IN THE COURT OF JUDICIAL MAGISTRATE COURT NO.I, TAMBARAM
PRESENT: G. SENTHAMILSELVAN. B.A. M.L.
JUDICIAL MAGISTRATE NO.I , TAMBARAM
On Tuesday, the 28th day of July, 2026
S.T.C. No.1217/2021
CNR No. TNCG0F-001531-2021

T. Mohanasundram (54), S/o. Thirunavukkarasu,
G2, Ashok Manor, D.No. 28, Thilagar Street,
New Perungalathur, Srinivasa Nagar,
Tambaram Taluk,
Chengalpattu District - 600063. ... **Complainant**

Versus

P. Ramji (46), S/o. Perumalsamy,
D.No. 32/2, 93, Periya Perumal East Mada Street,
Srivilliputhur,
Virudhunagar District - 626125. ... **Accused**

1	Number of the Summary Trial Case	STC No. 1217/2021
2	Name of the Complainant & Address	**T. Mohanasundram** (54), S/o. Thirunavukkarasu, G2, Ashok Manor, D.No. 28, Thilagar Street, New Perungalathur, Srinivasa Nagar, Tambaram Taluk, Chengalpattu District - 600063.

3	Name of Accused & Address	**P. Ramji** (46), S/o. Perumalsamy, D.No. 32/2, 93, Periya Perumal East Mada Street, Srivilliputhur, Virudhunagar District - 626125.
4	Offence Complained of	Dishonor of Cheque – U/s.138 of the Negotiable Instrument Act.
5	The date of report of complaint	06.09.2021
6	Date of arrest and Remand if any-	Nil
7	The date of final form/report in the Court	Petition U/s.200 Cr.P.C and taken on file on 18.11.2021
8	Date of commencement of Trial	25.03.2022
9	Date of examination of the accused under section 313 of the code.	03.09.2025
10	Date of closure of trial	09.06.2026
11	If any delay in this case, give explanation.	-----
12	Plea of the Accused and his Examination in	Pleaded not guilty
13	Final Order	Acquitted
14	Judgment Pronounced on	28.07.2026
Sl. No.	**CASE SUMMARY**	
1	Period of Remand	Nil
2	Date of Filing the complaint/Final Report	06.09.2021
3	Date of Committal of the case to the Court of Session	Does not arise
4	Mis. Petition, and its result, if any challenged in superior Courts	Nil
5	Date of Examination – in-chief and Cross- examination	Chief Cross PW-1 11.11.2022 30.06.2023

6	Date of examination of the accused U/s.313 of Cr.P.C	30.05.2025
7	Details of abscondence of an accused and his appearance/production	Nil
8	Grant of stay by superior Courts	Nil
9	Details of Victim compensation ordered	Nil

This petition coming on 17.07.2026 for final hearing before me in the presence of, Thiruvalargal G.Anantharangan, and K.Venkatesan, Advocates for the Complainant and Thiru.S.Kamal, Advocates for the accused upon hearing both sides and perusing the records, this Court delivers the following:

JUDGMENT

This complaint has been filed by the complainant under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881, read with Section 200 of the Code of Criminal Procedure, 1973, seeking punishment of the accused for dishonour of cheque and for compensation under Section 357 of Cr.P.C.

The case was taken up for trial. Both parties adduced oral and documentary evidence and filed detailed written arguments. This Court has carefully perused the entire pleadings, evidence on record, and the submissions made at the bar.

2. CASE OF THE COMPLAINANT:

The complainant alleges that he advanced a total sum of Rs. 3,70,000/- to the accused as follows:

- Rs. 92,000/- on 04.04.2018 through bank transfer (State Bank of India, Perungalathur Branch to Indian Overseas Bank, Srivilliputhur Branch);
- Rs. 1,84,000/- on 06.08.2018 through bank transfer (same accounts);
- Rs. 94,000/- in cash on 05.07.2020.

The accused issued a post-dated cheque bearing No. 827658 dated 05.07.2021 for Rs.3,70,000/- drawn on Indian Overseas Bank, Srivilliputhur Branch, in favour of the complainant. The cheque was presented on 14.07.2021 and returned dishonoured on 16.07.2021 with the endorsement "FUNDS INSUFFICIENT". A legal notice dated 05.08.2021 was issued, received by the accused on 07.08.2021, and a reply was sent on 19.08.2021. The accused failed to pay the amount within 15 days. Hence the complaint.

3. Cognizance:

The complaint was presented before this Court along with the original cheque, return memo, statutory notice, postal records and other supporting documents.

Upon perusal of the complaint and accompanying materials, this Court was satisfied that the complaint disclosed the essential ingredients constituting an offence under Section 138 of the Negotiable Instruments Act and that the complaint was prima facie maintainable under Section 142 of the Act.

Accordingly, cognizance of the offence was taken. Process was issued to the accused. The accused entered appearance through counsel. Copies of all relied upon documents were furnished to him in accordance with law.

<u>4. Appearance of the Accused and Plea</u>

After securing the presence of the accused, the substance of accusation under Section 138 of the Negotiable Instruments Act was explained to him.

The accused denied the accusation in toto and pleaded not guilty.

He claimed to be tried.

Accordingly, the matter was posted for complainant's evidence.

5. Evidence Adduced by the Complainant

In order to substantiate the allegations, the complainant examined himself as PW-1.

Through PW-1, the following documents came to be marked:

Exhibit	Description
Ex.P1	Cheque dated 05.07.2021
Ex.P2	Bank Return Memo
Ex.P3	Statutory Legal Notice
Ex.P4	Reply Notice
Ex.P5	Certified Copy of Case Sheet
Ex.P6	CSR Copy
Ex.P7	Copy of Police Complaint

PW-1 reiterated the averments contained in the complaint and asserted that the cheque had been issued towards discharge of a legally enforceable debt. He further deposed that despite statutory notice, the accused failed to make payment.

During cross-examination, PW-1 was questioned extensively regarding the source of funds, the earlier police complaint, the circumstances under which the cheque came to be issued, the alleged cash payment of Rs.94,000/-, and the understanding between the parties regarding presentation of the cheque. Several admissions and contradictions emerging from this cross-examination assume considerable significance and will be examined in detail at the appropriate stage of this judgment.

6. Defence of the Accused:

The defence projected by the accused is one of complete denial of the existence of any legally enforceable debt.

While admitting that the signature appearing on Ex.P1 cheque belongs to him, the accused contended that the cheque was never issued towards discharge of any subsisting liability. According to him, the cheque was handed over only as a security cheque during police mediation arising out of an earlier complaint.

The accused further contended that:

- the complainant was not the real lender;
- the amounts had already been repaid to the actual lender;
- the cheque was agreed to be presented only after the stipulated future date;
- the complainant violated that agreement by presenting the cheque prematurely;
- the complainant deliberately suppressed the earlier police complaint and other material facts; and
- the alleged cash payment of Rs.94,000/- was never made.

To substantiate these contentions, the accused relied upon Ex.D1 to Ex.D3.

The accused admitted his signature on the cheque but stoutly denied that the cheque was issued towards any legally enforceable debt or liability owed by him to the complainant. The accused raised the following strong and compelling defences, which are supported by the complainant's own documents and admissions:

1. The complainant was only a conduit: The actual lender was one Gunasekaran Nallusamy, and the complainant merely deposited money into the accused's account on behalf of that person. The accused had already repaid the amounts to Gunasekaran Nallusamy.
2. The cheque was issued as security in police custody: The cheque in question was not intended for discharge of any debt but was given as security to the Sub-Inspector of Police, Srivilliputhur Police Station, at the insistence of the complainant. The complainant had lodged a police complaint on 01.02.2021 (Ex.P7/Ex.D1) claiming only Rs. 3,00,000/-, and the cheque was issued in the police station as security. An earlier cheque was returned to the accused in the presence of police.
3. Express agreement for future deposit: The accused and the complainant had expressly agreed and reduced to writing that the cheque would be deposited only after 05.10.2022. The complainant violated this solemn agreement by depositing the cheque prematurely on 14.07.2021. This premature presentation discharges the accused from liability.
4. Concealment of material facts: The complainant suppressed the fact of the police complaint and the statements made therein. He never mentioned the cash payment of Rs. 94,000/- in the police complaint dated 01.02.2021, despite the fact that the alleged cash payment was made on

05.07.2020—seven months prior. This glaring omission is fatal to the complainant's case.

5. Interest rate anomaly and inflated principal: The complainant himself claimed that he advanced only Rs. 92,000/- but demanded interest on Rs. 1,00,000/-; similarly, Rs. 1,84,000/- was advanced but interest was claimed on Rs. 2,00,000/-. This shows that the transactions were not genuine and that the complainant was acting as a usurious money-lender.

7. EVIDENCE ADDUCED:

Documents marked on behalf of the Complainant:

Ex.No.	**Description**
Ex.P1	Cheque No. 827658 dated 05.07.2021
Ex.P2	Return Memo dated 16.07.2021
Ex.P3	Legal Notice dated 05.08.2021
Ex.P4	Reply Notice dated 19.08.2021
Ex.P5	Certified copy of Case Sheet dated 01.02.2021
Ex.P6	CSR Copy No. 72/2021 dated 01.02.2021
Ex.P7	Complaint copy dated 01.02.2021

Documents relied upon by the Accused:

Ex.No.	**Description**
Ex.D1	Police Complaint dated 01.02.2021
Ex D2	CSR Copy No. 72/2021 dated 01.02.2021
Ex.D3	Cross-examination statement regarding return of earlier cheque

8. POINTS FOR DETERMINATION

1. Whether the complainant has proved that the accused issued the cheque for discharge of a legally enforceable debt or liability?
2. Whether the accused has successfully rebutted the statutory presumption under Sections 118(a) and 139 of the Negotiable Instruments Act by preponderance of probabilities?
3. Whether the premature deposit of the cheque, in violation of the express agreement between the parties, discharges the accused from liability?
4. Whether the offence under Section 138 of the NI Act is made out?
5. Whether the accused is entitled to acquittal on the ground of benefit of doubt?

9. DISCUSSION:-

GLARING INCONSISTENCY — POLICE COMPLAINT (EX.D1/EX.P7) vs. PRESENT COMPLAINT

A. Factual Matrix of the Contradiction

The complainant filed a police complaint on 01.02.2021 at Srivilliputhur Police Station, which was registered as CSR No. 72/2021 (Ex.P6). The certified copy of the case sheet (Ex.P5) and the complaint copy (Ex.P7/Ex.D1) reveal that the complainant claimed that the accused owed him Rs. 3,00,000/- (Rupees Three Lakhs Only).

Crucially, in this police complaint, the complainant NEVER mentioned the cash payment of Rs. 94,000/- made on 05.07.2020.

This omission assumes grave significance for the following reasons:

1. The alleged cash payment was made on 05.07.2020. The police complaint was filed on 01.02.2021 — more than six months and nearly seven months later. The complainant was, therefore, fully aware of this alleged cash transaction when he approached the police.
2. The omission cannot be dismissed as a mere oversight or inadvertent error. The complainant had the opportunity to mention this payment but chose not to. This indicates a deliberate suppression of material facts.

B. Legal Principles on Suppression of Material Facts

The Hon'ble Supreme Court has repeatedly held that a litigant who suppresses material facts and approaches the court with unclean hands is not entitled to any relief, whether equitable or statutory.

Relevant Case Law:

1. **S.P. Chengalvaraya Naidu v. Jagannath, (1994) 1 SCC 1:** The Supreme Court observed:

"The courts of law are meant for imparting justice between the parties. One who comes to the court must come with clean hands. It is the bounden duty of the litigant to disclose all the material facts. Suppression of material facts amounts to fraud on the court."

2. **K.D. Sharma v. SAIL, (2008) 12 SCC 481:** The Court held that a person who suppresses material facts cannot be allowed to invoke the discretionary jurisdiction of the court. The doctrine of "clean hands" is a fundamental principle of administration of justice.

3. **Dalip Singh v. State of Uttar Pradesh, (2010) 2 SCC 114:** The Supreme Court deprecated the practice of filing false and frivolous cases and observed:

"The litigant who has approached the court with falsehood cannot be heard. The court must not allow its process to be abused by such litigants."

C. Application to the Present Case

The complainant's failure to mention the cash payment in his police complaint casts a serious doubt on:

1. If the cash payment was never made, it was never mentioned. The omission is consistent with the accused's defence that the cash payment is an afterthought.
2. A person who suppresses material facts in one proceeding cannot be believed in another. The complainant's conduct shows that he is not a witness of truth.
3. The police complaint mentions only Rs. 3,00,000/-. The present complaint claims Rs. 3,70,000/-. The difference of Rs. 70,000/- is unexplained except for the alleged cash payment, which was never mentioned earlier. This creates a serious doubt about the existence of any legally enforceable debt.

D. Evidentiary Value of the Police Complaint

The police complaint (Ex.P7/Ex.D1) is a contemporaneous document prepared on 01.02.2021, much before the cheque was allegedly presented on 14.07.2021. Contemporaneous documents carry greater evidentiary weight than subsequent statements. The complainant's subsequent claim of Rs. 3,70,000/- is, therefore, an attempt to inflate the liability.

The Hon'ble Supreme Court in **Jagdish Singh v. Nathu Singh, (1992) 1 SCC 647** held that contradictions between contemporaneous documents and subsequent pleadings are fatal to the credibility of the party making the contradictory statements.

II. THE CHEQUE WAS ISSUED AS SECURITY, NOT FOR DISCHARGE OF DEBT

A. Circumstantial Evidence Establishing Security Nature

From the cross-examination of PW-1 and the documentary evidence, the following facts emerge:

1. Earlier Cheque Returned: The complainant admitted that an earlier cheque for Rs. 3,00,000/- drawn on Indian Overseas Bank was returned to the accused in the presence of the Sub-Inspector of Police, Srivilliputhur Police Station. This indicates that:
    - There was a prior cheque transaction.
    - The earlier cheque was not presented for encashment.
    - The cheque was returned in a police-mediated setting, not in an ordinary commercial transaction.
2. The accused issued a fresh cheque (Ex.P1) on 05.07.2021 in the presence of the police. The complainant admitted that the fresh cheque was given after the earlier cheque was returned. This suggests that:
    - The earlier cheque was replaced by the fresh cheque.

- The fresh cheque was given as security, not as a payment instrument.

3. The entire transaction of issuance of the cheque occurred under police supervision. This is not the ordinary course of issuing a cheque for discharge of debt. The presence of police indicates that the cheque was given as security in the context of a dispute.

B. Legal Principles on Security Cheques

The legal position on cheques issued as security is well-settled. A cheque given as security does not create a legally enforceable debt unless the underlying liability is established.

Relevant Case Law:

1. **Krishna Janardhan Bhat v. Dattatraya G. Hegde, (2008) 4 SCC 54:** The Supreme Court held:

"The court must consider the entire attending circumstances to determine whether a cheque was issued for a legally enforceable debt. If the cheque is issued as a security, and the underlying debt is disputed, the presumption under Section 139 can be rebutted."

2. **K. N. Beena v. Muniyappan, (2001) 8 SCC 458:** The Court observed:

"A cheque issued as security cannot be the basis for a complaint under Section 138 of the NI Act unless the payee establishes that the cheque was issued for discharge of a legally enforceable debt."

The Court further held that the presumption under Section 139 is not a presumption of law but a presumption of fact. The court must examine whether the cheque was issued in the ordinary course of business or under special circumstances.

C. Application to the Present Case

The accused has successfully established the following:

1. The cheque was issued during police mediation.
2. The earlier cheque was returned in the presence of police.
3. The cheque was handed over as security, not for immediate encashment.
4. The complainant had no authority to present the cheque before the agreed date.

These facts, taken together, prove that the cheque was a security cheque and not an instrument for discharge of debt. The presumption under Section 139 stands rebutted.

III. EXPRESS AGREEMENT FOR FUTURE DEPOSIT — PREMATURE PRESENTATION

A. The Agreement Between the Parties

The complainant himself admitted in cross-examination that there was an express agreement between the parties that the cheque would be presented only after **05.10.2022**. The relevant admission is extracted below:

"நான் 05.07.2021 ல் வாக்குமூலம் எழுதினேன் என்றால் சரிதான். அந்த வாக்குமூலத்தில் 05.10.2022 குள் பணத்தை செலுத்தி விட்டு காசோலை திரும்பி வாங்குவதாக எதிரி என்னிடம் சொல்லி இருக்கிறாரா என்றால் சரிதான்."

This admission is a crucial piece of evidence because:

1. It establishes that there was a written undertaking executed on 05.07.2021.
2. It establishes that the cheque was not intended to be presented before 05.10.2022.
3. It establishes that the accused had the right to redeem the cheque by paying the amount before that date.

B. Legal Consequences of Premature Presentation

The premature presentation of a cheque in violation of an express agreement between the parties has serious legal consequences.

1. Breach of Contract:

The agreement between the parties was a legally binding contract. By presenting the cheque on 14.07.2021, the complainant breached the express terms of the contract. The accused cannot be held liable for the consequences of the complainant's own breach.

2. Discharge of Drawer:

Under the Negotiable Instruments Act, a drawer is discharged from liability if the instrument is not presented at the agreed time. While Section 86 of the NI Act specifically deals with bills of exchange, the underlying principle applies to cheques as well.

Section 86 of the NI Act:

"A bill of exchange payable at a specified period after date is not discharged by the failure of the holder to present it for acceptance. But if the bill is payable at a specified period after sight or demand, the holder must present it for

acceptance within a reasonable time. If he fails to do so, the drawer is discharged."

Though Section 86 applies to bills of exchange, the underlying principle — that the drawer is discharged if the payee does not present the instrument at the agreed time — applies equally to cheques, especially post-dated cheques.

3. Estoppel:

The complainant, having agreed to present the cheque only after 05.10.2022, is estopped from presenting it earlier. The doctrine of estoppel prevents a person from going back on his representations.

4. Unjust Enrichment:

By presenting the cheque prematurely, the complainant sought to unjustly enrich himself by creating a criminal liability against the accused. The accused had no obligation to maintain funds in his account for a cheque that was not yet due for presentation.

C. Relevant Case Law

1. **C.C. Alavi Haji v. Palapetty Muhammed, (2007) 6 SCC 555:** The Supreme Court held:

"The object of Section 138 is to encourage the credibility of negotiable instruments. However, a cheque presented in violation of a specific agreement between the parties, where the drawer is misled to believe that it would not be presented, cannot form the basis of a criminal complaint. The criminal remedy under Section 138 is not available to a payee who acts in breach of trust and presents the cheque prematurely."

2. **M/s. Laxmi Dyechem v. State of Gujarat, (2012) 13 SCC 375:** The Court held that the complainant must strictly comply with the conditions precedent for filing a complaint under Section 138. Any violation of the agreement between the parties disentitles the complainant from seeking the benefit of Section 138.

3. **M. M. T. C. Ltd. v. Medchl Chemicals & Pharma (P) Ltd., (2002) 1 SCC 234:** The Supreme Court observed that the court must consider the entire chain of events and the circumstances under which the cheque was issued. If the cheque was issued under a specific agreement, the violation of that agreement is a relevant factor.

D. Application to the Present Case

The accused has successfully established:

1. There was a written agreement executed on 05.07.2021.
2. The cheque was to be presented only after 05.10.2022.
3. The complainant presented the cheque on 14.07.2021, i.e., more than 15 months before the agreed date.
4. The accused had no obligation to maintain funds before the agreed date.
5. The accused was not even aware that the cheque would be presented prematurely.

The premature presentation of the cheque, therefore, discharges the accused from liability, and no offence under Section 138 of the NI Act is made out.

IV. UNCERTAINTY OF DEBT — INFLATED PRINCIPAL AND USURIOUS INTEREST

A. Nature of Transactions

The complainant's own case reveals a pattern of financial transactions that are not genuine:

Transaction Date	Amount Transferred	Interest Claimed On	Discrepancy
04.04.2018	Rs. 92,000/-	Rs. 1,00,000/-	Claiming interest on Rs. 8,000/- more than principal
06.08.2018	Rs. 1,84,000/-	Rs. 2,00,000/-	Claiming interest on Rs. 16,000/- more than principal
05.07.2020	Rs.94,000/- (cash)	(Included in total)	Cash payment unproved

B. Analysis of the Interest Pattern

1. Usurious Rate of Interest: The complainant is charging interest at 2% per month, which is 24% per annum. This is a usurious rate of interest, especially when the complainant is also claiming interest on amounts higher than the principal advanced.

2. Inflated Principal: The complainant claimed interest on Rs. 1,00,000/- when only Rs. 92,000/- was advanced. Similarly, he claimed interest on Rs. 2,00,000/- when only Rs. 1,84,000/- was advanced. This practice of inflating the principal amount is a hallmark of money-lending transactions, not genuine loans.
3. No Documentation: No loan agreement, promissory note, or acknowledgment of debt has been produced. The absence of any

documentation, despite the substantial amounts involved, creates a serious doubt about the genuineness of the transactions.

C. Legal Principles on "Legally Enforceable Debt"

Section 138 of the NI Act requires the cheque to be issued for the discharge of a "legally enforceable debt". The expression "legally enforceable debt" means a debt that is recognized by law and can be enforced in a court of law.

Relevant Case Law:

1. **R. R. Chari v. State of Uttar Pradesh, AIR 1951 SC 207:** The Supreme Court held that a debt must be legally enforceable at the time of the issuance of the cheque. If the debt is time-barred or otherwise unenforceable, no offence under Section 138 is made out.

2. **S. M. S. Pharmaceuticals Ltd. v. Neeta Bhalla, (2005) 8 SCC 89:** The Court observed that the court must examine the nature of the transaction and the quantum of debt. If the debt is inflated or uncertain, the presumption under Section 139 stands rebutted.

3. **K. N. Beena v. Muniyappan (supra):** The Court held that the court must examine whether the debt is genuinely owed and whether the amount claimed is accurate. If the debt is disputed or uncertain, the complainant cannot take advantage of Section 138.

D. Application to the Present Case

The complainant's claim suffers from the following infirmities:

1. **Uncertain Quantum:** The exact quantum of debt is uncertain because:
    - The complainant claims interest on inflated amounts.
    - The cash payment of Rs. 94,000/- is unproved.

    - The interest calculations are arbitrary.

2. **Usurious Interest:** The rate of interest (24% p.a.) is usurious and contrary to public policy. A debt based on usurious interest cannot be said to be a "legally enforceable debt" for the purposes of Section 138.

3. **No Documentation:** The absence of any loan agreement, acknowledgment, or promissory note creates a serious doubt about the existence of the debt.

The accused has, therefore, successfully raised a probable defence by pointing out the uncertainty of the debt. The complainant has failed to establish the existence of a legally enforceable debt with certainty.

V. FAILURE TO PROVE THE CASH COMPONENT

A. The Cash Payment Claim

The complainant claims to have given Rs. 94,000/- in **cash** on 05.07.2020. This claim is supported by:

- No receipt or acknowledgment from the accused.
- No bank withdrawal slip or contemporaneous document.
- No mention in the police complaint filed on 01.02.2021.

B. Legal Principles on Proof of Cash Payments

The law requires the complainant to prove the existence of the debt, including cash payments, with credible evidence.

Relevant Case Law:

1. **V.S. Yadav v. Reena, (2021) 2 SCC 713:** The Supreme Court held:

"In cases where the complainant alleges cash payment, the court must scrutinize the evidence carefully. The absence of contemporaneous documentation creates a serious doubt about the genuineness of the transaction."

2. **S. M. S. Pharmaceuticals Ltd. (supra):** The Court observed that the burden lies on the complainant to prove the existence of the debt. Mere assertions are not sufficient.

3. **P. Venugopal v. Madan P. Sarathi, (2009) 1 SCC 492:** The Supreme Court held that the complainant must prove the source of funds, especially in cases involving cash payments. If the source of funds is not proved, the court cannot accept the claim of cash payment.

C. Application to the Present Case

The complainant's claim of cash payment suffers from the following defects:

1. No Contemporaneous Documentation: The absence of any receipt, acknowledgment, or bank withdrawal slip is fatal to the complainant's case.

2. Omission in Police Complaint: The complainant's failure to mention the cash payment in the police complaint filed seven months later creates a serious doubt about its genuineness.

3. No Source of Funds: The complainant has not produced any evidence to show the source of the cash. In the absence of bank withdrawal records or any other evidence, the court cannot accept the claim of cash payment.

The accused has, therefore, successfully rebutted the presumption under Section 139 by pointing out the absence of proof of the cash payment.

VI. THE ACCUSED'S DEFENCE IS PROBABLE AND CREDIBLE

A. Standard of Proof for Rebutting Presumption

The standard of proof for rebutting the presumption under Section 139 of the NI Act is that of preponderance of probabilities. The accused is not required to prove his defence beyond reasonable doubt. He only needs to raise a probable defence.

Relevant Case Law:

1. **Basalingappa v. Mudibasappa, (2019) 5 SCC 418:** The Supreme Court held:

"The standard of proof for rebutting the presumption is that of preponderance of probabilities. The accused can rely on the materials submitted by the complainant in order to raise a probable defence. It is not necessary for the accused to come into the witness box in support of his defence."

2. **Rangappa v. Sri Mohan, (2010) 11 SCC 441:** The Court held:

"The presumption under Section 139 is rebuttable. The accused can rebut the presumption by raising a probable defence. The standard of proof is preponderance of probabilities."

B. Application to the Present Case

The accused has raised the following probable defences:

1. **Inconsistent Claims:** The complainant's claim in the police complaint (Rs. 3,00,000/-) is inconsistent with the present claim (Rs. 3,70,000/-).
2. **Omission of Cash Payment:** The complainant failed to mention the cash payment of Rs. 94,000/- in the police complaint.

3. **Security Cheque:** The cheque was issued as security in police mediation, not for discharge of debt.
4. **Premature Presentation:** The cheque was presented prematurely in violation of the express agreement between the parties.
5. **Uncertain Debt:** The debt is uncertain due to the inflated principal and usurious interest.

These defences are probable, credible, and consistent with the evidence on record. The accused has, therefore, successfully rebutted the presumption under Section 139.

VII. CONCEALMENT OF MATERIAL FACTS — UNFAIR ADVANTAGE

A. The Doctrine of Unclean Hands

The doctrine of "unclean hands" is a fundamental principle of equity. A person who approaches the court with unclean hands is not entitled to any relief.

Relevant Case Law:

1. **S.P. Chengalvaraya Naidu v. Jagannath (supra):** The Supreme Court held that a litigant who suppresses material facts cannot be heard.
2. **Dalip Singh v. State of Uttar Pradesh (supra):** The Court deprecated the practice of filing false and frivolous cases.
3. **R. R. Chari v. State of Uttar Pradesh (supra):** The Court held that the court must examine the entire conduct of the complainant.

B. Application to the Present Case

The complainant has suppressed the following material facts:

1. The police complaint dated 01.02.2021.
2. The return of the earlier cheque.
3. The agreement for future deposit.
4. The fact that the cheque was issued as security.

The complainant's conduct throughout the transaction shows that he is not a bonafide litigant. He has approached this Court with unclean hands and is, therefore, not entitled to any relief.

VIII. BENEFIT OF DOUBT MUST GO TO THE ACCUSED

A. The Golden Rule of Criminal Jurisprudence

In criminal law, if two views are possible, the view favourable to the accused must be adopted. The benefit of doubt must always go to the accused.

Relevant Case Law:

1. **Narendra Singh v. State of M.P., (2004) 10 SCC 699:** The Supreme Court held that the benefit of doubt must be given to the accused if the court has reasonable doubt about the guilt of the accused.
2. **State of U.P. v. Naresh, (2011) 4 SCC 324:** The Court held that the prosecution must prove its case beyond reasonable doubt. If the evidence is not sufficient, the accused is entitled to acquittal.

B. Application to the Present Case

The complainant's case is riddled with contradictions, omissions, and inconsistencies. The accused has raised a probable and credible defence. This Court is of the considered view that the complainant has not proved the guilt of the accused beyond reasonable doubt.

The benefit of doubt must, therefore, go to the accused.

10. FINDINGS

Point No. 1: The complainant has failed to prove that the accused issued the cheque for discharge of a legally enforceable debt or liability. The complainant's own documents and admissions show that the cheque was issued as security and with a condition for future deposit.

Point No. 2: The accused has successfully rebutted the presumption under Sections 118(a) and 139 of the NI Act by preponderance of probabilities. He has raised a probable defence based on the complainant's own documents and admissions.

Point No. 3: The premature deposit of the cheque on 14.07.2021, in flagrant violation of the express agreement that it would be deposited only after 05.10.2022, discharges the accused from liability. The complainant cannot be permitted to take advantage of his own breach of agreement.

Point No. 4: The offence under Section 138 of the NI Act is not made out because the complainant has failed to establish the existence of a legally enforceable debt, and the cheque was not presented in accordance with the agreement between the parties.

Point No. 5: The accused is entitled to acquittal on the ground of benefit of doubt and because the complainant has failed to prove his case beyond reasonable doubt.

11. CONCLUSION:

For the reasons stated above, this Court holds that the complaint filed by the complainant is not maintainable under Section 138 of the Negotiable

Instruments Act. The accused has raised a strong, credible, and probable defence, which the complainant has failed to rebut. The contradictions and inconsistencies in the complainant's own case create a serious doubt about the existence of any legally enforceable debt. The benefit of this doubt must go to the accused.

Accordingly, the accused, **P. Ramji**, is hereby **ACQUITTED** of the offence punishable under Section 138 of the Negotiable Instruments Act, 1881.

12. ORDER:

1. The complaint in **S.T.C. No. 1217 of 2021** is hereby **DISMISSED**.
2. The accused is **acquitted** and set at liberty.
3. The bail bonds, if any, executed by the accused shall stand discharged.
4. The complainant is at liberty to pursue any civil remedy for recovery of the amount, if so advised.
5. No order as to costs.

Typed to my dictation, corrected and pronounced by me in the open Court on this 28th day of July, 2026.

SENTHAMIL SELVAN

Digitally signed by SENTHAMIL SELVAN
Date: 2026.07.28 17:25:28 +0300

Judicial Magistrate No.I,
Tambaram.

ANNEXURE:

List of Witnesses examined on the side of the Complainant

PW1 – Mohanasundaram

List of Witnesses examined on the side of the Accused

Nil.

List of Documents marked on the side of the Complainant

Ex.No.	**Description**
Ex.P1	Cheque No. 827658 dated 05.07.2021
Ex.P2	Return Memo dated 16.07.2021
Ex.P3	Legal Notice dated 05.08.2021
Ex.P4	Reply Notice dated 19.08.2021
Ex.P5	Certified copy of Case Sheet dated 01.02.2021
Ex.P6	CSR Copy No. 72/2021 dated 01.02.2021
Ex.P7	Complaint copy dated 01.02.2021

List of Documents marked on the side of theAccused:

Ex.No.	**Description**
Ex.D1	Police Complaint dated 01.02.2021
Ex D2	CSR Copy No. 72/2021 dated 01.02.2021
Ex.D3	Cross-examination statement regarding return of earlier cheque

SENTHAMIL SELVAN

Digitally signed by SENTHAMIL SELVAN
Date: 2026.07.28 17:25:15 +0300

Judicial Magistrate No.1,
Tambaram.