

**IN THE COURT OF THE JUDICIAL MAGISTRATE FAST TRACK COURT,
OMALUR, SALEM DISTRICT.**

Present: S. SADHAMHUSAIN, B.A, LLB.,
Judicial Magistrate, Fast Track Court, Omalur

Wednesday the 08th day of April 2026

S.T.C. No: 24/2023

STATEMENT AS PER RULE 106 OF CRIMINAL RULES OF PRACTICE, 2019		
1.	Serial Number of the Case	S.T.C. No. 24/2023
2.	Date of Offence	02.11.2022
3.	Name & Address of the Complainant	M.Marimuthu, (48/2023) S/o.late.Muniyan, D.No.174/2, 12 th ward, Kamarajar Nagar, Omalur Town and Taluk, Salem District.
4.	Name & Address of Accused	Raghu S/o.late Subramani, 10-7-11, Kuppusamy Street, Karuppur, Omalur Taluk, Salem District.
5.	Offence Complained of	Dishonor of Cheque - Offence u/s.138 of the Negotiable Instruments Act.
6.	Date of occurrence	02.11.2022
7.	Date of Complaint	20.12.2022
8.	Plea of the Accused	Pleaded not guilty.
9.	Apprehension	Nil
10.	Release on bail	Nil
11.	Date of Commencement of trial	20.06.2025
12.	Closure of trial	08.04.2026

13.	Judgment	The accused is found “ NOT GUILTY ” under section 278(1) BNSS for the offence under section 138 of Negotiable Instruments Act.
14.	Explanation for delay	Time taken by the complainant to commence trial.

This case came up for final hearing on 08.04.2026 in the presence of Advocate Mr.P.Kathiravan appearing for the Complainant and Advocate Mr.G.Prabhu, appearing for the accused, having stood over for consideration till this day, upon perusing the records and hearing both side argument, this Court doth deliver the following:

JUDGEMENT

1. The complainant has filed this complaint U/s. 200 of Code of Criminal Procedure r/w Section 138 and 142 of the Negotiable Instruments Act, 1881 against the accused alleging that, the accused has committed the offence under section 138 of NI Act and prayed for awarding suitable punishment to the accused according to law and for award of compensation to him.

I. **GIST OF THE COMPLAINT**

2. The accused is introduced to the complainant by the accused friend Boopalan. The accused is working in Tamilnadu Grama Bank as a Staff. Due to the above relationship the complainant and the accused are well known to each other. Being a known person on 28.07.2022 the accused have demanded and borrowed a sum of Rs.1,00,000/- as a loan on promise to repay the same on demand with together interest at the rate of 24% per annum from the complainant to meet out his urgent business and family

needs. At the time of the said borrow; the accused have executed a pro-note in favour of the complainant for the liability. The complainant lends this loan to the accused by cash.

3. That the complainant approached the accused on 30.10.2022 and demanded to repay the said loan amount with together interest as supra and for that the accused issued a cheque for a sum of Rs.1,00,000/- and paid a sum of Rs.6000/- as cash towards interest of the said principal amount bearing cheque number 000002 dated 01.11.2022 in favour of the complainant drawn on Indian Overseas Bank, Karuppur Branch. At the time of issuance of the said cheque the accused promised to the complainant that the said cheque will be realized, while presenting the same for collection.
4. As per the instructions of the accused, the complainant was presented the said cheques for collection on 01.11.2022 through his banker's viz., Karur Vysya Bank, Omalur Branch. But to the dismay of the complainant the said cheque was returned unpaid to him with an endorsement dated 02.11.2022 as "FUNDS INSUFFICIENT".
5. Thereafter, the complainant issued a statutory legal notice dated 09.11.2022 which was served on the accused office address on 10.11.2022, and the statutory notice was refused by the accused at home address on 23.11.2022 and demanding payment of the cheque amount. The accused neither paid the cheque amount within the stipulated period nor complied with the demand, the complainant has filed the present complaint for the offence punishable under Sections 138 and 142 of the Negotiable Instruments Act, 1881.

II. THE CASE OF THE ACCUSED IS AS FOLLOWS:

6. The accused never borrowed any amount from the complainant. The accused denied the liability as well as issuance of subject cheque for its discharge. He never issued a cheque to the complainant.

III.SUBSTANCE OF ACCUSATION:

7. On receipt of the complaint, affidavit and allied documents, prima facie case made out, cognizance was taken and summons was sent to the accused under section 204 Criminal Procedure Code, 1973. The accused appeared on summons and the copies were furnished to him. When the substance of the accusation was explained to him under section 251 of the Code of Criminal Procedure, 1973, he understood the same and denied the case and claimed to be put on trial.

IV. EVIDENCE ADDUCED BY THE COMPLAINANT:

8. The complainant examined himself as P.W.1. and Ex. P1 to Ex. P5 was marked through him. Ex. P1 is cheque bearing no.000002 dated 01.11.2022, Ex.P2 is return memo dated 02.11.2022, Ex.P3 is Legal notice sent by complainant to the accused dated 09.11.2022, Ex.P4 is Postal tracking details dated 10.11.2022, Ex.P5 is Postal Return cover dated 23.11.2022.

V. EXAMINATION UNDER SECTION 351 OF BNSS:

9. The evidence on the complainant's side was closed with P.W.1. When the incriminating circumstances were explained to the accused under

Section 351 of BNSS 2023, the accused denied the same as false evidence and further stated that he has paid all dues. No witnesses have been examined on behalf of the accused.

VI The points for consideration are as follows:

10. In this case, the primary point that arises for determination is whether the cheque in question was issued by the accused to the complainant towards a legally enforceable debt or liability.

VII. DISCUSSION:

11. Heard both sides. Records perused.

12. It is a settled position of law that once the complainant proves the foundational facts, the presumption under Section 139 of the Negotiable Instruments Act must be drawn by the Court to the effect that the cheque was issued by the accused towards a legally enforceable debt. This legal position has been consistently reiterated by the Hon'ble Supreme Court in several decisions.

13. The essential requirements for attracting Section 138 N.I. Act are as follows:

- The cheque in question must have been drawn by the accused and must pertain to his bank account.
- The cheque must have been issued in discharge of a legally enforceable debt or liability.
- The cheque must have been issued, wholly or partly, towards the discharge of such debt or liability.

- The cheque must have been returned unpaid due to insufficiency of funds or any other reason indicated in law, such as “Account Closed”.
- A statutory demand notice must have been issued within the prescribed period, and despite receipt of such notice, the accused must have failed to pay the cheque amount within 15 days.

14. In the present case, Ex.P1 cheque pertains to the bank account of the accused and the same has been marked through PW-1. Upon proof of foundational facts by the complainant, the statutory presumption under Sections 118 and 139 of the Negotiable Instruments Act arises in favour of the complainant.

15. Since the presumption under Sections 118 and 139 is a rebuttable presumption, it is necessary to examine whether the accused has rebutted the same by placing sufficient oral or documentary evidence. The burden lies on the accused to rebut the statutory presumption by raising a probable defence.

16. During the Pw1 cross examination, complainant has stated that a compromise has been arrived at between himself and the accused. He further deposed that the accused has paid the settled amount in full and that no amount is on due from the accused. He also stated that he handed over all the documents which is belonged to the accused and that he has no objection to acquit the accused from this case.

17. Since an offence under Section 138 of the Negotiable Instruments Act is compoundable, and since the parties have voluntarily arrived at a settlement without any coercion and the complainant has acknowledged

receipt of the cheque amount and raised no objection for acquittal of the accused, this Court is required to consider the said memo favorably.

18. The Hon'ble Supreme Court in *Gian Chand Garg vs. Harpal Singh & Anr.* (2022) 9 SCC 616 has held that in view of Section 147 of the Negotiable Instruments Act, offences under Section 138 are compoundable at any stage of the proceedings, and once the complainant has accepted the settlement amount voluntarily, continuation of criminal proceedings would be an abuse of process of law.

19. Taking into consideration that the parties have entered into a settlement and that the complainant has expressly stated in the joint memo that he has no objection to the accused being acquitted from this case, and further considering the legal position laid down by the Hon'ble Supreme Court permitting compounding of offences under the Negotiable Instruments Act, this Court accepts the settlement arrived at between the parties and holds that the accused is entitled to be acquitted from this case.

VIII.RESULT:

20. In the result, this Court holds that the accused is **not guilty** of the offence under Section 138 of the Negotiable Instruments Act, and accordingly, the accused is **acquitted** under Section 278(1) of BNSS.

No property was produced on both sides. Hence no order relating to property is made under section 498 of BNSS.

JUDGMENT in S.T.C.No: 24-2023

This judgment was directly typed by me in my official laptop and after correcting the typographical errors, pronounced by me in the open Court on this 08th day of April 2026.

Sd/.S.Sadhamhusain
Judicial Magistrate,
Fast Track Court,
Omalur.

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Judicial Magistrate,
Fast Track Court,
Omalur.

LIST OF COMPLAINANT SIDE WITNESSES:

S.No	Witness	Name of Witness	Date of Examination
1	P.W.1	Marimuthu	20.06.2025

LIST OF COMPLAINANT SIDE EXHIBITS:

S. No.	Exhibit	Date of exhibit	Description of Exhibit	Marked through
1	Ex.P.1	01.11.2022	Cheque No.000002	P.W.1
2	Ex.P.2	02.11.2022	Return memo	P.W.1
3	Ex.P.3	09.11.2022	Legal Notice	P.W.1
4	Ex.P.4	10.11.2022	Postal Tracking sheet	P.W.1
5	Ex.P.5	23.11.2022	Postal return cover	P.W.1

LIST OF DEFENCE SIDE WITNESSES:Nil

LIST OF DEFENCE SIDE EXHIBITS:

LIST OF COURT SIDE EXHIBITS:Nil

Anexure: Case Summary

Note: -

- 1.No witness has been retained for more than three times.
2. Accused remained on bail at the time of trial.
3. Result of this case is informed to the concerned complainant.

Sd/.S.Sadhamhusain
Judicial Magistrate,
Fast Track Court,
Omalur.

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CASE SUMMARY

S.No.	DESCRIPTION	REMARKS		
1.	Period of remand of the accused	Nil		
2.	The date of filing of the Complaint/final report in the Court	20.12.2022		
3.	The date of committal of the case to the court of Session	Not applicable		
4.	The date of questioning of the accused under Sections 251 of the Code of Criminal Procedure, 1973	04.10.2023		
5.	Filing of all miscellaneous petitions and their results including the results on challenge before superior Courts; except routine petitions like petitions under Section 317 of the code	CMP No	Petition	Result
		465/2025	u/s 346 BNSS	Allowed
6.	Date of examination in-chief and cross-examination of a witness	Witness	Chief	Cross
		P.W.1	20.06.2025	07.04.2026
7.	Date of examination of the accused under section 313 of the code	07.04.2026		
8.	Details of abscondence of an accused and his appearance/production, as the case may be	Nil		
9.	Grant of stay by superior Courts and the results thereof	Nil		

Sd/.S.Sadhamhusain
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