2026 INSC 1174

NON-REPORTABLE

IN THE SUPREME COURT OF INDIA
CRIMINAL APPELLATE JURISDICTION

MISCELLANEOUS APPLICATION NO.3002 OF 2026
IN
CRIMINAL APPEAL NO. 2849 OF 2026

M/S MANSI FINANCE (CHENNAI) LTD. ...APPELLANT(S)

VERSUS

M. LALITHA & ORS. ...RESPONDENT(S)

IN THE MATTER OF:
VYOMESH MAHIPATRAY SHAH ...APPLICANT(S)

J U D G M E N T

PRASHANT KUMAR MISHRA, J.

1. By way of present Miscellaneous Application, the applicant – Vyomesh Mahipatray Shah seeks clarification of the judgment dated 26.05.2026 rendered by this Court in Criminal Appeal No.2849 of 2026 (*M/s. Mansi Finance (Chennai) Ltd. vs. M. Lalitha & Others*). It is pleaded that the said judgment does not apply in case of proceedings under Section 138 of the Negotiable Instruments Act, 1881[1] initiated by unlicensed money lenders in the State of Maharashtra advancing money at interest against promissory note, whether or not accompanied by cheque or any other security, in view of the threshold bar on enforceability of a loan, *inter alia*, against promissory note which is not excluded from the definition of 'loan' in Section 2(13)(j) of

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Reason:

[1] For short, 'the NI Act'

the Maharashtra Money-Lending (Regulation) Act, 2014[2], and shall continue to be governed by the order dated 06.04.2026 passed by this Court in MA No. 1176/2026 in SLP (Crl.) No.5485/2024.

2. Heard the learned senior counsels appearing for the parties and perused the papers.

3. The judgment dated 26.05.2026 in Criminal Appeal No.2849 of 2026 has dealt with the proceedings under Sections 138 and 141 of the NI Act. The appellant/complainant therein extended loans to the accused persons for which promissory notes were executed by the accused persons in favour of the appellant/complainant therein. For repayment of said loan, cheques were issued by the accused persons which came to be dishonoured giving rise to the subject proceedings. The accused persons approached the High Court seeking quashment of the complaint on the ground *inter alia* that they were neither signatories to the cheque nor in-charge of the day-to-day affairs of the Society and that the complaint lacked the necessary foundational averments to attract vicarious liability under Section 141 of the NI Act. The High Court allowed the plea and quashed the proceedings. However, this Court partly allowed Criminal Appeal No.2849 of 2026 and restored the proceedings against three out of four accused persons who had approached the High Court.

4. The present applicant - Vyomesh Mahipatray Shah seeks clarification of our judgment dated 26.05.2026 in Criminal Appeal No.2849 of 2026 on the plea that the loans advanced through a promissory note in the State of Tamil

[2] For short, 'the Maharashtra Act'

Nadu is dealt under the Tamil Nadu Money-lenders Act, 1957[3] which excludes the advance made on the basis of a negotiable instrument. Thus, a debt secured by a negotiable instrument, including against a promissory note, remains a legally enforceable debt under the Tamil Nadu Act. However, the applicant's case pending in the State of Maharashtra is governed by the Maharashtra Act which does not exclude an advance at interest made against a promissory note. Therefore, in Maharashtra, advance at interest against a promissory note, even when accompanied by cheques, being a loan, is hit by the prohibition on unlicensed money lending under Section 4 of the Maharashtra Act. Since the judgment dated 26.05.2026 being premised on advance of loan on promissory notes, the same may be treated as having pan-India application. Therefore, clarification of the judgment dated 26.05.2026 is necessary.

5. Objecting to the prayer made by the applicant - Vyomesh Mahipatray Shah in this Miscellaneous Application, it is argued on behalf of Ashok Commercial Enterprises, intervenor, that the Miscellaneous Application is not maintainable inasmuch as the judgment dated 26.05.2026 of this Court is not required to be clarified and it is for the concerned Court anywhere in the country to examine the ratio and apply the same to the facts and circumstances of the individual matters.

6. It is to be noted that Section 2(13)(j) of the Maharashtra Act clearly shows that unlike the Tamil Nadu Act, it excludes an advance on a negotiable instrument "other than a promissory note". Consequently, unlike the Tamil

[3] For short, 'the Tamil Nadu Act'

Nadu Act, in the Maharashtra Act, an advance at interest against a promissory note is not excluded and would indeed be a loan governed under the Maharashtra Act. Such money lending against a promissory note without a licence is prohibited under Section 4 of the Maharashtra Act and such loan is not enforceable under Section 13 of the Maharashtra Act. Consequently, unlike Tamil Nadu, in the State of Maharashtra, such debt is not legally enforceable debt for the purpose of Explanation to Section 138 of the NI Act. In any proceedings filed on dishonour of cheque or recovery proceedings, the money lender in the State of Maharashtra has to produce a licence to satisfy the Court at the threshold.

7. This Court in MA No. 1176/2026 in SLP (Crl.) No.5485/2024, *vide* order dated 06.04.2026 (Annexure A-8), has held thus in paragraphs 4 and 5:

> "4. It is pertinent to note that for unlicensed money lending against the promissory notes, whether accompanying with any other security such as cheque, title deeds or not, there already exists a Statutory Bar in State Money Lending Law. There is also a bar of "Dam Dupat" even under a money-lending licence i.e. against charging interest more than the principal amount actually disbursed. There is a further statutory disability against enforceability of such loan amount by unlicensed money lender. Moreover, such money lending is a punishable offence under the State Money-Lending Law.
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> 5. Therefore, the Courts should ensure that the proceedings instituted by such private money lender are nipped in bud, whether Civil or Criminal, unless the money lender at the threshold produces license for money lending or shows that money was not advanced by him at interest."

8. It is to be noticed that this Court has already observed in paragraph 11 of the judgment dated 26.05.2026 the principal contention of the parties seeking quashment of the proceedings before the High Court and in this Court, and there was no occasion for this Court to examine and render a finding on the applicability of the Tamil Nadu Act or the Maharashtra Act, as the case may be. If there is any bar under Section 13 of the Maharashtra Act

on initiation of proceedings for recovery of loan by an unlicensed money lender on the ground that the loan advanced involving a pronote in favour of an unlicensed money lender in Maharashtra, being contrary to statute, does not constitute a legally enforceable debt in terms of the Explanation to Section 138 of the NI Act, the same shall be examined by the concerned Court if any plea is taken before the Court where the matter is pending or before any superior Court, on its own merits. Since the judgment dated 26.05.2026 has not dealt with the provisions of the Tamil Nadu Money-lenders Act, 1957 or the Maharashtra Money-Lending (Regulation) Act, 2014, the clarification, as sought for, is not required and the parties would be at liberty to raise the issue before the concerned Trial Court or the superior Courts.

9. With the above observations, IA No.183707 of 2026 seeking clarification is disposed of.

10. The Miscellaneous Application stands disposed of accordingly.

.....J.
(PRASHANT KUMAR MISHRA)

.....J.
(N.V. ANJARIA)

NEW DELHI;
OCTOBER 29, 2026.