

J.V.BAHARUNI Vs. STATE OF GUJARAT
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LAWS(SC)-2014-10-23
Supreme Court Of India
Decided on October 16,2014

J.V.BAHARUNI

Appellant

VERSUS

STATE OF GUJARAT

Respondents

JUDGEMENT

N.V.RAMANA, J. - (1.) LEAVE granted.

(2.) THE undisputed facts of the appeal arising out of S.L.P. (Crl.) No. 5623 of 2012 are that appellant No. 2 is the owner of appellant No. 1 Company. The respondent No. 2, who is in the business of manufacture, process and marketing of petroleum products, has a 'Company Owned Company Operated' retail outlet at Village Gadu, Maliya Hatina Taluq, District Junagadh, Gujarat. Appellants entered into a contract with the Respondent No. 2 Corporation for performing various contractual jobs. As per the terms of the contract, the appellants were required to undertake the contracted jobs and to deposit the money out of sale proceeds on a daily basis in the State Bank of India, Veraval Branch. The business dealings between the parties were going on since 1996 and in terms of the contract appellants furnished to the Respondent No. 2, two Cheques bearing Nos. 884572 and 884574, dated 24 th June, 2000 for Rs.10 lakhs and Rs.25 lakhs, respectively. When the cheques were presented for realization, they bounced with the endorsement "not arranged for". Hence, respondent No. 2 initiated criminal proceedings under Section 138 of the Negotiable Instruments Act, 1881 (for short 'the N.I. Act') against the appellants and filed Criminal Complaint No. 2131 of 2000.

(3.) BEFORE the Trial Court it was argued on behalf of Respondent No.2 - -Corporation that the cheques in question were issued by the appellants to discharge their part liability for clearing the dues whereas the case of the appellants was that there were no dues payable to the Respondent Corporation and the Cheques were taken by the complainant - - Corporation as 'guarantee' and misused the same. ;

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