

**The essential requirements to attract section 138, Negotiable Instruments Act are:** (a)The cheque for an amount is issued by the drawer to the payee / complainant on a bank account maintained by him. (b) The said cheque is issued for the discharge, in whole or in part of any debt or other liability. (c) The cheque is returned by the bank unpaid on account of insufficient amount to honour the cheque or it exceeds the amount arranged to be paid from that account by an agreement made with the bank. (d)The cheque is presented within 6 or now (3) months from the date on which it is drawn or within the period of its validity. (e) 30 days demand notice is issued by the payee or the holder in due course on receipt of information by him from the bank regarding the dishonour of the cheque. (f) The drawer of said cheque fails to make payment of the said amount of the money to the payee or the holder on due course within 15 days of the said notice. (g) The debt or liability against which the cheque was issued is legally enforceable.

**Kusum Ingots and Alloys Ltd. v. Pennar Peterson Securities Ltd (2000)2 SCC 745**