have lapsed from the date of service of Complainant's Legal Notice dated 19/06/2025.

17. The Complainant is herewith producing following documents in support of his case:

a. Dishonored Cheque bearing No. 544041

b. Banker's Endorsement dated 12-06-2025;

C. Legal Notice dated 19-06-2025;

d. RPAD Postal Receipts dated 19-06-2025;

e. RPAD Acknowledgement.

f. Reply Notice of Accused persons dated 04-07-2025

18. The Complainant begs to rely upon the documents produced along with this complaint, the records maintained by Union Bank of India, Yeshwanthpur Branch, Bengaluru.

19. The complaint is filed within time prescribed under the Act and this Hon'ble Court has sufficient jurisdiction entertain this complaint and grant the reliefs as prayed for below.

PRAYER

WHEREFORE, it is most respectfully prayed that this Hon'ble Court may be pleased to-

a. Take cognizance of the offences under section 138 & 142 of the N.I Act and secure the presence of the Accused

persons before this Hon'ble Court, to be tried and punished in accordance with the law:

b. Direct the Accused persons to pay the outstanding dues as mentioned in their dishonoured cheque dated 19-05-2025 amounting to Rs.80,30,106/- (Rupees Eighty Lakhs Thirty Thousand One Hundred and Six only) to the Complainant:

c. Award twice the cheque amount as compensation to Complainant, in view of the above-mentioned facts and circumstances of this case;

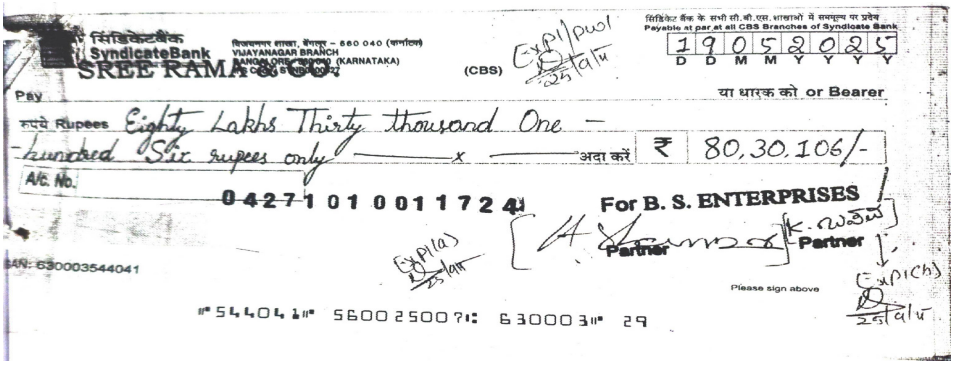
d. To grant any such orders, reliefs, costs etc., to the Complainant as this Hon'ble Court may deem fit in the interest of justice and equity."

(Emphasis added)

Upon registration of the private complaint, cognizance is taken by the concerned Court by a detailed order. It is then the subject petition is preferred which projects the aforesaid legal issue.

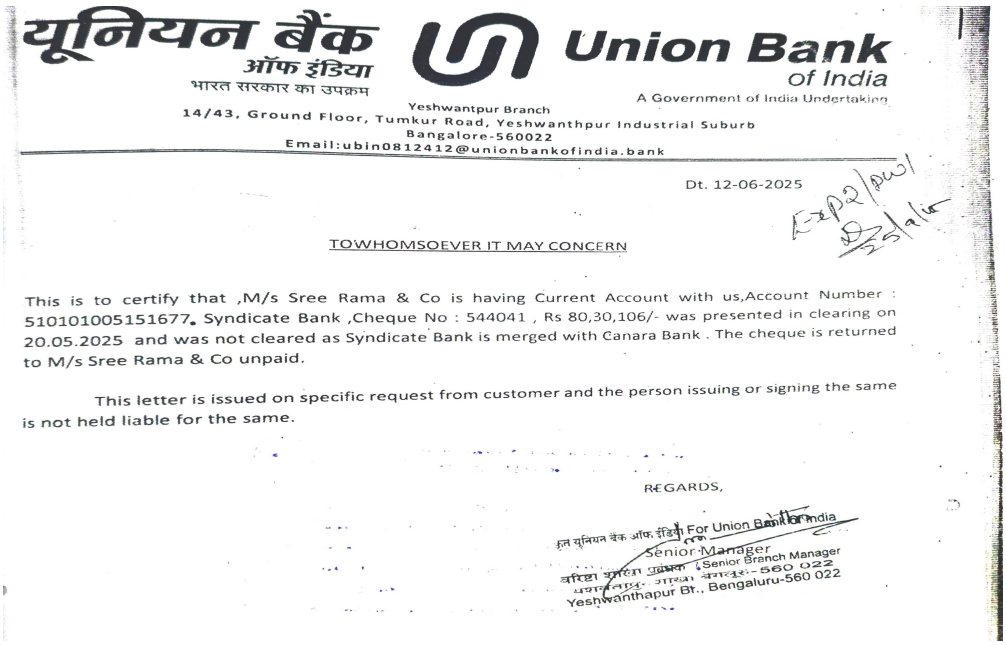
8. It is not in dispute that the cheque was drawn on Syndicate Bank. The cheque bearing No.544041 drawn on Syndicate Bank was presented on 19-05-2025. This is an admitted fact. Later, the cheque comes to be presented for encashment before the Union Bank. On presentation, the endorsement issued is that, *'Syndicate Bank is merged with Canara Bank'* and, therefore, returned unpaid. The subject cheque presented and the endorsement which is issued

in the form of a letter by Union Bank on 12-06-2025, read as follows:



SyndicateBank
VIJAYANAGAR BRANCH
BANGALORE (KARNATAKA)
SREE RAMA & CO.
(CBS)
Payable at par at all CBS Branches of Syndicate Bank
1 9 0 5 2 0 2 5
D D M M Y Y Y Y
Pay
या धारक को or Bearer
रुपये Rupees Eighty Lakhs Thirty thousand One Hundred Six rupees only
अदा करें
₹ 80,30,106/-
A/c No. 0427 1 01 0011724
For B. S. ENTERPRISES
Partner
Please sign above
MAN: 630003544041
⑈544041⑈ 560025007⑆ 630003⑈ 29

....



यूनियन बैंक ऑफ इंडिया
भारत सरकार का उपक्रम
Union Bank of India
A Government of India Undertaking
Yeshwantpur Branch
14/43, Ground Floor, Tumkur Road, Yeshwanthpur Industrial Suburb
Bangalore-560022
Email:ubin0812412@unionbankofindia.bank

Dt. 12-06-2025

TOWHOMSOEVER IT MAY CONCERN

This is to certify that ,M/s Sree Rama & Co is having Current Account with us,Account Number : 510101005151677. Syndicate Bank ,Cheque No : 544041 , Rs 80,30,106/- was presented in clearing on 20.05.2025 and was not cleared as Syndicate Bank is merged with Canara Bank . The cheque is returned to M/s Sree Rama & Co unpaid.

This letter is issued on specific request from customer and the person issuing or signing the same is not held liable for the same.

REGARDS,

For Union Bank of India
Senior Manager
Senior Branch Manager
Yeshwanthapur Br., Bengaluru-560 022

9. Legal notices were then issued and proceedings had commenced. The Syndicate Bank gets merged with Canara Bank on 01-04-2020. The merger document clearly indicates that the last date for presenting cheques of Syndicate Bank for clearance was 30th June, 2021 and after which, those cheques would be held invalid as the old IFSC and MICR codes of Syndicate Bank were permanently disabled after 30th June, 2021. Therefore, it could be safely observed that the last date for presentation of the cheque drawn on Syndicate Bank was 30th June, 2021. The cheque in the case at hand is presented after approximately four years after such last date for presentation i.e., on 19-05-2025. Now, whether it would attract the liability under Section 138 of the Act is required to be considered.

10. The jurisprudence is replete with judgments rendered by different High Courts taking the view with regard to the liability for the offence under Section 138 of the Act being attracted upon the presentation of cheques after the merger of banks, including a judgment of the coordinate Bench of this Court.

10.1. The coordinate Bench of this Court, in the case of **SHRIKANT v. LAXMAN[1],** holds as follows:

"…. …. ….

6. After considering the submissions of both parties, the following observations are made:

• The subject cheque is dated 31.12.2022 and was drawn on Corporation Bank.

• Corporation Bank had merged with Indian Overseas Bank with effect from 01.01.2021.

• By the time the cheque was issued, Corporation Bank had ceased to exist as an independent entity, and all its operations had been transferred to Indian Overseas Bank.

• The Indian Overseas Bank issued an endorsement dated 19.01.2023, stating that the cheque was invalid and could not be honored.

• **In identical circumstances, the Allahabad High Court in Smt. Archana Singh Gautam (supra) ruled that a cheque issued from an account maintained in the erstwhile Allahabad Bank (post-merger with Indian Bank) was not valid on the date of presentation. Consequently, dishonor of such a cheque did not attract liability under Section 138 of the NI Act.**

7. In view of the above findings, and considering that the cheque in question was issued on Corporation Bank, which had merged with Indian Overseas Bank, its dishonor does not attract liability under Section 138 of the NI Act. Hence, I pass the following:

ORDER

i) Accordingly, the criminal petition is allowed.

[1] **Criminal Petition No.101615 of 2023 decided on 6th February, 2025**

ii) The criminal proceedings in C.C. No.237/2023 pending on the file of the II Additional Civil Judge & JMFC II, Gadag, against the petitioner herein, is hereby quashed."

10.2. The High Court of Allahabad in the case of **ARCHANA SINGH GAUTAM v. STATE OF U.P.**[2] holds as follows:

"…. …. ….

6. After hearing the rival submission of the counsel for the parties and perused the record, it is clear that the Allahabad Bank had merged into the Indian Bank on 01.04.2020. Thereafter, a wide circular was made by the Indian Bank in newspapers mentioning the fact that all the cheques issued by Allahabad Bank can be exchanged with the cheques of Indian Bank by 30.09.2021, and the cheque from Allahabad Bank will be honoured by 30.09.2021.

Therefore, the cheque issued by the Allahabad Bank was valid till 30.09.2021, and all the cheques of Allahabad Bank which were presented before the Indian Bank till 30.09.2021, were honoured by the Indian Bank, and after 30.09.2021, cheques issued from the account maintained by the erstwhile Allahabad Bank were declared invalid for honouring. Section 138 N.I. Act prescribes the condition for initiation of proceeding on bouncing the cheque in the proviso (a) of Section 138 N.I. Act. As per the proviso (a) of Section 138 N.I. Act, cheque must be presented to the Bank during its validity. Section 138 N.I. Act is being quoted as under:—

"138. Dishonour of cheque for insufficiency, etc., of funds in the account.— Where any cheque drawn by a person on an account maintained by him with a banker for payment of any amount of money to another

[2] **2024 SCC OnLine All 4599**

person from out of that account for the discharge, in whole or in part, of any debt or other liability, is returned by the Bank unpaid, either because of the amount of money standing to the credit of that account is insufficient to honour the cheque or that it exceeds the amount arranged to be paid from that account by an agreement made with that Bank, such person shall be deemed to have committed an offence and shall, without prejudice to any other provision of this Act, be punished with imprisonment for [a term which may be extended to two years'], or with fine which may extend to twice the amount of the cheque, or with both : Provided that nothing contained in this section shall apply unless—

(a) the cheque has been presented to the Bank within a period of six months from the date on which it is drawn or within the period of its validity, whichever is earlier;

(b) the payee or the holder in due course of the cheque, as the case may be, makes a demand for the payment of the said amount of money by giving a notice; in writing, to the drawer of the cheque, [within thirty days] of the receipt of information by him from the Bank regarding the return of the cheque as unpaid; and

(c) the drawer of such cheque fails to make the payment of the said amount of money to the payee or, as the case may be, to the holder in due course of the cheque, within fifteen days of the receipt of the said notice."

7. From the perusal of Section 138 N.I. Act, it is clear that if any invalid cheque is presented before the Bank and the same was dishonoured, then there is no liability under Section 138 N.I. Act would be attracted, and the cheque of Allahabad Bank is invalid after 30.09.2021 after merging the Allahabad Bank into the Indian Bank on 01.04.2020. Therefore, dishonouring such cheques after 30.09.2021 will not attract liability u/s 138 N.I. Act.

8. It is also relevant to mention here that as per Section 118(b) of N.I. Act a cheque shall be deemed to

be drawn on the date which is mentioned in the cheque even if same may post dated.

9. In the present case, a cheque dated 02.06.2023 of erstwhile Allahabad Bank was presented to the Indian Bank on 21.08.2023, and the same was returned on 25.08.2023 with the endorsement "wrongly delivered not drawn on us". Therefore, the cheque in question was invalid on the date of presentation before the Indian Bank.

10. So far as the judgment of *NEPC Micon Ltd.* (Supra) relied upon by the counsel for the opposite party No. 2 is concerned, that judgment relates to the different kinds of reasons for dishonouring the cheque that would come under the category of insufficient funds, but in the present case, the question is not simply the reason for dishonouring the cheque, but the question is validity of the cheque as mentioned in proviso (a) of Section 138 of N.I. Act because if the cheque itself is invalid, then the Bank is bound to dishonour the same. So far as the judgment of the Delhi High Court in *Sri PremanandPrusty* (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, dishonouring 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."

10.3. The High Court of Andhra Pradesh in the case of **GANTA KAVITHA DEVI v. STATE OF ANDHRA PRADESH[3],** holds as follows:

"…. …. ….

> **4. Learned counsel for the Petitioner/Accused would submit that the subject cheque dated 20.09.2021 was issued from State Bank of Hyderabad, which was merged with State Bank of India w.e.f., on 01.04.2017 and hence, the same is invalid. Learned counsel would further submit that the subject cheque is valid up to Rs. 10 lakhs and when a cheque has no negotiability beyond the said amount, it is improbable to say that the same was issued towards payment of legally enforceable debt. Learned counsel would further submit that the ingredients of Section 138 of NI Act do not attract to the present case. In support of his contention, learned counsel has placed reliance on the judgment of Allahabad High Court in Premanand Prusty v. Sita Devi[3] and High Court of Delhi in Archana Singh Gautam v. State of U.P.[4].**
>
> **5. Now the point that would emerge for determination is:**
>
> > ***Whether there are any justifiable grounds for quashment of the proceedings against the Petitioner/Accused in C.C. No. 911 of 2022 on the file of the Court of II Additional Metropolitan Magistrate, Vijayawada, for the offence punishable under Section 138 read with 142 of Negotiable Instruments Act?***
>
> **6. A bare perusal of Section 482 makes it clear that the Code envisages that inherent powers of the High Court are not limited or affected so as to make orders as may be necessary; (i) to give effect to any**

[3] **2024 SCC OnLine AP 5115**

order under the Code or, (ii) to prevent abuse of the process of any Court or, otherwise (iii) to secure ends of justice. A court while sitting in Section 482 jurisdiction is not functioning as a court of appeal or a court of revision. It must exercise its powers to do real and substantial justice, depending on the facts and circumstances of the case. These powers must be invoked for compelling reasons of abuse of process of law or glaring injustice, which are against sound principles of criminal jurisprudence.

7. In the case on hand, it is the contention of the Petitioner/Accused that the subject cheque was drawn on State Bank of Hyderabad, whereas, State Bank of Hyderabad was merged with State Bank of India w.e.f., 01.04.2017 and the cheques of State Bank of Hyderabad were valid till 31.03.2018 and from 01.04.2018, the cheques of said Bank became invalid. Since the subject cheque was given on 20.09.2021, the same is invalid. As such, it cannot be said that the Petitioner had issued a negotiable instrument and therefore, the ingredients of Sect. 138 of N.I. Act do not attract to the present case.

8. At this stage, it is beneficial to extract Section 138 (a) of NI Act, which reads as follows:

> "138. Dishonour of cheque for insufficiency, etc., of funds in the account.—Where any cheque drawn by a person on an account maintained by him with a banker for payment of any amount of money to another person from out of that account for the discharge, in whole or in part, of any debt or other liability, is returned by the bank unpaid, either because of the amount of money standing to the credit of that account is insufficient to honour the cheque or that it exceeds the amount arranged to be paid from that account by an agreement made with that bank, such person shall be deemed to have committed an offence and shall, without prejudice to any other provision of this Act, be punished with imprisonment for a term which may be extended to two years', or with fine which may extend to twice the amount of the cheque, or with both:

Provided that nothing contained in this section shall apply unless—

(a) the cheque has been presented to the bank within a period of six months from the date on which it is drawn or within the period of its validity, whichever is earlier."

9. From the perusal of above provision, 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 NI Act. Admittedly, in the instant case, the subject cheque was issued on 20.09.2021 and the same was drawn on State Bank of Hyderabad. By that date, State Bank of Hyderabad was merged with State Bank of India and the cheques of the said bank were valid till 31.03.2018 only. As per the proviso (a) of Section 138 of N.I. Act, if the cheque itself is invalid, the Bank is bound to dishonour the same. As such, on presentation of the said cheque before ICICI Bank, the same was returned on 22.09.2021 with an endorsement "Invalid cheque (SBH)". Therefore, it can be presumed that the cheque in question was invalid on the date of presentation before the ICICI Bank.

10. 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.

11. Resultantly, the criminal petition is allowed and the proceedings against the Petitioner in C.C. No. 911 of 2022 on the file of the Court of II Additional Metropolitan Magistrate, Vijayawada, for the offence punishable under Section 138 read with 142 of

the Negotiable Instruments Act, 1881, are hereby quashed."

(Emphasis supplied at each instance)

The coordinate Bench of this Court and the High Courts of Allahabad and Andhra Pradesh in the afore-quoted judgments have consistently held that, cheques presented after the merger of banks would be invalid cheques and therefore would not attract liability under Section 138 of the Act.

11. Therefore, if the facts obtaining in the case at hand are considered on the touchstone of the principles laid down in the afore-quoted judgments, what would unmistakably emerge is that, the instrument before the concerned Court does not create any liability for the offence punishable under Section 138 of the Act.

12. The cheque admittedly was invalid as on the date of presentation for realization. The primary ingredients of Section 138 of the Act are that the cheque should be dishonoured for want of sufficient funds and the cheque should be valid as on the date of its presentation. The cheque admittedly is rendered invalid due to

delayed presentation on the merger of the Banks. The merger did not happen two days prior to the presentation of the cheque but, after 3 years 10 months and 19 days after the last date for presentation *i.e.,* 30-06-2021. If the transaction has happened in the year 2025 it was always open to the complainant to seek a fresh cheque from the hands of the petitioners. In the light of the law laid down by the coordinate Bench of this Court and the High Courts of Allahabad and Andhra Pradesh and owing to the admitted fact that the last date for validation of the cheque was 30-06-2021, the cheque itself having been declared to be invalid, permitting further proceedings to continue on an invalid instrument would be an abuse of the process of law and result in miscarriage of justice. Leaving open the remedy to the complainant to avail of any law except the one that is considered in the case at hand, the petition deserves to succeed.

13. For the aforesaid reasons, the following:

O R D E R

(i) Criminal petition is **allowed**.

(ii) Proceedings in C.C.No.40325 of 2025 pending before the XII Additional Chief Judicial Magistrate (ACJM), Bengaluru stand quashed.

(iii) However, the complainant is reserved liberty to avail of any remedy available in law except the one that is considered in the present case.

I.A.No.1/2026 stands disposed, as a consequence.

Sd/-
(M.NAGAPRASANNA)
JUDGE

NVJ
CT:MJ