



IN THE COURT OF PRL. CIVIL JUDGE AND JMFC, ANEKAL.

PRESENT: Sri. Shankarareddy.D.V., L.L.B., PGD in IR & PM.,
Prl. Civil Judge and JMFC, Anekal.

Dated: This the 15th day of May 2026

CC.No.7747/2021

Complainant : Sri. Chandra Reddy S/o Muniraju,
Age : 37 years,
R/at: Billapura village, Sarjapura Hobli,
Anekal Taluk, Bangalore Urban District.
(Rep. by Adv. Sri.N.R.P Advocate)

V/s.

Accused : Sri. Murali.S S/o Sampangirama Reddy,
Age : 40 years,
R/at: Behind Govt. School, Yamare village,
Dommasandra Post, Sarjapura Hobli,
Anekal Taluk, Bangalore Urban District.
(Rep. by Adv. Sri.M.S.S.K Advocate)

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Offence complained of : U/s. 138 NI Act
Final Order : **Accused convicted.**
Judgment : 15-05-2026

**Prl. Civil Judge & JMFC.
Anekal.**

J U D G M E N T

The complainant has filed the private complaint under section 200 of Cr.P.C., against the accused for the offence punishable U/s.138 of Negotiable Instrument Act (hereinafter referred to as NI Act for short).

2. Brief facts of the complaint are set out hereunder;

Complainant and accused are known to each other and friends from last eight years. Accused is the owner of Horticultural Farm situated at Yamare village. On 03-08-2019 accused approached the complainant for hand loan of Rs.5,20,000/- to develop his farm business. Considering the same, on 14-08-2019 the complainant lent Rs.5,20,000/- to the accused as hand loan. At that point of time, accused has given assurance to the complainant that said loan will be repaid within six months. Subsequently, in repayment of said loan accused issued post dated cheque bearing No.072554 dated 09-03-2020 drawn on IDBI Bank, Sarjapura Branch, Anekal Taluk for a sum of Rs.5,20,000/- in favour of complainant. Then, complainant presented the said cheque for encashment through his banker on 09-03-2020 and same came to be returned on 20-03-2020 with

remarks as Funds Insufficient. Thereafter, the complainant approached the accused and requested to pay the cheque amount. At that point of time, accused requested the complainant to represent the cheque on 04-05-2020 and in the mean time he would mobilize the amount in his bank account to honor the said cheque. Accordingly, again the complainant re-presented the said cheque through his banker on 04-05-2020 and same came to be returned on 30-05-2020 with remarks as Funds Insufficient. Thereafter, complainant issued demand notice to the accused calling upon him to pay the amount covered under the said cheque in question within 15 days on receipt of notice and same came to be duly served on 17-06-2020 to the accused. But, accused neither replied to the said notice nor paid the amount covered said cheque in question to the complainant. Therefore, the accused has committed an offence punishable U/s.138 of NI Act. Hence, complainant constrained to file the present complaint for the offence punishable under section 138 of NI Act.

3. Considering the sworn statement and Ex.P1 to 9, this court has taken cognizance for the offence punishable U/s.138 of NI Act and ordered to issue summons to the accused after

registration of criminal case. Accordingly, the present criminal case registered against the accused for the offence punishable U/s.138 of NI Act and summons issued.

4. On receipt of summons, accused appeared before the court through counsel and enlarged on bail. Subsequently, substance of acquisition as required U/s.251 of Cr.P.C prepared and explained the same to the accused, to which accused pleaded not guilty. Subsequently, sworn statement and Ex.P1 to 9 were treated as complainant side evidence and statement has contemplated U/Sec.313 of Cr.P.C prepared and explained the same to the accused, to which accused denied the incriminating evidence of complainant and chose for cross-examination of PW1 and adduce defence evidence. Hence, on 21-03-2023 matter set down for cross-examination of PW-1. Subsequently, from 21-03-2023 in what manner the accused dragged the proceedings is set out hereunder;

Sl. No.	Date	Description
1	21-03-2023	Accused counsel sought time for cross-examination of PW-1, time granted.
2	22-09-2023	Accused counsel sought time for cross-examination of PW-1, time granted.

3	01-12-2023	Accused counsel sought time for cross-examination of PW-1, time granted.
4	08-12-2023	Accused counsel sought time for cross-examination of PW-1 on the ground of there is possibility of settlement, time granted.
5	01-04-2024	Accused counsel sought time for cross-examination of PW-1 on the ground of there is possibility of settlement, time granted.
6	22-03-2024	Accused counsel sought time for cross-examination of PW-1 on the ground of there is possibility of settlement, time granted.
7	28-05-2024	Accused counsel sought time for cross-examination of PW-1, time granted.
8	09-08-2024	Accused counsel sought time for cross-examination of PW-1, time granted.
9	09-09-2024	Accused counsel sought time for cross-examination of PW-1, time granted on cost of Rs.100/-
10	07-10-2024	Accused counsel sought time for cross-examination of PW-1, time granted on cost of Rs.500/-
11	27-11-2024	Accused counsel sought time for cross-examination of PW-1, but prayer of accused counsel rejected and matter set down for defence evidence.
12	17-12-2024	Accused counsel sought time for defence evidence, time granted.
13	23-01-2025	Accused counsel sought time for defence evidence, time granted on cost of Rs.500/-.
14	12-12-2025	Accused counsel sought time for defence evidence, time granted on cost of Rs.200/-.
15	12-03-2025	Accused counsel sought time for defence evidence, time granted on cost of Rs.300/-.
16	05-04-2025	Accused counsel sought time for defence evidence, time granted on cost of Rs.200/-.

17	02-05-2025	Accused counsel prays time for defence evidence, but prayer of accused counsel rejected and defence evidence taken as nil and matter set down for arguments and heard arguments by complainant counsel and matter set down for accused side arguments.
18	14-05-2025	Accused counsel filed application U/s.311 of Cr.P.C and same came to be allowed on cost of Rs.1,000/-. Accordingly, PW-1 recalled and accused is permitted for cross-examination of PW-1.
19	02-06-2025	Again accused counsel sought time for cross-examination of PW-1, time granted.
20	18-06-2025	Again accused counsel sought time for cross-examination of PW-1, prayer of accused counsel rejected and matter set down for arguments on behalf of accused side.
21	25-06-2025	Again accused counsel filed application U/s.311 of Cr.P.C and same came to be allowed on cost of Rs.500/-. Accordingly, PW-1 recalled for cross-examination by accused side.
22	30-10-2025	Accused counsel again sought time for cross-examination of PW-1 on the ground that accused will settle the dispute amicably by way of compromise, time granted.
23	10-12-2025	Accused counsel against sought time for cross-examination of PW-1, but his prayer rejected and matter set down for original stage of judgment on 11-12-2025.
24	11-12-2025	Accused counsel filed the present application praying to recall the PW-1 for cross-examination on behalf of accused side.

In the aforesaid manner, the accused dragged the proceedings for cross-examination and defence evidence for a period of more than two years. Hence, subsequent application filed by the accused U/s.311 of Cr.P.C dismissed on 17-03-2026

and matter set down for judgment on 27-03-2026. Due rush of work, judgment not pronounced on 27-03-2026 and matter posted for judgment on 10-04-2026. Again, on 10-04-2026 and 24-04-2026 the accused counsel sought adjournments on the ground that accused is intending to settle the matter with complainant. But, same not materializes for the reasons known to the accused. Hence, again matter set down for judgment.

5. Having heard by complainant counsel and on perusal of material available on record, the following points arise for consideration;

POINTS

1. Whether the complainant proves beyond reasonable doubt that on 14-08-2019 accused borrowed Rs.5,20,000/- from complainant hand loan and for repayment of the same, accused issued Ex.P1/cheque for a sum of Rs.5,20,000/- and same came to be dishonored as '**Funds Insufficient**' and the accused failed in repayment of aforesaid amount to the complainant on due receipt of demand notice on 17-06-2020 and thereby the accused committed an offence punishable U/s.138 NI Act?

2. What order?

6. On appreciation of material available on record, the above points are answered as under:-

Point No.1 : In the Affirmative,

Point No.2 : As per the final order
for the following;

REASONS

7. Point No.1:- PW-1/complainant reiterated the complaint averments in his examination-in-chief and his support of his oral evidence, PW-1 produced Ex.P1 to 9. Ex.P1 is the cheque, Ex.P2 is the challan, Ex.P3 and 4 are the bank endorsements, Ex.P5 is the copy of notice, Ex.P6 and 7 are postal receipts, Ex.P8 & 9 are postal acknowledgments. On perusal of Ex.P1 to 8, it is very clear that the complainant has duly complied the proviso of Sec.138 (a) to (c) of NI Act before filing of the complaint and complaint has been filed within the time limit as described U/s.142 of NI Act.

As pointed above, accused not replied to the demand notice/Ex.P5. Further, accused neither cross-examined PW-1 nor adduced any defence evidence. Furthermore, it is not the case of accused that Ex.P1/cheque and signature contains therein not belongs to him. Such being the case, presumption shall be formed infavour of complainant in terms of Sec.139 of NI Act that the cheque/Ex.P1 issued by the accused in favour of complainant in discharge of legally enforceable debt or liability.

Accordingly, presumption forms in favour of complainant that questioned cheque/Ex.P1 issued by accused in favour of complainant in discharge of legally enforceable debt/liability in terms of Sec.139 of NI Act.

Now point for consideration is, whether the accused rebutted the presumption forms in favour of complainant. The accused has not replied to the demand notice. Further accused neither cross examined PW1, nor adduced any defence evidence to substantiate his case if any. Therefore, this court of the view that the accused failed to rebut the presumption forms infavour of complainant in terms of 139 of NI Act. In this situation, by considering the aforesaid oral and documentary evidence of PW1/complaint this court opines that accused borrowed Rs.5,20,000/- from complainant on 14-08-2019 and for repayment of the same, accused issued cheque/Ex.P1 infavour of complainant and same came to be dishonored as Funds Insufficient and the accused failed in repayment the amount covered under the said cheque in question/Ex.P1 though demand notice received from complainant and thereby the accused committed an offence punishable U/s.138 NI Act. In the result, point No.1 answered in the Affirmative.

8. Point No.2:- For the reasons assigned in Point No.1, this court proceeds to pass the following;

ORDER

Accused is hereby convicted of the offence punishable U/s.138 of NI Act and accused is sentenced to pay fine of Rs.5,50,000/-. Failing which, accused shall undergo simple imprisonment for a period of One year.

Out of the said fine amount, Rs.5,45,000/- to be paid to the complainant as compensation and remaining amount of Rs.5,000/- shall be remitted to the state exchequer.

Accused is entitled free copy of judgement.

{Dictated to the Stenographer and typed by her the same is corrected and then pronounced by me in the open court on this 15th day of May 2026.}

(Sri. Shankarareddy D.V)
Prl. Civil Judge & JMFC.
Anekal.

:ANNEXURES:

I. WITNESS EXAMINED FOR PROSECUTION SIDE:

P.W.1 - Chandra Reddy,

II. WITNESS EXAMINED FOR ACCUSED PERSON: - Nil -

III. DOCUMENTS GOT MARKED FOR PROSECUTION:

Ex.P1 : Cheque,
Ex.P1(a) : Signature,
Ex.P2 : Challan,
Ex.P3 & 4 : Bank Endorsements,
Ex.P5 : Legal Notice,
Ex.P6 & 7 : Postal receipts,
Ex.P8 & 9 : Postal acknowledgments,

IV. DOCUMENTS GOT MARKED FOR ACCUSED PERSON: - Nil -

(Sri. Shankarareddy D.V)
Prl. Civil Judge & JMFC.
Anekal