

**IN THE COURT OF THE JUDICIAL MAGISTRATE OF FIRST CLASS-I,  
PALA**

Present:- Smt: Shermin S.S.,

Judicial Magistrate of the First Class-I, Pala

**Saturday the 2<sup>nd</sup> day of May, 2026/ 12<sup>th</sup> Vaisakha 1948**

**S.T. 4865/2015**

- Complainant : Sree Golulam Chit and Finance Company(P)  
Ltd,with its central office at No.66, Arcot Road,  
Kodampakam, Chennai.  
Its Divisional office at Prakkattu Building, 1<sup>st</sup>  
Floor, Central Junction, Kottayam.  
Rep.By its Power of Attorney Holder  
Mr. K.N Rajeesh  
(By Adv. Anupa Das & Adv: Roy Jose)
- Accused : Shyni Ramachandran, aged 54 yrs,  
D/o Kesavan, Kollappally House,  
Kadanadu P.O, Pala.  
( By Adv: Adv: Bobby George,  
Adv: Baby Simon)
- Offence : Punishable u/s 138 of N.I. Act.
- Plea : Not guilty
- Finding : Guilty
- Sentence or order : Accused is found guilty of the offence u/s 138  
of Negotiable Instruments Act and she is  
convicted u/s 255(2) CrPC and sentence to  
undergo simple imprisonment for 6 months and  
to pay fine of Rs.97,332/- (Rupees Ninety  
Seven Thousand Three Hundred and Thirty Two  
only). In default of payment of fine, she has to  
undergo simple imprisonment for a period of  
one month more. The fine amount if realized,  
shall be paid to the complainant towards  
compensation u/s.357(1)(b) of Cr.P.C.

**Description of Accused**

Name	Father's/ Husband's name	Age	Calling	Residence	Taluk
Shyni Ramachandran	Kesavan	54		Kollappally	Meenachil

**Dates of**

Occurrence	Complaint	Apprehension	Release on bail	Commencement of trial	Close of trial	Sentence or order
27.8.2010	22.9.2010	8.8.24	8.8.24	28.10.24	29.4.26	2.5.2026

This case having been finally heard on this day, the Court delivered the following:-

**J U D G M E N T**

- 1.This is a complaint filed u/s.190 of Cr.P.C, alleging that the accused had committed the offence punishable under section 138 of N.I. Act.
2. **The case of the complainant in brief is as follows:-** The complainant is the Legal Assistant, Power of Attorney holder of Sree Gokulam Chit and Finance Company(P) Ltd, incorporated under the provisions of the Indian Companies Act. Complainant company is engaged in the business conducting chitties. Accused was a surety of Mr. Ramachandran K.N, who was the subscriber of a chit bearing No.J2E/1604/20 having sala of Rs.1,00,000/- joined on 17/06/2005 and was terminated on 17/01/2007. The subscriber bid the chit and received the chit payment from the complainant on 22/10/2005 with the surety of accused. The accused had executed the debt acknowledgment and guarantee deed on 17/07/2010. After the termination of

chit complainant had sent notice to the accused and she accepted the notice and acknowledged her liability at complainants company at Kottayam and the accused executed and issued a cheque bearing No.354791 dated 17/07/2010 for Rs.97,332/- of Federal bank, Kollappally Branch in favour of the complainant for clearing the legally enforceable debt. Accordingly as on 17/07/2010 an amount of Rs.97,332/- towards the chit arrears become due and accused executed Ext.P8 cheque in favour of the complainant. On presentment of the said cheque, through Federal bank, Pala branch, it was dishonoured with reason 'Funds Insufficient'. Thereafter, the complainant issued a lawyers notice to the accused on 10/08/2010, which was received by her on 11/08/2010. The accused did not pay the cheque amount. Thereby accused alleged to have committed offence punishable u/s.138 of NI Act.

3. This case is originally taken on file as ST.1427/15. At that stage, accused absconded and case refiled as LP.38/19. On appearance of the accused, case refiled as ST.4865/15. After appearance of accused, copies of prosecution records were furnished and particulars of offence punishable u/s.138 of the Negotiable Instruments Act have been read over to accused to which she pleaded not guilty and claimed to be tried. After that the case was posted for the evidence of the complainant. PW1 was was examined, Exts.P1 to P12 were marked.

4. After the closure of the evidence of the complainant, accused was examined u/s.313 (1)(b) Cr.P.C. She denied the incriminating circumstances levelled against her. Even though sufficient opportunities had given, no evidence adduced from the side of defence.

5. I heard both sides.

**6. The following points arise for determination:-**

- (i) Was Ext. P8 executed by the accused ?
- (ii) Was it executed in discharge of any debt or legally enforceable liability ?
- (iii) Was it dishonoured due to insufficiency of funds ?
- (iv) Whether the statutory requirements u/s.138 &142 of the N.I. Act have been complied with?
- (v) In the event of conviction, what is the sentence to be awarded upon the convicted accused ?

7. **Points Nos. 1 and 2:-** For the brevity of discussion, point nos.1 & 2 are considering together. The case of the complainant is that the complainant is a private limited company incorporated under the provisions of Indian Companies Act, 1956 and having branches in various places and company is engaged in the business of conducting chitties. The accused is a surety of a subscriber Mr. Ramachandra K. N. who joined a chitti bearing number J2E/1604/JMM/20 having a sala of ₹ 1,00,000 conducted by the complainant

company. The chit group was commenced on 17.06.2005 and the subscriber participated and auctioned his chit and became entitled to receive the chit payment in the chit after deducting the bid amount and statutory dues. The complainant paid the chit payment of ₹ 75,000 to the subscriber by Cheque No.387142 dated 22.10.2005. After execution of the necessary documents to secure the repayment of the future installments, subscriber received the chit payment. Thereafter the subscriber and the accused surety committed default in repayment of the chitty installments. After scrutiny of accounts the amount of Rs.97,332/- is pending as arrears including interest on 17/07/2010. Accused issued Ext P8 Cheque No. 354791 dated 07.07.2010 for Rs.97,332/- as payment of the chitti amount. Contention of the accused is that under which circumstances the cheque was issued, is not mentioned by the complainant.

8. PW1, who is the complainant, filed proof affidavit in lieu of examination in chief, which is in tune with the averments in complaint. According to PW1, accused is the surety of subscriber Mr. Ramachandran. In the monthly statement, name of the accused is mentioned. She made him believe that the company can obtain the money by presenting the cheque before the bank. The complainant presented the aforesaid cheque. For encashment through Federal Bank, Pala branch and the said cheque returned unpaid with a reason insufficient of fund in the account of the accused. The accused denied the

signature seen in the cheque. Accused contented that Power of Attorney have no knowledge about the transaction. But in cross- examination, complainant deposed that all the transaction between the complainant and accused taken place in his presence and he had direct knowledge about the transaction of cheque. Moreover, accused made suggestion that husband of the accused and staff of complainant institution conspired together and put the signature of the accused. No evidence is produced by the accused to substantiate this contention.

9. On going through the evidence adduced in this case, it can be seen that, except the bare denial, nothing brought to rebut the presumption in favour of the complainant. Even though PW1 was vehemently cross examined, nothing made out to disbelieve his testimony regarding the execution of Exhibit P8 cheque. It can be seen that Exhibit P8 was executed by the accused. Accused failed to produce cogent evidence to discredit the evidence built up by the complainant. Hence, the signature and Exhibit P8 cheque remains undisputed. Point number 1 and 2: found in favour of the complainant.

**10. Point Nos. 3 & 4:-** From the testimony of PW1, it can be seen that Ext P8 cheque was dishonoured citing the reason “ insufficiency of funds” and the accused has knowledge about it. In the cross examination, PW1 stated that the reason for return the Ext.P8 was insufficiency of fund. But the accused have

no such case that she had sufficient fund in her account. No evidence was adduced to show that accused have sufficient fund in her account. Exts.P10 to P12 prove that a lawyer's notice has been sent to the accused on 10/08/2010, which was received by her on 11/08/2010. No serious disputes raised regarding that aspect. Hence, it can be seen that all the legal formalities were complied by the complainant. The aforesaid points are also found in favour of the complainant.

11. **Point No.5** : In the light of the abovesaid findings, it is found that the accused had committed an offence punishable u/s 138 of N.I Act and she is convicted thereunder. In **Nalinakshan M. V. v. M. Rameshan** and Another reported in **2009 (1) KHC 561**, Hon'ble High Court of Kerala held that *it is not expedient to release a person convicted of an offence under section 138 of the NI Act on probation under section 4(1) of the Probation of Offenders Act*. Hence the benevolent provisions of P.O. Act cannot be invoked in this case.

In the result, accused is found guilty of the offence u/s 138 of Negotiable Instruments Act and she is convicted u/s 255(2) CrPC and sentence to undergo simple imprisonment for 6 months and to pay fine of Rs.97,332/- (Rupees Ninety Seven Thousand Three Hundred and Thirty Two only). In default of payment of fine, she has to undergo simple imprisonment

for a period of one month more. The fine amount if realized, shall be paid to the complainant towards compensation u/s.357(1)(b) of Cr.P.C.

Dictated to the Confidential Assistant transcribed and typed by her, corrected by me and pronounced in the open Court on this day, the 02<sup>nd</sup> day of May, 2026.

**Sd/-**

**JUDICIAL MAGISTRATE OF THE FIRST CLASS-I  
PALA**

**APPENDIX**

Witnesses examined for the complainant:-

PW1 : K.R Sibu

Exhibits marked for the complainant:-

- P1 Certified copy of Power of Attorney proved by PW1
- P2 True copy of board of resolution proved by PW1
- P3 Statement of accounts proved by PW1
- P3(a) certificate dated 02/06/2025 proved by PW1
- P4 Promissory note dated 22/10/2005 proved by PW1
- P5 Guarantee deed dated 22/10/2005 proved by PW1
- P6 Debt acknowledgment dated 22/10/2005 proved by PW1
- P7 Monthly statement of Ramachandran proved by PW1
- P7(a) Certification of Monthly statement proved by PW1
- P8 Cheque dated 17/07/2010 proved by PW1
- P9 Memo dated 27/7/2010 proved by PW1

P10 Copy of Lawyer's notice dated 4/8/2010 proved by PW1

P11 Postal receipt proved by PW1

P12 A/D card proved by PW1

Witnesses examined for the accused:- NIL

Exhibits marked for the accused:- Nil

**Sd/-**

**JUDICIAL MAGISTRATE OF THE FIRST CLASS-I,  
PALA**

//True copy//

**JUDICIAL MAGISTRATE OF THE FIRST CLASS-1,  
PALA**