

IN THE COURT OF THE DISTRICT AND SESSIONS JUDGE, KARUR

PRESENT:- THIRU K.H.ELAVAZHAGAN, B.Sc., M.L.,

DISTRICT AND SESSIONS JUDGE.

Monday, the 01st day of June 2026

CRIMINAL APPEAL No.215/2025

[CNR.No:TNKR-01-002823-2025]

From what Court the appeal is preferred	:	Fast Track Court Judicial Magistrate (At Magistrate Level), Karur.
Number of the case in that Court	:	S.T.C.No.527/2020
Name and Description of the appellant	:	P. Ramasamy, S/o. Pollachi, D.No.4/117 – Keelasukkampatti, Sukkampatti, Inungur Village, Kulithalai Taluk, Karur District.
Name of the complainant	:	S. Ganesan, S/o. Sellappa Gounder, No.4 – Standard Terex Apartment, Madurai Bye-Pass Road, Karur Town, Karur Taluk, Karur District.
The sentence and law under which it was imposed in the lower court	:	The accused is convicted and sentenced to undergo one year simple imprisonment and directed to pay compensation of Rs.8,50,000/- to the complainant u/s.357(3) of Cr.P.C, within a period of one month, failing which he shall undergo simple imprisonment for one month.
Whether confirmed, modified or reversed and if modified modification	:	In the result, the criminal appeal is dismissed and the judgment of conviction and sentence passed by the Fast Track Court Judicial Magistrate (At Magistrate

		Level), Karur in S.T.C.No.527/2020 dated 28.07.2025 is confirmed. The learned Judicial Magistrate is directed to secure the accused and to proceed in accordance with law.
Date of filing	:	13.08.2025
Date of notice issued by that court to appear	:	19.08.2025
Date of bail bond if the appellant has been let out on bail	:	----
Date of the appellant ordered to appear	:	23.09.2025
Date of hearing	:	30.04.2026
Date of Judgment/Order	:	01.06.2026

This criminal appeal is coming on 30.04.2026 for final hearing before me in the presence of Thiru. A. Natarajan, Advocate for the appellant/accused and of Thiru. N. Prakash, Advocate for the Respondent/Complainant and on hearing the arguments of both sides and upon perusing the judgment of the trial Court and the case records and having stood over till this day for consideration, this Court delivered the following:

JUDGMENT:-

The criminal appeal is filed u/s.374(3) of Cr.P.C against the judgment of conviction and sentence passed by the Fast Track Court Judicial Magistrate (At Magistrate Level), Karur S.T.C.No.527/2020 dated 28.07.2025 and to set aside the same.

2) The case was registered against the accused u/s.138 of N.I.Act and after the trial, the Fast Track Court Judicial Magistrate (At Magistrate Level), Karur S.T.C.No.527/2020 dated 28.07.2025 has found guilty against the accused u/s.138 of N.I.Act and convicted and sentenced to undergo one year simple imprisonment

and directed to pay compensation of Rs.8,50,000/- to the complainant u/s.357(3) of Cr.P.C, within a period of one month, failing which he shall undergo simple imprisonment for one month.

3) The respondent is the complainant before the trial Court. He has preferred a complaint for the offence u/s 138 of Negotiable Instruments Act. On 20.09.2019, the accused has borrowed a sum of Rs.8,00,000/- from the complainant for his business purpose and for family expenses. Further, on the same day, the accused has executed a promissory note in favour of the complainant and agreeing to repay the same on demand with interest at a rate of Rs.1.00/- per hundred per month. Further, the accused did not pay any amount either towards principal or interest.

3(2) After several demands, on 20.08.2020 the accused has issued a cheque, drawn on Bank of India, Pettavathalai branch, bearing No.003627 for a sum of Rs.8,50,000/- in favour of the complainant towards discharge of the principal and interest and assured that the cheque would be honoured on its presentation.

3(3) Further, on 20.08.2020, the complainant has presented the cheque for collection through his banker Karur Vyshya Bank, West LNS Branch. Further, the said cheque was returned unpaid as Funds Insufficient on 21.08.2020. On 22.08.2020, the complainant caused issuance of legal notice to the accused calling upon him to repay the cheque amount and the same was received by the accused on 31.08.2020. In spite of the statutory notice, the accused has neither chosen to pay the amount due under the dishonoured cheque within the stipulated period nor sent any reply notice. Therefore, the complainant has filed a complaint against the accused and the complaint has been filed within the limitation period.

4) The Trial Court took cognizance of the complaint filed by the complainant and after complying with all the formalities under Section 207 of Cr.P.C., he was questioned about the commission of offence u/s 138 of Negotiable Instruments Act. But, the accused denied the same. Therefore, the accused was put on trial.

5) Before the trial Court, on the side of the complainant, the complainant examined himself as P.W.1 and one Murugesan was examined as PW2 and Ex.P1

to Ex.P8 were marked whereas, On the side of the accused, the accused was examined as DW1 and no documentary evidence was marked.

6) On consideration of both side evidence and documents, and other materials on record, the learned trial Magistrate arrived conclusion that, the accused committed offence u/s.138 of NI Act and convicted and sentenced to undergo one year simple imprisonment and directed to pay compensation of Rs.8,50,000/- to the complainant u/s.357(3) of Cr.P.C, within a period of one month, failing which he shall undergo simple imprisonment for one month.

7) Having been aggrieved against the judgment of conviction and sentence, passed by the Fast Track Court Judicial Magistrate (At Magistrate Level), Karur S.T.C.No.527/2020 dated 28.07.2025, the accused has preferred this appeal on the following grounds:

i) The Judgment of the trial Court is against law, weight of evidence and probabilities of the case. The trial court has failed to appreciate properly the intrinsic merits of the evidence in proper perspective.

ii) The trial court has failed to appreciate the fact that there was absolutely no evidence satisfying the ingredients to prove the existence of legally enforceable debt.

iii) In the trial court the complainant was examined as PW1 and one Ganesan was examined as PW2, the evidence of PW1 and PW2 was not sufficient to attract the ingredients of under section 138 of NI Act. No material aspects to prove the issuance of alleged promissory note. The issuance of alleged cheque for the legally enforceable debt and the execution of alleged promissory note are strictly denied by the accused as they are fabricated to fulfill the evil intention of complainant. The trial court has failed to give proper care to appreciate the evidence of PW1 and PW2.

iv) It is humbly submitted that, documents produced by the complainant before the trial court hae no corroborative nature, the trial court has failed to consider the same. It is submitted that, the cheque in dispute is fabricated to get the property of the appellant/accused by illegal means.

v) It is humbly submitted that unfortunately the PW1 and PW2 were not further cross examined before the trial court, hence the appellant/accused has no opportunity to bring out the truth in order to establish his innocence. It is submitted that, this Court may be pleased to consider the same and give opportunity for the appellant/accused to further cross examine of PW1 and PW2. Further, the conviction given by the trial court as against the appellant/accused is against the principles of criminal jurisprudence and as such, it is liable to be set aside.

Hence, he prays to set aside the judgment and conviction and sentence imposed by the trial court in S.T.C.No.527/2020 dated 28.07.2025.

8. On consideration of the complaint, evidence and other materials on record, the point arise for determination is are as follows:-

- 1 Whether the respondent/complainant fulfilled the statutory need for lodging the complaint against the accused as contemplated u/s 138 of N.I. Act ?
- 2 Whether the appellant/accused has rebutted the presumption under 114 of Evidence Act and u/s 118 and u/s 139 of N.I. Act?
- 3 Whether the appellant has signed the cheque?
- 4 Whether the appeal can be allowed?

9. Answering for Point 1 :

The Section 138 N.I Act contemplates as follows:-

The cheque has been presented to the bank within a period of six months from the date on which it was drawn or within the period of its validity, whichever is earlier.

The Payee or the holder in due course of the cheque, as the case may be, makes a demand for the payment of the said amount of money by giving a notice in writing, to the drawer of the cheque, within thirty days of the receipt of information by him from the bank regarding the return of the cheque as unpaid, and the drawer of such cheque failed to make the payment of the said amount of money to the payee or, as the case may be, to the holder in due course of the cheque, within fifteen days of the receipt of the said notice.

The following table goes to show the various dates from the date of issuance of cheque and till the date of complaint to prove the legal requirements as stated above.

Dt.of cheque	Dt.when presented for collection u/s 138 (a) of NI Act	Dt of returned memo and reason for returned cheque.	Dt. when issued legal notice to the accused	Dt.when the accused get receipt of notice and Reply notice to the complainant	Dt when the expiry of 15 days of receipt of notice as per Sec 138 (c) NI Act.	Dt when the cognizance of offence made u/s 142(b) of NI Act.
20.08.2020	20.08.2020	Funds Insufficient on 21.08.2020	22.08.2020	Received on 31.08.2020. No Reply notice was issued by the accused.	15.09.2020	28.09.2020

9(1) In this case on hand, the accused had given a post cheque bearing registration No.003627 dated 20.08.2020 for Rs.8,50,000/- drawn on Bank of India, Pettavathalai Branch in favour of the complainant to discharge the above said liability accused issued a post dated cheque to the complainant. The cheque was presented for collection on 20.08.2020. It was returned as Funds Insufficient on 21.08.2020. Then he issued legal notice to the accused on 22.08.2020 to pay the amount within 15 days from the date of receipt of the notice. The legal notice was received by the accused on 31.08.2020. Then the Complainant had filed the present case on 28.09.2020. The statutory demand notice was given within 30 days, after expiry of 15 days from the date of receipt of notice, the present case was filed within 30 days. Therefore, the statutory need for lodging complaint against the accused is fulfilled by the complainant u/s.138 of NI Act. So, there is no legal infirmity in the present case. I answered to this Point No.1 accordingly.

Answering for Points 2 and 3

The appellant herein has filed the appeal against the judgment in S.T.C.No.527/2020 dated 28.07.2025 on the file of the Fast Track Court Judicial Magistrate (At Magistrate Level), Karur.

For the convenience the parties nomenclature as used as before the trial court.

The complainant examined himself as P.W.1 and one Murugesan was examined as PW2 and Ex.P1 to Ex.P8 were marked whereas, On the side of the accused, the accused was examined as DW1 and no documentary evidence was marked.

The document Ex.P.1 goes to shows that the Promissory note executed by the accused in favour of the complainant dated 20.09.2019. Ex.P.2 goes to shows that the Original cheque drawn on Bank of India, Pettavathalai Branch, bearing registration No.003627 for a sum of Rs.8,50,000/- dated 20.08.2020. Ex.P.3 goes to shows that the return memorandum dated 21.08.2020. Ex.P.4 goes to shows that the office copy of the statutory notice sent to the accused dated 22.08.2020. Ex.P.5 goes to shows that the Track consignment dated 31.08.2020. Ex.P.6 goes to shows that the Legal notice sent by the complainant through counsel dated 05.10.2020. Ex.P7 goes to shows that the petition filed by the complainant in the case I.P. No.107/2020. Ex.P8 goes to shows that counter filed by the accused. Furthermore, Section 139 of the Negotiable Instrument Act and Section 118 of the Evidence Act, goes that presumption is in favour of the holder in cheque.

9(2) Section 139 reads as follows:

139. Presumption in favour of holder:

It shall be presumed, unless the contrary is proved, that the holder of a cheque received the cheque of the nature referred to in section 138 for the discharge, in whole or in part, or any debt or other liability.

From the above, it is clear that it is presumed that unless contrary is proved the holder of a cheque received for the discharge of liability.

9(3) After going through the materials available on records, it has seen that the appellant/accused has not denied his signature in the Ex.P1 promissory note and Ex.P2 cheque. It is seen that the appellant/accused has not disputed in Ex.P2 is the cheque leaf which supplied by the bank to the appellant/accused in respect of the account he was maintaining with the banker, namely Bank of India, Pettavathalai Branch. Therefore, it is also not in dispute that the signature found therein is that of the appellant/accused but he denied the claim of the respondent/complainant. Hence, the appellant/accused has failed to discharge his burden of proof to rebut the presumption under section 139 of the NI Act.

9(4) One of the defense raised by the appellant/accused is that he had transaction with one Nachimuthu of Nandhini Finance. Further, for the said transaction he had given unfilled signed promissory note and the cheque to the said Nachimuthu. Further, after the death of Nachimuthu, the respondent/complainant obtained the appellant/accused's documents and he misused the same and filed this case.

9(5) Per contra to the same, PW1 in his evidence has deposed that at the time of renting his JCB, he came to know about the appellant/accused who is doing contract business at Panchayat level and further, he deposed that the appellant/accused was also running Paint shop, but contrary to the same DW1 in his evidence has deposed that he was working at Hardware shop. Furthermore, the respondent/complainant in his examination has clearly deposed that the appellant/accused came to his house and borrowed the said amount. Furthermore, he has deposed that the appellant/accused came to his house with the scribe one Dineshkumar and his father name was not written in the pronote. To substantiate the same, PW2 in his evidence has also corroborates the evidence of PW1. Here, the appellant/accused has not produced any document to prove that there was

material contradictions in the deposition of PW1 and PW2. Hence, the appellant/accused has failed to prove his defense by not producing any documents.

9(6) Further, DW1 in his evidence has deposed that during the year 2013, one Sundhar rajan who has borrowed money from Nandhini Finance and for the same he has given the signed unfilled pronote and cheque as guarantor. Thereafter, the said Sundhar rajan discharged the borrowed amount in the Nandhini finance and after the death of Nachimuthu, Sundhar rajan assured him to return the documents. Hence, by using the said documents the respondent/complainant has filed this case falsely.

9(7) Here, to substantiate his contention, the appellant/accused has not produced any single document to prove about the transaction with Nachimuthu. Even more, the appellant/accused has not filed any formal complaint against the said Nachimuthu for misuse of his documents. In this stage, the appellant/accused has taken the defense against the respondent/complainant is unbelievable one. Hence, the contention of the appellant/accused against the misuse of cheque was not proved by him through any valid documents.

9(8) Here, the appellant/accused has not placed any document materials to substantiate his defense. Furthermore, the complainant has issued a registered Ex.P4 legal notice dated 22.08.2020 by demanding the amount due under the cheque within 15 days from the receipt of the notice and the legal notice was received by accused on 31.08.2020 and after receiving notice the accused neither come forward to repay the cheque amount nor send any reply notice by setting out his defense.

9(9) Furthermore, the appellant/accused has not filed any formal complaint as against the respondent/complainant for the misuse of cheque. Even more, at the time of incriminating circumstances appearing in the evidence of the complainant were put to the appellant/accused as per the section 313(1)(b) of Cr.P.C., the appellant/accused has not raised any

question or denied the claim of the respondent/complainant by setting out his defense. Therefore, appellant/accused has failed to rebut the presumption to shift onus on to the respondent/complainant. Therefore, the contention raised by the appellant/accused in the time of cross examination is viewed only as afterthought. Hence, the defense of the accused is unbelievable.

10. Therefore, the appellant/accused has failed to probabalise his defence. Even at the time of 313 questioning he has not raised his contention, he has simply denied the claim of the respondent/complainant. Hence, the appellant/accused has failed to rebut the presumption to shift onus on to the respondent/complainant.

10(1). As per the section 139 of NI Act, It shall be presumed, unless the contrary is proved that the holder of a cheque received the cheque of the nature referred to in section 138 for the discharge in whole or in part or any debt or other liability. When it has been accepted, endorsed, negotiated or transferred was accepted, endorsed, negotiated or transferred for consideration. Once the issuance of cheque is established by admission of the appellant/accused or by evidence the presumptions under section 139 of the Act arise in favour of the complainant.

11. In this regard, I remind the principles laid down in Authority, 2010(4) CTC page 118 S.C in the case Rangappa Vs Sri Mohan, the relelvan portion para 14 to 15, is runs as, Negotiable Instruments Act, 1881 (26 of 1881), Sections 138 &139. The Honourable Apex Court has held that the presumption under Section 139, includes existence of a legally enforceable debt or liability. When an accused has to rebut Presumption under Section 139, standard of proof for doing so, is that of preponderance of probabilities. The Complaint discloses existence of a legally enforceable debt and Accused admitted his signature in cheque, then the Statutory presumption comes into play and same has not been rebutted.

12. It is seen that in this case, it is established that the signature in the Ex.P.1 and Ex.P.2 are that of the signature of the accused only and the same was also not denied by the appellant/accused. As already stated and also by the principles, laid down by the Lordship, presumption u/s.139 of N.I Act can be taken into consideration and it is for the accused to place the materials to rebut the presumption. The law is well settled that the accused can also rely upon the circumstances and materials placed by the complainant to rebut the presumption.

13. With this background I have perused the evidence, documents and materials produced by both parties, it is seen that, I have found no materials or circumstances, placed before me to believe the version of the appellant/ accused.

13(2) The Sec 20 of Negotiable Instrument Act reads as below:

“Inchoate stamped instruments- Where one person signs and delivers to another a paper stamped in accordance with the law relating to negotiable Instrument then in force in”(India), and either wholly blank or having written thereon an incomplete negotiable instrument, he thereby gives prima facie authority to the holder thereof to make or complete, as the case may be, upon it a negotiable instrument, for any amount specified therein and not exceeding the amount covered by the stamp. The person so signing shall be liable upon such instrument, in the capacity in which he signed the same, to any holder in due course for such amount. Provided that no person other than a holder in due course shall recover from the person delivering the instrument anything in excess of the amount intended by him to be paid there under.”

13(3) In the decision reported in 2008 (1 CTC 491) at page 494, it has been held that though section 20 of the Negotiable Instruments Act does not appear to cover a case of a blank cheque, there is no specific bar in the Act for a cheque to be filled up by any person other than the drawer. The payee or holder in due course, has authority to fill up the blanks in the cheque and such

instrument is valid in law.

13(4) “Under section 20 of the Negotiable Instruments Act, a person who signed a blank stamped paper relating to a negotiable instrument is made liable upon such instrument in the capacity in which he signed it to any holder in due course.”

“The instrument may be wholly blank or incomplete in any particular, in either case, the holder has the authority to make or complete the instrument as a negotiable one.”

“Bills and notes are often executed with the name of the payee left in blank to be afterwards filled by actual holder, the object being to enable the owner to pass it off to another without incurring the responsibility as an indorser and any bonafide holder for value may fill it up, with his own name and sue upon it.”

While so, as discussed above, in the EXP 1 cheque herein the name of the complainant only shown as payee.

Even if it is taken for consideration that the accused herein has executed the EXP 1 cheque herein with the names of the payee left in blank to be afterwards filled, then it enables the bonafide holder for value to fill it up, and the person who signed a blank cheque i.c.the accused is made liable upon such instrument in the capacity in which she signed it to any holder in due course, as per sec.20 of Negotiable Instruments Act, as discussed above.

In the decision reported in 2012 (2) MWN (Cr.) (DCC) 33 (SC), the division bench of our Hon'ble apex court in para 18 held as below:

“We may also refer to the Judgment delivered by this court in the case, ICDS Ltd., V.Beena Shabeer and Anr.2002 (2) MWN (Cr.) DCC 68 (SC). In the said judgment this court has referred to the nature of liability which is incurred by the one who is a drawer of the cheque. If the cheque is given towards any liability or debt which might have been incurred even by someone else, the person who is a drawer of the cheque can be made liable under section 138 of

the Act.

13(5) However, in this case, it is not in dispute that Ex.P.2 is the cheque supplied by the bank to the appellant/accused in respect of the account maintained with its banker and the signature therein is that of the accused. Further, I am having cursory reading of the judgment of the trial court, it is seen that the trial court very clearly discussed the fact that the accused has not been adduced sufficient evidence to prove that the cheque was not issued for any consideration and it was forged and misused.

13(6) But, in this regard, it is established in many cases as, it is for the accused to explain his case and defend it once the fact of cheque bouncing is prima facie established. The burden is on him to disprove the allegations once a prima facie case is made out by the complainant. Therefore, the accused has failed to rebut the presumption operating against him. Hence, I hold that the appellant has committed the offence u/s 138 Negotiable Instrument Act.

14. I have perused, the evidences and documents and the materials on record. It is seen that, the accused during 313 questioning, replies as, simply denied the issuance of the cheque and false case has been foisted against him. Further, it is seen that, the complainant, issued notice, but the accused, has evaded the same. The bare denial of the passing of the consideration apparently does not appear to be any defence. Something which is probable has to be brought on record for getting the benefit of shifting the onus of proving to the complainant. That by itself proved the fact, that the accused has to owe some amount to the complainant and he was being in debt with the complainant and further, the accused had failed to prove in what way, the cheque of the accused gone into the hands of the complainant by way of evidences and documents. Further it is seen that the appellant/accused had failed to reply to the statutory notice under section 138 of the Act which leads to the inference that there was merit in the complainant's case.

15. Hence, I hold that the appellant herein has not adduced any valid documents as to rebut the presumption. Hence, I hold that the appellant has committed the offence u/s 138 Negotiable Instrument Act.

16. The appellant/accused has to pay the amount within the statutory period that is within 30 days from the date of issuance of notice. The legal notice Ex.P4 dated 22.08.2020. The accused has received a legal notice on 31.08.2020. Even at the time of trial or at the time of cross examination, the accused has not taken any steps to prove his defense by producing any valid documents. Hence, he has not come forward with his defense with valid documents even the trial court has given sufficient time to prove his defense. Therefore, upon careful scrutiny of entire matters placed on record, the respondent/complainant has proved the guilt of the appellant/accused for the offence under section 138 of NI Act beyond reasonable doubt.

17. Therefore, the trial Court has rightly come to the conclusion that the accused has committed the offence. The appellant/accused has failed to discharge his onus of proof. The compensation awarded by the trial Court is also not excessive. Therefore, this Court do not find any reason to interfere with the findings given by the trial Court and the sentence awarded against the accused. Hence, there is no merits in the appeal and appeal is deserves to be dismissed. Accordingly, this appeal is dismissed.

Hence, I hold that the appellant herein has not adduced any evidence as to rebut the presumption. Hence, I hold that the appellant has committed the offence u/s 138 Negotiable Instrument Act.

18. Therefore, the respondent/complainant has proved the guilt of the appellant/accused for the offence under section 138 of NI Act beyond reasonable doubt.

19. Therefore, the trial Court has rightly come to the conclusion that the accused has committed the offence. The compensation awarded by the trial Court is also not excessive. Therefore, this Court do not find any reason to

interfere with the findings given by the trial Court and the sentence awarded against the accused. Hence, there is no merits in the appeal and appeal deserves to be dismissed. Accordingly, this appeal is dismissed.

20. Answering point No 4 :-

Hence, this court is inclined to dismissed this appeal, by confirming of conviction passed by the Fast Track Court Judicial Magistrate (At Magistrate Level), Karur S.T.C.No.527/2020 dated 28.07.2025 .

Taking into consideration of all the materials on record, I am of the view that there is no materials placed before this court to prove the contention of the appellant/ accused. This court also perused the judgment of the Fast Track Court Judicial Magistrate (At Magistrate Level), Karur S.T.C.No.527/2020 dated 28.07.2025 .

In the result, the criminal appeal is dismissed and the judgment of conviction and sentence passed by the Fast Track Court Judicial Magistrate (At Magistrate Level), Karur in S.T.C.No.527/2020 dated 28.07.2025 is confirmed. The learned Judicial Magistrate is directed to secure the accused and to proceed in accordance with law.

Dictated to the steno-typist, typed by her directly on computer, corrected and pronounced by me in the open court on this the 01st day of June 2026.

**DISTRICT AND SESSIONS JUDGE,
KARUR.**