



INDIALAW

NEGOTIABLE INSTRUMENT

# Bombay HC judgement in Ramanbhai Patel case settles “At Par” issue in deciding jurisdiction of cheque dishonour

**AUTHOR** Shrishail Kittad

**PUBLISHED** 30 August 2014

*By Shuchi Mehta*

On August 1, 2014, the Supreme Court delivered a landmark judgment in the *Dashrath Rupsingh Rathod vs. Bank of Maharashtra & Anr.*<sup>[1]</sup> Case in which the Apex Court held that cheque dishonor complaint under Sec. 138 of the Negotiable Instrument Act, 1881 can be filed only in that court within whose local jurisdiction the bank that dishonored the cheque is situated. Pursuant to this judgment, there was a lot of confusion surrounding the jurisdiction of court in case of dishonor of “At Par” cheques.

The Bombay High Court in its very recent judgment dated August 25, 2014, in the case of *Ramanbhai Mathurbhai Patel V State of Maharashtra & Anr.*<sup>[2]</sup> made the “At Par” issue clear. In the Raman Patel case the drawer had issued two cheques and he was having accounts in two banks of Gandhinagar namely, State Bank of India and Bank of Maharashtra. The cheques were “At Par” cheques, deposited by the Complainant in the branches of the banks at Kurla, Mumbai and were dishonored. So, the question arose as to whether the complaint should be filed at Kurla or at Gandhinagar. The Bombay High Court held that by issuing cheques payable at all branches, the drawer is giving an option to get the cheques cleared from the nearest available branch of the bank and therefore the cause of action has arose in the jurisdiction of the Metropolitan Magistrate, Kurla Court.

[1] 2014 (9) SCALE 97

[2] *Criminal Writ Petition no. 2362 of 2014*