REPORTABLE

IN THE SUPREME COURT OF INDIA

CRIMINAL APPELLATE JURISDICTION

SADANANDAN BHADRAN V. MADHAVAN SUNIL KUMAR (1998)

BENCH: Mr. Justice M.K. Mukherjee & Mr. Justice Syed Shah Mohammed Quadri

DECIDED: August 28, 1998

RATIO DECIDENDI & PRECEDENTIAL CRUX:
A cheque can be presented multiple times within validity, but statutory notice can be issued only once, crystallizing a single cause of action.

1. Factual Matrix & Background:

The payee presented a cheque twice during its validity period. Upon the first dishonour, a statutory demand notice was issued but no complaint was filed within 30 days. Subsequently, the payee presented the cheque again, it was dishonoured again, and a fresh notice was issued followed by a complaint. The High Court quashed the complaint.

2. Substantive Legal Questions Framed:

Whether a payee who has issued a statutory demand notice upon dishonour can present the cheque again within its validity period and issue a fresh notice to trigger a new cause of action.

3. Analysis & Ratio Decidendi:

The Supreme Court held that while a cheque can be presented any number of times during its period of validity, once a statutory notice under Section 138 clause (b) is given and the drawer fails to pay within 15 days, the cause of action arises under clause (c) and limitation begins to run under Section 142(b). A payee cannot create a second cause of action on the same cheque by re-presenting it after issuing a notice.

4. Principles Enunciated:

- 1. Cheque may be presented repeatedly within its validity period before notice is issued.
- 2. Once statutory demand notice is issued, cause of action becomes singular and indivisible.
- 3. Failure to file complaint within 30 days of the first notice extinguishes the right to prosecute.

5. Practical Litigation Implications:

- Payees must strictly calculate the 15-day notice period and 30-day limitation window; re-presenting a cheque after issuing a demand notice does not revive an expired limitation period.

.....J.
[SUPREME COURT BENCH]

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