REPORTABLE

IN THE SUPREME COURT OF INDIA

CRIMINAL APPELLATE JURISDICTION

VINOD TANNA V. ZAHEER SIDDIQUI (2002)

BENCH: Mr. Justice M.B. Shah & Mr. Justice B.N. Agrawal **DECIDED:** November 21, 2001

RATIO DECIDENDI & PRECEDENTIAL CRUX:
Dishonour of a cheque due to incomplete signatures was earlier considered outside Section 138, later clarified and corrected in Laxmi Dyechem.

1. Factual Matrix & Background:

Cheques issued by the drawer were returned unpaid by the bank with the endorsement 'drawers signatures incomplete'. The drawer challenged the maintainability of the Section 138 complaint on the ground that signature mismatch did not fall within the two statutory grounds of 'insufficiency of funds' or 'exceeds arrangement'.

2. Substantive Legal Questions Framed:

Whether dishonour of a cheque on the ground that the drawer's signature is incomplete or differs from the specimen signature falls within the ambit of Section 138.

3. Analysis & Ratio Decidendi:

While in Vinod Tanna the Court initially took a narrow view regarding incomplete signatures, the Supreme Court subsequently in the landmark three-judge bench decision of Laxmi Dyechem v. State of Gujarat (2012) 13 SCC 375 overruled the restrictive interpretation of Vinod Tanna and held that any dishonour resulting from the drawer's act or omission—including 'signatures differ', 'signatures incomplete', or 'account closed'—falls squarely within Section 138.

4. Principles Enunciated:

- 1. Section 138 applies broadly to all dishonours rooted in the drawer's own default.
- 2. Dishonour with endorsement 'signatures differ' or 'incomplete' attracts Section 138.
- 3. The narrow doctrine in Vinod Tanna stands completely overruled by Laxmi Dyechem.

5. Practical Litigation Implications:

- Drawers cannot evade criminal liability under Section 138 by deliberately signing cheques inconsistently or with incomplete signatures to trigger bank return memos.

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

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