IN THE COURT OF JUDICIAL MAGISTRATE NO I COURT, NAMAKKAL.

Present: Thiru.S.Dineshkumar, B.A., B.L.,
Judicial Magistrate No I,
Namakkal.

Thursday, the 02nd Day of July 2026

STC. No. 509/2024

CNR No: TNNM02-00726-2024

R.Balasubramaniyan,
S/o.Ramasamy,
D.No.5/34, Mariyamman Kovil St,
Podinayakanpatty,
Sendamangalam Taluk,
Namakkal District. …. Complainant

/ Versus/

Arulkarthikeyan,
S/o. Palaniyappan,
West street,
Akkiyampatty,
Sendamangalam Taluk,
Namakkal District. .... Accused

This case is coming on this day for final hearing before me on 25.06.2026 in the presence of **Mr.R. Maruthupandiyan**, Advocate for the Complainant and **Mr.Ra.Ayyavoo,** Advocate for the accused and after hearing both sided and on perusing the entire material records available before this court and the same having been stood over for consideration till this day, this Court delivers the following…..

JUDGMENT

The complainant has filed this complaint U/s.138 and 142 of Negotiable Instrument Act praying to convict the accused with maximum sentence and order the accused to pay compensation to the complainant U/s. 357 (3) of Cr.P.C.

2. **<u>THE GIST OF THE COMPLAINT :</u>**

The complainant and the accused were friends. The accused, for his urgent financial needs, borrowed a sum of Rs.1,50,000/- on 14.09.2023. When the complainant demanded back the loan amount, the accused issued a post dated cheque i.e., cheque in question bearing No.153890 dated 12.12.2023 for Rs.1,50,000/- drawn on State Bank of India, Namakkal Branch to the complainant and requested the complainant to present the cheque for collection. On 13.12.2023 the complainant presented the cheque in his bank namely IDBI Bank Ltd, Namakkal Branch and the same was dishonored through a Return memo stating as **"Funds Insufficient"** on 14.12.2023. Then when the Complainant has issued a legal notice dated 23.12.2023 to the accused, the same was received by the accused on 26.12.2023. But the accused has not sent any reply notice nor repaid the loan amount. Hence, this instant complaint.

3. This Court has taken cognizance of the offence u/s.138 of NI Act and issued summons to the accused and the accused appeared before this Court. On appearance of the accused, the substance of accusation was explained to him and he denied the same and pleaded not guilty. Hence, this Court ordered for trial.

4. The complainant has been examined himself as PW1 and through him Ex.P1 to Ex.P4 marked. After the complainant side evidence, when the incriminating circumstances in the evidence of complainant were explained to the accused under section 313(1) (b) Cr.P.C., he denied the same. On the side of defense, no witness was examined and no documents marked.

5. The point for consideration is: Whether the complainant has proved his case beyond the reasonable doubts?

6. The complainant has examined himself as PW.1 and marked Ex.P.1 to Ex.P.4 documents. The complainant gave evidence, in consonance with his complaint, that the complainant and the accused were friends. The accused, for his urgent financial needs, borrowed a sum of Rs.1,50,000/- on 14.09.2023. **(The cheque was marked as Ex.P.1).** When the complainant demanded back the loan amount, the accused issued a post dated cheque i.e., cheque in question bearing No.153890 dated 12.12.2023 for Rs.1,50,000/- drawn on State Bank of India, Namakkal Branch to the complainant and requested the complainant to present the cheque for collection. On 13.12.2023 the complainant presented the cheque in his bank namely IDBI Bank Ltd, Namakkal Branch and the same was dishonored through a Return memo stating as **"Funds Insufficient"** on 14.12.2023. **(the Return Memo dated 14.12.2023 was marked as Ex.P.2)**. Then when the Complainant has issued a legal notice dated 23.12.2023 to the accused, the same was received by the accused on 26.12.2023. **(The legal notice with receipt dated 23.12.2023 and the Postal Acknowledgment Card were marked as Ex.P.3 & 4 respectively).** But the accused has not sent any reply notice nor repaid the loan amount. Hence, this instant complaint.

7.1. In the instant case the accused has not denied his signature on the cheque in issue. Hence, it is appropriate to refer section 139 NI Act for the better appreciation of evidence,

"Section – 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 refer to in section 138 for the discharge, in whole or in part, of any debt or other liability."

7.2. Since, the accused has admitted his signature on the cheque, presumption as envisages in section 139 of NI Act has been raised in favour of the complainant. Now it is for the accused to rebut the same. From the cross examination of the complainant /P.W.1 and answers given by the accused in questioning under section 313 (1)(b) Cr.P.C and from the arguments, it is found the accused has taken the following defense,

I. The complainant is a partner in the Ganesh Finance Company running at Thuraiyur Road and when accused's mother Maheswari got chit fund amount from the above chit fund company, the accused has given the signed but unfilled cheque as the security. But even after when the accused's mother has return the chit fund amount, cheque given by the accused was not returned and with that cheque this false case has been filed.

II. The complainant has no source of money to lend the subject loan amount.

8. As far as the 1st defense of the accused that ***"****The complainant is a partner in the Ganesh Finance Company running at Thuraiyur Road and when accused mother Maheswari got chit fund amount from the above chit fund company, the accused has given the signed but unfilled cheque as the security. But when even after when the accused's mother has return the chit fund amount, cheque given by the accused was not returned and with that cheque this false case has been filed."* is concerned, first of all the complainant has denied the suggestion that is a partner in the Ganesh Finance Company and accused's mother got chit money from the Ganesh Finance Company and for which accused has given the cheque in question as security. But the accused has not adduced any document nor examined any witness to prove that there is Ganesh Finance Company running at thuraiyur road and the accused's mother Maheswari was the member in the chit and she has taken the amount from the chit and for that alone the accused has given the cheque in question. Hence the above defense taken by the accused that the cheque was given as the security for the chit fund amount taken from Ganesh Chit fund is of no recourse to the accused.

9. As far as the 2nd defense of the accused that ***"****The complainant has no means to lent loan to the accused."* is concerned, it is a very interesting to note that the core of the defense of the accused is that the complainant is a partner in Ganesh Finance Company and from which the accused's mother got loan and for which the accused has given the cheque in question. As such, this defense that the complainant has no means to lend loan to the accused is mutually destructive to the above core defense of the accused. If the complainant can be a partner in a Finance Company, How could the financial capacity of the complainant be attacked and that too the loan amount is just

Rs. 1,50,000/-. Further for the legal notice sent by the complainant, no reply notice has been sent by the accused. Hence, this taken by the accused turned down.

10. As far as the 2nd defense of the accused that ***"The complainant has not given the instant loan amount to the accused because complainant himself has admitted in the cross that the loan amount given to the accused was not shown in the income tax return of the complainant.."*** is concerned, merely because the loan amount given to the accused not shown in the income tax return the complainant, the case of the complainant cannot be disbelieved. The fact that the loan amount given to the accused was not shown in the income tax return filed by the complainant, it is a dispute between the income tax department and the complainant. This factum would not belie the case of the complainant that he has given the loan amount to the accused for the very reason that the accused has given the cheque in issue to the complainant and he has not denied signature there upon.

11. The other defense of the accused that any amount above Rs.20,000/- cannot be given in cash and the complainant has not given police for having been cheated by the accused are concerned, lending loan of in cash exceeding Rs.20,000 may violate the Income Tax Act, it does not invalidate the legally enforceable debt. Like wise the absence of a police complaint is not fatal to the complainant's case. It is highly common for individuals to resolve financial disputes privately or avoid the criminal justice system until a cheque bounces. Under **Section 139 of the Negotiable Instruments Act**, the court presumes the cheque was issued for a valid debt once the signature is admitted. The burden of proof shifts heavily to the accused to prove *why* a signed cheque was in the complainant's possession if no debt existed. Hence, the above defense is also turned down.

12. In view of the above detailed discussions and upon considering above facts and circumstance, this court has come to the conclusion that the complainant has proved his case beyond reasonable doubts that the accused has borrowed a sum of Rs.1,50,000/- from the complainant and issued the cheque in issue with an intention to defraud the complainant by knowing very well that there is no sufficient fund to honour the cheque on its presentation for encasement. Hence, this court finds that the accused is guilty of an offence under Section 138 r/w section 142 of NI Act.

In the result, the accused is found guilty of the offence under Section 138 of Negotiable Instrument Act, 1881, and the accused is convicted and sentenced to undergo simple imprisonment for **Six months** under Section 255 (2) Cr.P.C and ordered to pay twice the cheque amount **(Rs.1,50,000/-)** as compensation i.e., **Rs.3,00,000/-** to the complainant under Section 357 (3) of Cr.P.C within a period of **Two months** from today and in default of payment of compensation amount, the accused shall further undergo **One Month** simple imprisonment. The above sentences shall run consecutively.

Dictated by me to the Steno - Typist and she typed in the Computer and Corrected and Pronounced by me in the Open court on 02nd day of July 2026.

DINESHKUMAR SUBRAMANI

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Date: 2026.07.02 16:51:01 +0530

Judicial Magistrate No. I
Namakkal.

1. LIST OF WITNESS ON THE SIDE OF THE COMPLAINANT.

PW 1	Tr. Balasubramaniyan	Complainant

2. LIST OF DOCUMENTS ON THE SIDE OF THE COMPLAINANT:

Ex.P1	12.12.2023	Cheque Bearing No. 153890 for a sum of Rs.1,50,000/-drawn on State Bank of India, Namakkal Branch	Original
Ex.P2	14.12.2023	Return Memo	Original

Ex.P3	23.12.2023	Legal Notice with receipt	Office Copy
Ex.P4	26.12.2023	Acknowledgement Card	Original

Ex.P1 to Ex.P4 are marked through PW1.

3. LIST OF WITNESSES ON THE SIDE OF THE ACCUSED : NIL

4. LIST OF DOCUMENTS ON THE SIDE OF THE ACCUSED: NIL

DINESHKUMAR SUBRAMANI

Digitally signed by DINESHKUMAR SUBRAMANI
Date: 2026.07.02 16:50:45 +0530

Judicial Magistrate No. I
Namakkal.

Note :

1. Accused absent. Issued NBW against the accused.

2. None of the witness were examined beyond 3 days.