**Legal Notice to drawer of cheque for return of cheque issued to repay friendly loan with demand for payment of money and interest with statutory period.**

**Format of Legal Notice to drawer of cheque in case of friendly loan given and cheque returned without sufficient fund. Notice demanding money and interest or to file Complaint under Section 138 of NI Act and order xxxvii of CPC.**

Legal notice format to be issued to drawer of a chque in case of friendly loan and cheque issued to repay the amount. The Drawee has taken loan to help the drawer and paying interest. Drawee has entered into agreement with the Drawer while giving the loan. The Drawer had also issued a promissory note to repay the amount on demand. The demand notice is as per statutory requirement and with demand of interest also on the amount due. Format of legal notice in case for friendly loan and cheque return is given below:

Registered AD

Date:

Mr. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
 **LEGAL NOTICE**

Sir,
Under instructions and authority from my client Mr. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Son of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, I serve upon you the following legal Notice.

1. That my client is working as Manager with a Private Company.

2. That beginning with the year \_\_\_ you approached my client and asked for a loan to meet some urgent business needs of and assured my client to return the money on demand with interest @ 2.00% per month.

3. That by considering your urgency my client agreed and gave you the loan in different installments which is repayable on demand.

4. That for the period from \_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_ my client gave you a loan of Rs. \_\_\_\_\_\_\_\_\_\_/- which was transferred to your bank account as per your request.

5. That my client had initially arranged the money to lend you by taking loan from different NBFCs/ banks on interest to arrange money to help you to fulfill your financial requirements. My client is still paying interest and installments to different banks to repay the amount of loan taken to help you.

6. That you have signed a promissory note on \_\_\_\_\_\_\_\_\_\_\_\_ and promised to pay the said amount of Rs. \_\_\_\_\_\_\_\_\_\_\_\_/- along with interest @ 2.00% per month on demand.

7. That you have also entered into an agreement with my client on \_\_\_\_\_\_\_\_\_\_ and accepted that the amount payable to my client as on \_\_\_\_\_\_\_\_\_\_ was Rs. \_\_\_\_\_\_\_\_\_/-. You have agreed to repay the Principle amount in \_\_\_\_.

8. That you have also agreed to pay an amount of Rs.\_\_\_\_\_\_\_\_\_/- per month through RTGS towards interest and part of capital payment as per the schedule mutually agreed by the parties to the agreement.

9. That on \_\_\_\_\_\_\_\_\_\_\_\_\_ my client intimated you that the agreement dated \_\_\_\_\_\_\_\_\_\_\_ is expiring in \_\_\_\_\_\_\_. He also informed you that you have violated the terms of the agreement and not paid interest amount of Rs. \_\_\_\_\_\_\_\_\_/-.

10. That my client waited till due date to get back the loan amount and interest. But you have not paid principle amount or interest.

11. That my client repeatedly followed up and contacted you to refund the loan amount with interest. After repeated reminders you have issued the following cheques drawn on \_\_\_\_\_\_\_\_\_\_\_\_\_, payable at \_\_\_\_\_\_\_\_\_\_ towards repayment of Principal amount of Rs. \_\_\_\_\_\_\_/- and Rs. \_\_\_\_\_\_\_\_\_\_/- towards interest amount till \_\_\_\_\_\_\_\_\_\_.
Cheque No. Date Amount Remarks

12. That the aforesaid cheque No. \_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_ for Rs. \_\_\_\_\_\_\_\_\_/- was presented by my client Mr. \_\_\_\_\_\_\_\_\_\_on \_\_\_\_\_\_\_\_\_\_ to your Bankers i.e. \_\_\_\_\_\_\_\_\_\_\_\_\_.

13. That to my client's shock and surprise the said cheque had been dishonoured by your bankers with the reason "Refer to Drawer" which was intimated to my client by his bankers on \_\_\_\_\_\_\_\_\_\_\_.

14. That the other cheques bearing No. \_\_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_ for Rs. \_\_\_\_\_\_\_\_\_\_/- and Cheque bearing No. \_\_\_\_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_ for Rs. \_\_\_\_\_\_\_\_/- was presented by my client Mr. \_\_\_\_\_\_\_\_\_\_\_\_ on \_\_\_\_\_\_\_\_\_ to your Bankers i.e. \_\_\_\_\_\_\_\_\_\_.

15. That to my client's shock and surprise the said cheques had been dishonoured by your bankers with the reason "Exceeds Arrangement " which was intimated to my client by his bankers on \_\_\_\_\_\_.

16. That thereafter my client contacted you and informed that the cheque has been returned un paid.

17. That thereafter inspite of many telephonic reminders by my client, you failed to make the payment due to my client.

18. That now it is clear that you had dishonest intention at the time of borrowing money from my client, while signing the agreement and Promissory note with my client and deceived my client to the tune of Rs. \_\_\_\_\_\_\_\_\_\_\_\_/- by issuing cheque from your bank account.

19. That my client states that you have issued the above said cheque only with an intention to cheat him which amounts to an offence punishable under section 138 of Negotiable Instruments Act and other criminal provisions of Indian Penal Code.

20. Under the circumstances, I call upon you to pay Rs. \_\_\_\_\_\_\_\_\_\_\_/-(Rupees \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Only) along with Interest @ 2.0% p.m. for the delayed period, within a period of 15 (fifteen) days from the date of receipt of this notice, failing which my client will be constrained to take legal action against you in a court of law for an offence punishable under section 138 of Negotiable Instruments Act and Civil Proceedings under Order 37 against which you will be liable for all costs and consequences.

This is without prejudice to all other legal rights and remedies available to my client for the above-stated purpose.

You are liable to pay a sum of Rs. \_\_\_\_\_\_\_/- as necessary cost and expenses of sending the present legal notice to you.

Copy of this legal notice is also kept at my office for further ready reference it required in future.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_., Advocate

ENR No. \_\_\_\_\_\_\_\_\_\_\_\_\_