

A company that prefers a complaint for cheque dishonour can be represented by a power of attorney holder only if he/she witnessed the transaction or had direct knowledge of it

The **Kerala High Court** in the case of **Pattasseril Private Ltd. vs State of Kerala [CRL.REV.PET NO. 541 OF 2017] dated January 28, 2026**, has held that a company that prefers a complaint for cheque dishonour can be represented by a power of attorney holder only if he/she witnessed the transaction or had direct knowledge of it. The Court observed that a company, being a juristic person, cannot act on its own and it must necessarily function through a human agency.

The Court said that a company is competent to initiate proceedings under Section 138 of NI Act and it can do so, through an authorised person. Even though, a power of attorney holder, being an authorised representative of the company, can file a complaint and give evidence, he must have either witnessed the transaction or must possess direct knowledge of the transaction.

The Court noticed that the complainant company did not produce the power of attorney authorising its holder to represent the company to prosecute the case. Moreover, when the power of attorney holder was examined, he had deposed that he was not fully aware of the transactions in the case and he was giving evidence as per the documents gathered. He also told that he cannot identify the handwriting of the person who issued the cheque. It was further noted that since neither of the witnesses examined by the complainant had direct knowledge of the transaction, the presumptions under Sections 118 and 139 in favour of holder that the cheque was in drawn for valid consideration would not arise.

The Court observed that a person, who only became associated with the company after the transaction and who relies purely on records, cannot prove the execution of the cheque or the transaction. It is to be kept in mind that merely because the complainant is a juristic entity, it will not dilute the rigour of proof required for proving the execution of the cheque and the execution cannot be presumed merely on the production of a cheque. The presumptions under Sections 118 and 139 of the NI Act will arise only after the execution of the cheque is proved and if the complainant's witness has no direct knowledge or did not witness the execution, the prosecution will fail at the threshold itself and there will be no burden upon the accused to rebut anything.