

KAUK220005052024



Presented on : 03-03-2021
Registered on : 21-06-2024
Decided on : 23-04-2026
Duration : 5 years, 1 months, 20 days

**IN THE COURT OF SENIOR CIVIL JUDGE AND
JMFC, ANKOLA, AT ANKOLA, UTTARA KANNADA.**

Dated this the 23rd day of April, 2026.

Presided Over by:

Smt.Priya Ravi Joglekar, B.Com. LL.M.
Sr. Civil Judge and JMFC, Ankola.

CRIMINAL CASE No.203/2024
(OLD C.C.No.101/2021)

COMPLAINANT: Sujata Souharda Credit
Sahakari Niyamit, Balale,
Ankola Taluka, Uttara Kannada District
R/by its Manager,
Shri Subhash Shrinivas Nayak
@ Karebail, Aged 42 years,
R/o Karebail, Ankola,
Tal. Ankola, Uttara Kannada.

(By Sri D.N.N., Advocate)

V/s

ACCUSED: Navaz Ahamad Abdulla Shekh,
Aged 40 years,
R/o: Kakaramatt, Ankola,
Tal.Ankola, U.K.District.

(By Sri G.N.N., Advocate)

J U D G M E N T

The complainant has filed this private complaint U/s.200 of Cr.P.C., against the accused for the offence punishable U/s.138 of Negotiable Instruments Act.

2. **The brief case of the complainant is that:-**

The complainant is a registered financial institution engaging in financial transactions. The accused availed a loan of Rs.2,20,000/- from complainant society on 17.06.2017 for the purpose of his business. Smt.Lateephabi Abdulla Shekh and Manzar Hussain Sayyed voluntarily stood as guarantors to the said loan. The accused and the guarantors promised to repay the loan amount in stipulated installments with agreed interest as per the terms and conditions of the loan agreement. However, the accused was irregular in the repayment of loan amount with interest. The accused

was asked to repay the installments by the officers of the complainant through telephone. Even then the accused failed to repay the same. The accused was asked personally to repay the loan amount. The complainant demanded the accused for repayment of loan. The accused came to the complainant office and issued a cheque bearing No.507971 dated 23.10.2019 drawn on Corporation Bank, Branch: Ankola for Rs.2,79,000/- and assured that there is sufficient fund to honour the said cheque. The said cheque was presented for encashment through its banker Vijaya Bank, Branch: Madangeri which was returned with bank endorsement as 'Funds Insufficient" as per memo dated 29.10.2019. Thereafter, the complainant issued a registered legal notice dated 28.11.2019 to him calling upon him to pay the said cheque amount within 15 days. In spite of receipt of said notice on 29.11.2019, the accused neither repaid the said amount nor replied to the same. Hence, this complaint is filed against the accused.

3. After filing of this complaint, cognizance of offence under Section 138 of NI Act was taken, and the sworn statement of the Chief Executive Officer and authorized person of complainant society by way of affidavit was recorded. As there was sufficient material

to register a criminal case against accused, a criminal case was registered against accused. In response to the summons, accused appeared before the Court and got released on bail. The substances of accusation for the offence punishable U/s.138 of N.I.Act were recorded. The accused pleaded not guilty and claimed that he has got defence.

4. In order to substantiate its case, earlier the Chief Executive Officer and authorized person of the complainant got himself examined by filing affidavit as P.W.1. As PW1 could not appear, the Executive Officer of complainant got examined as PW 2 and got marked document at Ex.P1 to P13 and closed the side of complainant.

5. The statements of accused under Section 313 of Cr.P.C. are recorded. He denied the incriminating circumstances appeared in the evidence. He has not adduced defense evidence.

6. Heard the arguments of both sides and perused the materials placed before the court.

7. From the above facts of the case, the following points arise for my consideration:-

1. Whether the complainant proves that, accused issued cheque dated 23.10.2019 in favour of complainant to discharge his legal recoverable debt knowing that he was not having sufficient amount to honor the cheque and has not paid amount of Rs.2,79,000/- mentioned in the cheque within 15 days of the receipt of the demand notice and thereby committed an offence punishable under Section 138 of Negotiable Instruments Act?

2. What order?

8. My findings on the above points are:-
Point No.1:- In the **negative**.
Point No.2:- As per final order
for the following:-

REASONS

9. **POINT NO.1**:- The complainant to discharge initial burden examined its Executive Officer as PW2 and reiterated the entire complaint averments in his chief examination affidavit. During the cross-examination, the P.W.2 stated that the accused paid the entire cheque amount to complainant society, and no amount is due to pay to complainant society towards cheque amount, and complainant society could not register any case against accused in respect of the cheque.

10. According to provisions of N.I.Act, the cheque dt. 23.10.2019 is presented within six months i.e., presented on 23.10.2019, it was returned dishonored with an endorsement 'Funds Insufficient'. The complainant immediately informed the accused and the legal notice was issued within 15 days from the receipt of dishonor memo i.e., notice issued on 28.11.2019, and inspite of receipt of legal notice, the accused neither repaid the said amount nor replied to the same. After giving 15 days time, the case was filed within prescribed period of one month, which is well in time. Therefore, it can be held that there is sufficient compliance with regard to the provisions of N.I.Act. However, as observed above, during the cross-examination, the P.W.2 admitted that the entire amount was paid by the accused. Hence, it is very clear that finally the accused paid the entire amount, and no legally recoverable debt or liability is due to pay by the accused. In result, the accused is entitled for acquittal. Consequently, I answer **point No.1 in the Negative.**

11. **POINT NO.2:-** In the result, I proceed to pass the following:-

ORDER

Acting U/s.255(1) of Cr.P.C. the accused is acquitted of the offence punishable U/s.138 of Negotiable Instruments Act.

The bail bonds and surety bonds stand cancelled.

(Directly Dictated to stenographer, typed by her, revised by me and then pronounced in open court on this the **23rd day of April, 2026**)

**(Smt.Priya Ravi Joglekar)
Sr.Civil Judge & JMFC., Ankola**

ANNEXURE**LIST OF WITNESSES EXAMINED FOR COMPLAINANT:**

- P.W.1 - Shri Subhash Shrinivas Nayak
P.W.2 - Shri Lokesh Somayya Gouda

LIST OF WITNESSES EXAMINED FOR ACCUSED:

- NIL-

LIST OF DOCUMENTS EXHIBITED FOR COMPLAINANT:

- Ex.P.1 - Cheque
Ex.P.1(a) - Signature of accused
Ex.P.2 - Bank memo
Ex.P.3 - Office copy of Legal Notice
Ex.P.4 - Postal receipt

- Ex.P.5 - Postal acknowledgement
- Ex.P6 - Copy of resolution
- Ex.P7 - Copy of resolution dtd 5.6.2023
- Ex.P8 - Certified copy of Loan application form
- Ex.P9 - Certified copy of Loan agreement
- Ex.P.10,11 - Certified copy of Security letters
- Ex.P12 - Certified copy of Demand Promissory Note
- Ex.P13 - Certified copy of Loan account extract

LIST OF DOCUMENTS EXHIBITED FOR ACCUSED:

- NIL -

sd/-

Sr.Civil Judge & JMF C., Ankola.