Chapter XVII - Cheque Dishonour and Penalties

Chapter in 2 minutes

- Run the dishonour timeline, legally enforceable debt, notice, jurisdiction, company-person liability, evidence, settlement and appellate-deposit controls as one file.
- Primary control: section 138 end-to-end gate.
- Run debt, cheque, return, notice, service, payment window, limitation, jurisdiction, evidence, entity liability and settlement together.
- Apply the exact current section text, amendment history and transaction evidence together.
- Do not confuse a negotiable instrument remedy with automatic proof of the underlying transaction.

Execution gates

- Legally enforceable transaction
- Instrument classification and stamp
- Authority/mandate and custody
- Presentation, return and notice clocks
- Evidence, forum and entity liability
- Settlement, accounting and retention

Provision/control map

Provision	Subject	Control
Section 138	Dishonour of cheque for insufficiency, etc., of funds in the account.	Create a dated timeline immediately on return: validity/presentation, return memo, notice within the statutory period, service, payment window, cause of action and complaint limitation.
Section 139	Presumption in favour of holder.	The accused can rebut on the applicable standard using the complainant evidence, probabilities and defence material; the complainant should still prove the transaction file.
Section 140	Defence which may not be allowed in any prosecution under section 138.	Identify trigger, parties, conditions, exceptions, consequence and linked sections before execution.
Section 141	Offences by companies.	Identify the juristic entity, signatory, role, responsibility period, resignation/appointment dates, board delegation and specific averments.
Section 142	Cognizance of offences.	Map the payee/holder, filing authority, bank branch route, collection account and statutory jurisdiction before filing.
Section 142A	Validation for transfer of pending cases.	Identify trigger, parties, conditions, exceptions, consequence and linked sections before execution.
Section 143	Power of Court to try cases summarily.	Identify trigger, parties, conditions, exceptions, consequence and linked sections before execution.
Section 143A	Power to direct interim compensation.	Quantify the cheque amount, order percentage, payment date, extension, accounting and recovery/refund exposure.
Section 144	Mode of service of summons.	Identify trigger, parties, conditions, exceptions, consequence and linked sections before execution.
Section 145	Evidence on affidavit.	Prepare an exhibit-indexed affidavit that authenticates each transaction, cheque, return, notice and service record.

Evidence file

Instrument/image; mandate; contract/invoice/delivery; ledger/bank/tax; presentment/return; notice/service; calculations; settlement/orders; source log.

Default response

Freeze timeline; verify debt and authority; preserve originals; validate bank memo; calculate statutory/civil clocks; decide cure, notice, settlement and filing.