



Pages : 1

Unanswered Reply Follow Thread

New Topic

Can employer ask for undated cheque?

6 years ago 8 Replies

Report



Ajay member

Points: 53

I am working in a health care company and before joining they have asked me to give cheque of 3 month salary so if I leave before the contract period they can withdraw the amount from my bank. I want to know whether-

Is it legal to ask undated cheque?

Employer can withdraw the amount if employee is getting terminated?

Reply



6 years ago



Goutam Prasad Advocate

Dear Mr. Ajay,

I have to inform you that no employer have such a legal right. No law provides for the same.

Goutam Prasad Advocate

Popular Discussion

Forcefully taken signature on empty promissory note

Power of attorney or letter of mandate

Registration of charge ..

view more >



GST Law and Analysis
with conceptual procedures
Author: Bimal Jain
[BUY NOW](#)



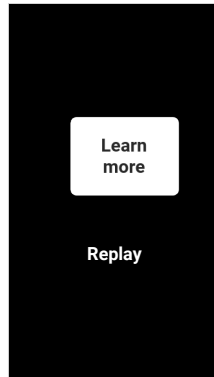
👍 Likes: 35
Points: 583

Mob: 9810753838

<http://www.aegisjurist.com>

<http://www.facebook.com/aegisjurist>

↩ Reply



▶ ×

🕒 6 years ago



Click to Talk

Adv k .
mahesh ▾

advocate

👍 Likes: 336
Points: 7547

have you signed the contract and for how many years usually when an employee leaves the company

if he gets better oppurnity without informing the company leaves and if he wants he will discuss with higher officals and will leave the job in good terms

inormally company spends on you training, infrasturcture to work, if you are on sales job then expenses for travelling etc., and after training if you leaves the company without any correspondence again they will appoint a new employee and again they will train the process comes to first stage

signing the agreement and to give cheques is not valid as per law

↩ Reply

🕒 6 years ago



Prasun
Chandra Das

Banker

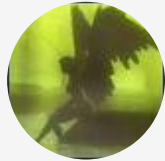
👍 Likes: 21

Points: 611

May I please ask which law will be violated if the Co.asks for such a cheque/agreement?

↩ Reply

🕒 6 years ago



Ajay ▾

member

Points: 53

I am talking about RECOUP Physiotherapy centre, Bangalore.

I would like to inform the members that company is asking 3 months salary, if the employee is leaving before completing the contract duration i.e. 3 years. According to them this 3 month salary is for their training. Every new employee is going through same training process that is 2 month training. Salary structure is not same for everyone, few are getting 10 K and few are getting 40 K, that doesn't mean that the person who is earning 10 K getting the less quality training and those who are getting 40 K are getting good quality training.

↩ Reply

🕒 6 years ago



R Shah ▾

If company puts it as training fees and shows it as loan to you and gets a non-dated cheque from you, it is legal.

Software
Engineer

Points: 72

Reply

6 years ago



Anil Agrawal

Retired

Likes: 231

Points: 7672

Go on search for law. What is the amount in each cheque? If you need the job, suffer silently. If not, go to police station and lodge a complaint.

Reply

6 years ago



Kumar Doab

FIN

Likes:

2448

Points:

146393

--You may find the attachment: Give Cheque/Take job as interesting.

Employees should avoid such employers.

--Probably the company has made you sign a service agreement with clause on liquidated damages probably inserted in appointment letter which many companies do without bothering for the applicability, validity, and legal force in it.

It is reiterated that the ground and reason for creating the agreement e.g: employee was beneficiary of any special favor, concession, training at the full/part cost of employer or not....and based on such reasons was there any breach of the service agreement/undertaking signed by employee.....and due to breach of the agreement by employeeany damages suffered by employer.... legal injury suffered by employer.....should be looked into by a competent and experienced labor consultant/service lawyer-law firm specializing in such cases.

If the training company is conducting is only for to familiarize the employee with products, to increase the productivity of the employee in the company, for the company processes, marketing strategies, compliance procures, and say human anatomy it being a healthcare company to make you understand mechanism of action, market competition, competitor strategies, market research, how to conduct surveys in market, training on how to run the machines of the company etc.....then we are afraid employer is under obligation to provide this training without any cost to employee.

If the training does not add to some exceptional/extraordinary skills and qualification of the employee then employer may not be qualified to charge for such training.

If at all mater lands up in court, the courts can assess and decide the reasonable cost which won't be higher than the amounts expressed in agreement. The court may decide that the mitigating the cost of damages is not necessary.....

You may understand the Sections 73, 74 of the Indian Contract Act and the implications in your case.

It shall be tangible and prudent to understand a few questions which arise;

-Has the employer declared in job advertisement, interview call letter, selection letter, offer letter, appointment letter, that employee shall have to undergo a training and foot the bill for this training (amount of Rs...) and/or company shall provide training and employee shall have to submit security cheque (dated or undated) for an amount of Rs.....and the cost of training shall be recovered from employee inmonthly equated installments from salary of employee????

If yes the employer can at least claim that he has been upfront / transparent, even if he is not qualified to charge the cost of training.

Has the employer issued the acknowledgment of security cheque?

Is it a blank cheque i.e. without any amount filled in it?

Contract AMOUNT IS A SUGGESTION THAT COMPANY CAN NOT REALIZE ANY SUM MORE THAN ONE MENTIONED IN THE Contract EVEN IF IT PROVES ACTUAL LOSSES MORE THAN THAT.

On the part of employee, employee should keep the copies of job advertisement, interview call letter, selection letter, offer letter, appointment letter, service agreement in

his personnel file. These documents will be useful at appropriate time in appropriate forum.

---You may find that in case of :

Joseph Vilangadan. v. Phenomenal Health Care Services Ltd. & Anr.

It was pointed out that no offence is made out u/s 138 of NI Act for dishonor of cheque given as security.

---To deter the job hoppers and to ensure that the work of employer does suffer there are sufficient and legitimate conditions listed in labor laws including IESO Act/SE Act on notice period and penalty for shortfall in notice period.

--Who can stop an employer which has obtained or extracted a security cheque (undated) from employee without issuing the acknowledgment, from banking the cheque.

--Companies bank on the fact that majority of the employees won't agitate and are ill informed, and may yield to pressure.

Such employers believe and it is true that:

Majority of the employees are ill informed and thus become sitting duck.

Plenty of them are wary of police, courts, and law suits. They have been drilled to believe that if they approach court of law they shall be branded litigants.

Many of the employees do not agitate.

Majority of the employees who contemplate to agitate if they are subjected to a drill of tantrums, give up and thus the chances of litigation and its consequences are reduced.

A small fraction of the employees who are determined and agitate are dumped in safe custody of the courts.

The determined and properly informed employees, the employees who are defended by competent and experienced lawyers are victorious and bounce back.

Still negligible number of employees does not proceed further to dump the offenders in companies to correctional centers and the offender still roam around.

Thus the companies become recalcitrant.

Why should a harassed and suffering employee hesitate to go to court of law and lawful authority in the state?

After all courts and State is "***Parens patriae*** " or "**parent of the nation.**"

It is observed that an ever increasing number of employees are repelling such tactics of employers and are very smart. They are approaching their lawyers and succeed too.

This is the need of time too. BE Smart. Remain amiable. Approach your lawyer and decide your strategy.

--Employee should calculate how much would be cash in hand and how much of his hard earned salary shall be at risk by virtue of.....say so called training cost, notice period, variable pay, delay in FNF settlement.....and if comes out to be say 2 months wages in 12 months in a year avoid such employers.....

Avoid employers which demand cheque for job/original testimonials/bond etc....

And if you are in such a trade where you will have to work with single minded, selfish, ruthless, unscrupulous employers who are ready with one sided T&C crafted by master craftsmen whom are difficult to understand, you may retain a lawyer.

Consult elders in the family, competent and experienced well wishers, lawyer/law firm before signing on the dotted line. It shall be better than repenting later.

However the online discussions have its own limitations, and in your case let the opinion of your lawyer to whom you have shown your documents and given inputs in person and who has examined the merits, be treated as final.If at all you wish to write to your company let it be structured and drafted by your lawyer.

Attached File : 783722137 give cheque take job.doc, 783722137 417759075 validity of employment bonds.pdf, 783722137 background paper.pdf downloaded 435 times

 Reply

 about a year ago



Satish Mishra ▾

👍 Likes: 7

Points: 509

One must not succumb to unruly practices but rather go through the appointment letter carefully before making any decision. The practice is on rise of asking security cheques in lieu of Notice Period but it is difficult to put Employment matters under the ambit of NI 138 matters. Rest, recommended to consult a lawyer in case you are wary of joining a job.

↩ Reply

LEAVE A REPLY

Post Comment

You are not logged in . Please login to post replies

[Click here to Login / Register](#)

- This is a public forum. Avoid posting content which you do not wish to disclose in public.
- Use like button to convey your appreciation.
- Maintain professionalism while posting and replying to topics.
- Try to add value with your each post.

[Previous Thread](#)

[Next Thread](#)

Related Threads

- [RBI Announcement on Cheque Alterations](#)

- Post dated cheque and Agreement
- Is post dated cheque a legal instrument
- Sale deed / cheque query
- Stop payment of a cheque for security
- Can govt ask very old stamp duty?
- 8 years old blank cheque and stamp paper! need help :(
- Bond by employer for attending training out side india
- Leave license - cheque bounce
- Recent rbi norms on cheque alteration

Subscribe to the latest topics :

Search Forum:

[Forum Home](#)
[Forum Portal](#)
[Settings](#)

[Popular Threads](#)
[Today's Topic](#)
[Thread With Files](#)

[Today's Posts](#)
[Post New Topic](#)
[Recent Posts](#)

[Top Threads This Month](#)
[Unreplied Threads](#)

MENU

[Jobs](#)

[Coaching](#)

[Events](#)

[Bare Acts](#)

[Bookmarks](#)

[Legal Dictionary](#)

[Files](#)

[Judiciary](#)

[Notifications](#)

[Poll](#)

[Video](#)

[Top Members](#)

[Forms](#)

[Scorecard](#)

[Today's](#)

[Birthdays](#)

[RSS](#)

[Rewards](#)

[Lawyers Search](#)

[About](#)

[We are Hiring](#)

[Advertise](#)

[Terms of Use](#)

[Disclaimer](#)

[Privacy Policy](#)

[Contact Us](#)

Our Network Sites



 [Send Me Newsletter](#)