

“11. “The principle of this case cannot help the respondent before us. If the signatures on the cheque had been genuine so that there was a mandate by the customer to the banker but the cheque was somehow got hold of by an unauthorised person and encashed by him, the bank might have had a good defence. If the signatures on the cheque or at least that of one of the joint signatories to the cheque are not or is not genuine, there is no mandate on the bank to pay and the question of any negligence on the part of the customer, such as, leaving the cheque book carelessly so that a third party could easily get hold of it would afford no defence to the bank...”

Bihta Co-operative Development and Cane Marketing Union Ltd. v. Bank of Bihar
[AIR 1967 SC 389]