

LEGAL NOTICE UNDER SECTION 138 OF THE NEGOTIABLE INSTRUMENTS ACT, 1881

By Registered A.D. / Speed Post / Courier / Email / WhatsApp

Date: [DD.MM.YYYY]

To

[Name of drawer], [son/daughter/wife of ____ / through its Director / Proprietor / Partner]

[Complete address with PIN]

Sir / Madam,

Under instructions from and on behalf of my client, [Name of payee], [address] ("my client"), I serve upon you the following legal notice:

1. That you were liable to pay my client a sum of ₹[amount] towards [state the debt or liability briefly: e.g. repayment of a friendly loan advanced on [date] / price of goods supplied under invoice no. ____].
2. That in discharge of the said liability you issued the following cheque in favour of my client:

Cheque no.	Date	Amount (₹)	Drawn on (bank and branch)
[_____]	[DD.MM.YYYY]	[_____]	[_____]

3. That my client presented the cheque through [his/her/its] bank, [bank and branch], within its validity, and it was returned unpaid with the remark "[Funds Insufficient / Exceeds Arrangement / Account Closed / Payment Stopped by Drawer]" by return memo dated [DD.MM.YYYY], received by my client on [DD.MM.YYYY].
4. That the dishonour of the cheque makes you liable under Section 138 of the Negotiable Instruments Act, 1881.

I therefore call upon you to pay my client the amount of the said cheque, ₹[amount] (Rupees [in words] only), within 15 days of the receipt of this notice, failing which my client will be constrained to initiate proceedings against you under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881, and such other proceedings as may be available in law, entirely at your risk as to costs.

A copy of this notice is retained in my office for record.

[Name of Advocate], Advocate

Enrolment No. [_____]

[Address] | [Mobile] | [Email]

Counsel for [Name of payee]

Checklist: keep the original cheque, return memo, bank intimation, postal receipts and tracking report / delivery proof. The complaint must be filed within one month after the 15-day period expires (Section 142(1)(b)).

STATUTORY TIMELINE AND DEMAND CHECKS

State the underlying transaction, legally due balance after credits, drawer/account, cheque number/date/amount, presentation and dishonour reason. Record the date the bank information was actually received; issue the written demand within thirty days.

Demand payment of the cheque amount clearly within fifteen days of receipt of notice. Keep any additional contractual demand separately identified so that it does not obscure the statutory demand. Preserve dispatch, address verification, tracking and returned-envelope proof.

Prepare a service and limitation chronology for the later complaint. Do not state that a notice itself proves the debt, that non-response guarantees conviction, or that settlement always waives statutory time requirements.

Fact-specific authority: Rangappa v. Sri Mohan, (2010) 11 SCC 441, 7 May 2010. The debt presumption is rebuttable once foundational execution facts are established; retain transaction proof and address repayments. Source: <https://indiankanoon.org/doc/150051/>