



IN THE COURT OF FAST TRACK, KARAISKUDI, SIVAGANGAI DISTRICT.

PRESENT: THIRU.S.A.VALLI MANALAN, B.A., B.L., (Hons), L.L.M.,

Judicial Magistrate,

Fast Track Court at Magisterial Level,

Karaikudi.

Dated at this Friday the 03rd day of July, 2026

Calender Case.No.257 of 2025

CNR No. TNSV12 – 000432 - 2025

M.Rajaram,

S/o.Muthuramalingam,

D/No.2/813, Thanthaperiyar Nagar,

6th Veethi, Sekkalaikottai,

Burma Colony,

Karaikudi Taluk,

Sivagangai District.

.... Petitioner

\Vs/

R.Bhagirathi,

W/o.Ramanathan,

D/No.2/1376D,

Thanthai Periyar Nagar,

9th Veethi, Sekkalaikottai,

Burma Colony,

Karaikudi Taluk,

Sivagangai District.

.....

Accused



This case was taken on file before this court and numbered as C.C.No.257 of 2025 and came up for final hearing before me on 29.06.2026 in the presence of Thiru.MS.Padmanabhan, the learned counsel for the complainant and Thiru.S.Gowtham the learned counsel for the accused and upon hearing the arguments on either sides and perusing all the connected materials, having stood over for consideration till this day, this court deliver the following:

JUDGMENT

1. The complainant has filed the present complaint against the accused for the offence arising out of the dishonour of cheque bearing No.775857 dated 21.05.2025, drawn on Canara Bank, Sankarapuram Branch, Karaikudi for a sum of Rs.8,00,000/-. When the complainant presented the aforesaid cheque for encashment, the same was returned unpaid. The dishonour of the cheque and the subsequent failure of the accused to make payment within the statutory period constitute offences punishable under Sections 138 and 142 of the Negotiable Instruments Act, 1881.

2. Case of the Complainant in Brief as follows:-

i) The accused mentioned above, Bhagirathi, is a relative of the complainant . On 20.06.2023 the accused went to the complainant's house at the afore mentioned address and stated that a sum of Rs.8,00,000/-(Eight Lakhs) was urgently required for her daughter, Madhudarshini, to pursue higher studies abroad. She asked the complainant to arrange the money from someone at a low interest rate, promising to



return it within six months. At that time, since the complainant had cash in hand from retirement benefits received from the Tamil Nadu Aavin organization where they used to work, and because the accused stated it was needed for a student's education, and with the thought that it would also provide some income, the complainant asked the accused to come to their house on 23.06.2023. On that day, the complainant handed over Rs.8,00,000/-(Eight Lakhs) in cash to the accused at an agreed interest rate of 1%. As proof of receiving the amount, the accused gave a promissory note for Rs.8,00,000/-(Eight Lakhs) on the very same day.

ii) From that day onwards, for a continuous period of 6 months, the accused paid the monthly interest amount directly in cash to the complainant . Thereafter, the accused stated, "My husband is not well and the medical expenses are high , so i am currently in a situation where I cannot pay the interest. Therefore please bear with me for a while, and I will return your principal amount very soon". However , even after several months hand passed, and when the complainant met the accused in person at her house multiple times to demand the money, the accused kept deceiving them by saying, I will give it this month I will give it next month, In this situation , on 25.04.2025, the accused stated that she was going to sell a piece of land in her native village, through which she would receive money on 20.05.2025, and that she would return the complainants principal amount Rs.8,00,000/-. Saying so, she handed over cheque dated 21.05.2025, bearing No.775857, for



Rs.8,00,000/-(Eight Lakhs) from the Canara Bank, Sankarapuram Branch, Karaikudi.

iii) Accordingly, the complainant presented the said cheque on 21.05.2025 through his banker, Indian Overseas Bank, Karaikudi Branch, The said cheque was returned unpaid on 22.05.2025 with an endorsement Funds Insufficient. Thereafter, the complainant caused a statutory legal notice dated 30.05.2025 to the accused through his lawyer on 12.06.2025, regarding the dishonour of the cheque given by the accused. accused received on 13.06.2025. Hence, the accused has wilfully committed an offence punishable under Section 138 of the Negotiable Instruments Act, 1881. Therefore, the complainant has filed the present complaint seeking to punish the accused in accordance with law and to grant such other reliefs.

3. On finding a prima facie case against the accused, he was summoned and Consequent to the service of summons, the accused entered his appearance and was questioned under section 274 of the BNSS,2023 on 26.02.2026 to which the accused pleaded not guilty and claimed for trial.

4. To prove his case, the complainant has examined himself as PW1 by way of affidavit and has marked the following documents.

a) Cheque bearing No.775857 dated 21.05.2025 drawn on Canara Bank, Sankarapuram Branch, Karaikudi for Rs.8,00,000/- as Ex.P1



- b) Return Memo dated 22.05.2025 as Ex.P2.
- c) Notice under section 138 of NI Act dated 30.05.2025 as Ex.P3.
- d) Acknowledgement Card dated 13.06.2025 as Ex.P4.
- e) Bank Statement Indian Overseas Bank, Karaikudi Main, Report for the period 01.04.2020 to 31.03.2024 as Ex.P5

The complainant was cross-examined by the Learned Counsel for the accused and the complainant's evidence was closed.

5. The Statement of accused was recorded under Section 351 read with Section 316 of the Code on 18.06.2026 and all the incriminating circumstances were put to him to enable him to offer an explanation. The accused denied all the evidence as false and stated that it is a false complainant.

6. Then the matter was listed for defence evidence. Then, this court has closed the defence side Evidence. Arguments heard from both the parties.

7. Final arguments have been heard on behalf of both the parties. The matter was then reserved for judgment. The submissions made on behalf of both the parties and the judgments relied on by both the parties have been considered. The records of the case has been carefully perused.



8. In order to ascertain whether the accused has committed the offence under Section 138 of the NI Act, it is deemed fit to examine separately as to whether all the indispensable ingredients constituting the offence have been proved by the complainant. The offence under Section 138 of the NI Act has the following ingredients:-

a) The cheque has been drawn on an account maintained by a person in a bank for payment of a certain amount of money to another person from out of that account;

b) The cheque has been issued for the discharge, in whole or in part, of any legal and enforceable debt or other liability;

c) That cheque has been presented to the bank within a period of three months from the date on which it is drawn or within the period of its validity whichever is earlier;

d) That cheque has been returned by the bank unpaid, either because of the amount of money standing to the credit of the account is insufficient to honour the cheque or that it exceeds the amount arranged to be paid from that account by an agreement made with the bank;

e) The payee or the holder in due course of the cheque has made a demand for the payment of the said amount of money by giving a notice in writing, to the drawer of the cheque, within 30 days of the receipt of information by him from the bank regarding the return of the cheque as unpaid; and



f) The drawer of such cheque fails to make payment of the said amount of money to the payee or the holder in due course of the cheque within 15 days of the receipt of the said notice.

9. Being cumulative, it goes without saying that it is only when all the aforementioned ingredients are satisfied that the person who had drawn the cheque can be deemed to have committed an offence under Section 138 of the Act. Presentation of the impugned cheque for encashment and dishonour of the impugned cheques for the reason “Insufficient Funds” is not disputed as it is a matter of record proved by the return memo which is Ex.P 2 . The accused has not disputed that the impugned cheque bears his signature. The legal notice was served upon the accused but no payment was made despite the service. Finally, the complaint has been filed within the limitation period. Therefore, essential ingredients have been duly satisfied.

10. Before proceeding to the merits of the case, it is considered important to lay down the basic provisions of law with respect to section 138 of the Act which are as follows:

Section 138 of Negotiable Instruments Act, 1881 makes dishonour of cheques an offence. It provides that "where any cheque drawn by a person on an account maintained by him with a banker for payment of any amount of money to another person from out of that account for the discharge, in whole or in part, of any debt or



other liability, is returned by the bank unpaid, either because of the amount of money standing to the credit of that account is insufficient to honour the cheque or that it exceeds the amount arranged to be paid from that account by an agreement made with that bank, such person shall be deemed to have committed an offence and shall, without prejudice to any other provisions of this Act, be punished with imprisonment for a term which may be extended to two years, or with fine which may extend to twice the amount of the cheque, or with both".

11. Careful reading of section 138 of the Act reflects that there are three key ingredients which need to exist in order to constitute an offence therein. The three ingredients were highlighted by the Hon'ble Supreme Court in the case of "**Krishna Janardhan Bhat v. Dattatraya G. Hegde AIR 2008 SC 1325**" wherein the Apex Court held that the procedural requirements of section 138 are:

- i) There is a legally enforceable debt.
- ii) The drawer of the cheque issued the cheque to satisfy part or whole of the debt.
- iii) The cheque so issued has been returned due to insufficiency of funds.

12. It is a well settled principle of criminal jurisprudence that a criminal trial proceeds on the presumption of innocence of the accused i.e. an accused is presumed to be innocent unless proved guilty. Thus, normally the initial burden to prove the guilt of the accused lies on the complainant/prosecution. Also, the



standard of proof is beyond reasonable doubt. However, in offences under section 138 of the Act, there is a reverse onus clause contained in sections 118 and 139 of the Act.

Presumption in favour of the Complainant:-

13. Section 118(a) of the Act provides that until the contrary is proved, it **shall be presumed** that "that every negotiable instrument was made or drawn for consideration, and that every such instrument, when it has been accepted, endorsed, negotiated or transferred, was accepted, endorsed, negotiated or transferred for consideration."

14. Further, Section 139 of the Act lays down that "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, of any debt or other liability."

15. On bare reading of these provisions, it becomes clear that the court shall presume the execution of a negotiable instrument for consideration unless and until the contrary is proved. Similarly, the Court shall also draw a presumption in favour of the complainant/holder of the cheque that the said cheque has been issued in discharge of legally enforceable debt or other liability.

Rebuttable Presumption:-



16. There is a statutory presumption under section 139 of the act which arises in the favour of the complainant. This presumption is rebuttable and the accused is required to raise a probable defence. Burden of proof is hence upon the accused in such cases. Reliance can be placed on the decision of the Hon'ble Supreme Court in the case of “**M.S Narayan Menon vs. State of Kerala (2006) 6 SCC 39**”, wherein the Hon'ble Court has discussed in detail the scope and ambit of statutory presumption under section 118 read with section 139 of the Act. The relevant extract of the judgment is reproduced below:

"Applying the said definitions of 'proved' or 'disproved' to principle behind Section 118(a) of the Act, the Court shall presume a negotiable instrument to be for consideration unless and until after considering the matter before it, it either believes that the consideration does not exist or considers the non-existence of the consideration so probable that a prudent man ought, under the circumstances of the particular case, to act upon the supposition that the consideration does not exist. For rebutting such presumption, what is needed is to raise a probable defence. Even for the said purpose, the evidence adduced on behalf of the Complainant could be relied upon"

Rebuttable standard of proof upon Preponderance of Probability:-

17. Further, it is also a settled proposition of law that the standard of proof which is required from the accused to rebut the statutory presumption under section 118 read with section 139 of the Act is preponderance of probabilities. The accused is not required to prove his case beyond reasonable doubt. This onus on the accused



can be discharged from the materials available on record and from the circumstantial evidence. The Hon'ble Supreme Court in **M.S Narayan Menon case (supra)** has inter alia held the following:

"The standard of proof evidently is the preponderance of probabilities. Inference of preponderance of probabilities can be drawn not only from the materials on record but also by reference to the circumstances upon which he relies"

18. Further as discussed above, it should also be noted that the standard of proof in order to rebut the statutory presumption may be inferred from the materials on record and circumstantial evidences. It is not always mandatory for the accused to examine its own witnesses in order to rebut the said statutory presumption. At this point, reliance may be placed on the decision of the Hon'ble Supreme Court in the case of **Krishna Janardhan Bhat (supra)**, wherein the Hon'ble Court has categorically held the following:

"32. accused for discharging the burden of proof placed upon him under a statute need not examine himself. He may discharge his burden on the basis of the materials already brought on record. The accused has a constitutional right to remain silent. Standard of proof on the part of an accused and that of the prosecution in a criminal case is different..."

34. Furthermore, whereas prosecution must prove the guilt of an accused beyond all reasonable doubt, the standard of proof so as to prove defence on the part of an



accused is "preponderance of probabilities". Inference of preponderance of probabilities can be drawn not only from the materials brought on record by the parties but also by reference to the circumstances upon which he relies."

19. This principle has been reiterated by the Hon'ble Supreme Court [3 Judge Bench] in the case of **"Rangappa Vs. Sri Mohan (2010) 11 SCC 441"** wherein the Apex Court dealt about the rebuttable presumption and Preponderance of Probability in Cheque dishonour proceeding:-

*"27. Section 139 of the Act is an example of a reverse onus clause that has been included in furtherance of the legislative objective of improving the credibility of negotiable instruments. While Section 138 of the Act specifies a strong criminal remedy in relation to the dishonour of cheques, the rebuttable presumption under Section 139 is a device to prevent undue delay in the course of litigation. However, it must be remembered that the offence made punishable by Section 138 can be better described as a regulatory offence since the bouncing of a cheque is largely in the nature of a civil wrong whose impact is usually confined to the private parties involved in commercial transactions In such a scenario, **the test of proportionality should guide the construction and interpretation of reverse onus clauses and the defendant accused cannot be expected to discharge an unduly high standard or proof.***

28. In the absence of compelling justifications, reverse onus clauses usually impose an evidentiary burden and not a persuasive burden. Keeping this in view, it is a



*settled position that when an accused has to rebut the presumption under Section 139, the standard of proof for doing so is that of *preponderance of probabilities". Therefore, if the accused is able to raise a probable defence which creates doubts about the existence of a legally enforceable debt or liability, the prosecution can fail. As clarified in the citations, **the accused can rely on the materials submitted by the complainant in order to raise such a defence and it is conceivable that in some cases the accused may not need to adduce evidence of his/her own**".*

20. Thus, section 139 of the Act puts the burden on the accused to prove his defence. However, the accused has to prove his defence on the balance of probabilities and not beyond reasonable doubt. Accused can prove his defence by drawing inferences from the materials already on record (including complainant's evidences), circumstances of the case and also leading his own evidences. If the accused successfully creates doubts in the complainant's claim about the existence of legally enforceable debt then the burden of proof shifts back to the complainant who is required to prove the guilt of the accused beyond reasonable doubt. Reference can be taken from the decision of the Hon'ble Supreme Court in the case of "**Bharat Barrel & Drum Manufacturing Company vs. Amin Chand Pyarelal 1999 (3) SCC 35**", wherein it has held the following:

"12. Upon consideration of various judgments as noted hereinabove, the position of law which emerges is that once execution of the promissory note is admitted, the



*presumption under Section 118(a) would arise that it is supported by a consideration. Such a presumption is rebuttable. The defendant can prove the non-existence of a consideration by raising a probable defence. If the defendant is proved to have discharged the initial onus of proof showing that the existence of consideration was improbable or doubtful or the same was illegal, the onus would shift to the plaintiff who will be obliged to prove it as matter of fact and upon its failure to prove would disentitle him to the grant of relief on the basis of the negotiable instrument. **The burden upon the defendant of proving the non-existence of the consideration can be either direct or by bringing on record the preponderance of probabilities by reference to the circumstances upon which he relies. In such an event, the plaintiff is entitled under law to rely upon all the evidence led in the case including that of the plaintiff as well. In case, where the defendant fails to discharge the initial onus of proof by showing the non-existence of the consideration, the plaintiff would invariably be held entitled to the benefit of presumption arising under Section 118(a) in his favour. The court may not insist upon the defendant to disprove the existence of consideration by leading direct evidence as the existence of negative evidence is neither possible nor contemplated and even if led, is to be seen with a doubt. 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 plaintiff. To disprove the presumption, the defendant has to bring on record such facts and circumstances***



upon consideration of which the court may either believe that the consideration did not exist or its non-existence was so probable that prudent man would, under the circumstances of the case, shall act upon the plea that it did not exist."

21.As clarified in the citations, the accused can rely on the materials submitted by the complainant in order to raise such a defence and it is conceivable that in some cases the accused may not need to adduce evidence of his/her own. Also to disprove the presumption, the defendant has to bring on record such facts and circumstances upon consideration of which the court may either believe that the consideration did not exist or its non-existence was so probable that prudent man would, under the circumstances of the case, shall act upon the plea that it did not exist.

22. Thus, as laid down in the catena of decisions, it is an established law that onus lies upon the accused to rebut the presumption and to establish that the cheque in question was not given in respect of any debt or liability, with the standard of proof being preponderance of probabilities. Therefore, it is critical to examine whether the explanation of the accused coupled with the evidence on record is sufficient to dislodge the presumptions envisaged by Sections 118 and 139 of the NI Act.



23. Learned Counsel for defence submitted the following defences:-

- (i) The Complainant had not submitted the promissory note.
- (ii) The Accused had borrowed only Rs.1,00,000/- on 13.07.2023 and issued blank cheque for security purpose.
- (iii) The Complainant has no source of income.
- (iv) The Accused is not legally liable to pay the case cheque amount.

24. This Court has to consider whether the defence taken by the Accused rebuts the presumption which favors the Complainant. To deal with the same this court discusses the issue one by one, as follows

25. Issue as to issuance of blank cheque:-

25.1 It is pertinent at this point to have a look at the following judgment of the Hon'ble Supreme Court. Hon'ble Supreme Court in the case of "**Bir Singh vs. Mukesh Kumar (2019) 4 SCC 197**" wherein the Apex Court while upholding the validity of blank signed cheque and post-dated cheque in a proceeding u/s 138 of the Act has inter alia held the following:

"36. The proposition of law which emerges from the judgments referred to above is that the onus to rebut the presumption under Section 139 that the cheque has been issued in discharge of a debt or liability is on the accused and the fact that the cheque might be post dated does not absolve the drawer of a cheque of the penal consequences of Section 138 of the Negotiable Instruments Act.



37. *A meaningful reading of the provisions of the Negotiable Instruments Act including, in particular, Sections 20, 87 and 139, makes it amply clear that a person who signs a cheque and makes it over to the payee remains liable unless he adduces evidence to rebut the presumption that the cheque had been issued for payment of a debt or in discharge of a liability. It is immaterial that the cheque may have been filled in by any person other than the drawer, if the cheque is duly signed by the drawer. If the cheque is otherwise valid, the penal provisions of Section 138 would be attracted.*

38. *If a signed blank cheque is voluntarily presented to a payee, towards some payment, the payee may fill up the amount and other particulars. This in itself would not invalidate the cheque. The onus would still be on the accused to prove that the cheque was not in discharge of a debt or liability by adducing evidence."*

25.2 Accused had not disputed his signature in the cheque. It is established law that the presumption of legally enforceable debt as under section 139 will not be affected for the reason that the accused had issued a blank cheque without disputing signatures on it. Blank cheque can also be accepted as under section 20 of Negotiable Instrument Act.



26. Issue as to issuance of Cheque for security purpose:-

26.1 Learned Counsel for the Accused argued that the impugned cheque is issued for security purpose. It is pertinent to refer the judgment of Hon'ble Supreme Court in **"Dashrathbhai Trikambhai Patel Vs. Hitesh Mahendrabhai Patel & Anr 2022 LiveLaw (SC) 830"**, where the Hon'ble Apex Court dealt with the issue of issuance of cheque for surety purpose as follows:

*"12. It must be noted that when a part-payment is made after the issuance of a post-dated cheque, the legally enforceable debt at the time of encashment is less than the sum represented in the cheque. A part-payment or a full payment may have been made between the date when the debt has accrued to the date when the cheque is sought to be encashed. Thus, it is crucial that we refer to the law laid down by this Court on the issuance of post- dated cheques and cheques issued for the purpose of security. In **Indus Airways Private Limited v. Magnum Aviation Private Limited (2014) 12 SCC 539**, the issue before a two-Judge Bench of this Court was whether dishonour of post-dated cheques which were issued by the purchasers towards 'advance payment' would be covered by Section 138 of the Act if the purchase order was cancelled subsequently. It was held that Section 138 would only be applicable where there is a legally enforceable debt subsisting on the date when the cheque is drawn. In **Sampelly Satyanarayana Rao v. Indian Renewable Energy Development Agency Limited (2016)10SCC 458**, the respondent advanced a loan for setting up a power project and post-dated cheques were given for security. The cheques were dishonoured*



and a complaint was instituted under Section 138. Distinguishing **Indus Airways (supra)**, it was held that the test for the application of Section 138 is whether there was a legally enforceable debt on the date mentioned in the cheque. It was held that if the answer is in the affirmative, then the provisions of Section 138 would be attracted. In **Sripati Singh v. State of Jharkand 2021 SCC OnLine SC 1002**, this Court observed that if a cheque is issued as security and if the debt is not repaid in any other form before the due date or if there is no understanding or agreement between the parties to defer the repayment, the cheque would mature for presentation:

“17. A cheque issued as security pursuant to a financial transaction cannot be considered as a worthless piece of paper under every circumstance. ‘Security’ in its true sense is the state of being safe and the security given for a loan is something given as a pledge of payment. It is given, deposited or pledged to make certain the fulfilment of an obligation to which the parties to the transaction are bound. **If in a transaction, a loan is advanced and the borrower agrees to repay the amount in a specified timeframe and issues a cheque as security to secure such repayment; if the loan amount is not repaid in any other form before the due date or if there is no other understanding or agreement between the parties to defer the payment of amount, the cheque which is issued as security would mature for presentation and the drawee of the cheque would be entitled to present the same. On such**



presentation, if the same is dishonoured, the consequences contemplated under Section 138 and the other provisions of N.I. Act would flow.

18. When a cheque is issued and is treated as ‘security’ towards repayment of an amount with a time period being stipulated for repayment, all that it ensures is that such cheque which is issued as ‘security’ cannot be presented prior to the loan or the instalment maturing for repayment towards which such cheque is issued as security. Further, the borrower would have the option of repaying the loan amount or such financial liability in any other form and in that manner if the amount of loan due and payable has been discharged within the agreed period, the cheque issued as security cannot thereafter be presented. Therefore, the prior discharge of the loan or there being an altered situation due to which there would be understanding between the parties is a sine qua non to not present the cheque which was issued as security. These are only the defences that would be available to the drawer of the cheque in a proceedings initiated under Section 138 of the N.I. Act. Therefore, there cannot be a hard and fast rule that a cheque which is issued as security can never be presented by the drawee of the cheque. If such is the understanding a cheque would also be reduced to an ‘on demand promissory note’ and in all circumstances, it would only be a civil litigation to recover the amount, which is not the intention of the statute. When a cheque is issued even though as ‘security’ the consequence flowing therefrom is also known to the drawer of the cheque and in the circumstance stated above if the cheque is presented and dishonoured, the holder of the



cheque/drawee would have the option of initiating the civil proceedings for recovery or the criminal proceedings for punishment in the fact situation, but in any event, it is not for the drawer of the cheque to dictate terms with regard to the nature of litigation.”

(emphasis supplied)

Based on the above analysis of precedent, the following principles emerge:

*(i) Where the borrower agrees to repay the loan within a specified timeline and issues a cheque for security but defaults in repaying the loan within the timeline, the cheque matures for presentation. When the cheque is sought to be encashed by the debtor and is dishonoured, **Section 138 of the Act will be attracted;***

(ii) However, the cardinal rule when a cheque is issued for security is that between the date on which the cheque is drawn to the date on which the cheque matures, the loan could be repaid through any other mode. It is only where the loan is not repaid through any other mode within the due date that the cheque would mature for presentation; and

(iii) If the loan has been discharged before the due date or if there is an ‘altered situation’, then the cheque shall not be presented for encashment”.

26.2 From the Judgment of the Hon’ble Apex Court in **Dashrathbhai Trikambhai Patel (supra)** it is clear that the Section 138 of NI Act will be attracted even if the cheque was issued for security and if the amount was left unpaid.



Whether the Accused is liable for the case cheque amount is decided as follows:-

27. The Complainant stated that the accused mentioned above, Bhagirathi, is a relative of the complainant. On 20.06.2023 the accused went to the complainant's house at the afore mentioned address and stated that a sum of Rs.8,00,000/-(Eight Lakhs) was urgently required for her daughter, Madhudarshini, to pursue higher studies abroad. She asked the complainant to arrange the money from someone at a low interest rate, promising to return it within six months. At that time, since the complainant had cash in hand from retirement benefits received from the Tamil Nadu Aavin organization where they used to work, and because the accused stated it was needed for a student's education, and with the thought that it would also provide some income, the complainant asked the accused to come to their house on 23.06.2023. On that day, the complainant handed over Rs.8,00,000/-(Eight Lakhs) in cash to the accused at an agreed interest rate of 1%. As proof of receiving the amount, the accused gave a promissory note for Rs.8,00,000/-(Eight Lakhs) on the very same day. From that day onwards, for a continuous period of 6 months, the accused paid the monthly interest amount directly in cash to the complainant. Thereafter, the accused stated, "My husband is not well and the medical expenses are high, so i am currently in a situation where I cannot pay the interest. Therefore please bear with me for a while, and I will return your principal amount very soon". However, even after several months hand passed, and when the complainant met the accused in person at her house multiple times to demand the money, the



accused kept deceiving them by saying, I will give it this month I will give it next month, In this situation, on 25.04.2025, the accused stated that she was going to sell a piece of land in her native village, through which she would receive money on 20.05.2025, and that she would return the complainants principal amount Rs.8,00,000/-. Saying so, she handed over cheque dated 21.05.2025, bearing No.775857, for Rs.8,00,000/-(Eight Lakhs) from the Canara Bank, Sankarapuram Branch, Karaikudi.

28. Important portion of the cross-examination of the Complainant as follows:-

1* எதை வைத்து பணம் கொடுக்கல் வாங்கல் எதிரி செய்கிறார் என்பது எவ்வாறு எனக்கு தெரியும் என்றால் நான் பணத்தை திருப்பி கேட்டபோது எதிரியை பற்றி அவ்வாறு தெரிந்து கொண்டேன். யார் எனக்கு அதை பற்றி தெரிவித்தார்கள் என்றால் எனக்கு நினைவில்லை.

2* எதிரி பணம் திருப்பி தரவில்ல என்று காவல் நிலையத்தில் புகார் கொடுத்தேன் என்றால் சரிதான். எந்த தேதியில் புகார் கொடுத்தேன் என்றால் தேதி குறிப்பாக நினைவில்லை, தற்போதைய வழக்கு தாக்கல் செய்வதற்கு முன்பாக கொடுத்தேன். காவல் நிலையத்தில் கொடுத்த புகாரில் நான் எதிரிக்கு ரூ.2,00,000/- பணம் கொடுத்தேன்



என்றும் அதை அவர் திருப்பி செலுத்த வில்லை என்று கூறியுள்ளேன் என்றால் சரியல்ல, ரூ.8,00,000/- கொடுத்ததாக கூறியுள்ளேன்.

3* எதிரிக்கு கடன் கொடுத்ததாக கூறப்படும் தொகை எவ்வாறு நான் பெற்றிருந்தேன் என்றால் நான் ஓய்வு பலன்களில் இருந்து கொடுத்தேன். எவ்வளவு தொகை ஓய்வு பலனாக பெற்றேன் என்றால் சுமார் ரூ.30,00,000/- ஆகும். அந்த தொகை எனக்கு வங்கி மூலம் கொடுக்கப்பட்டது என்றால் சரிதான். அந்த தொகை எந்த மாதத்தில் என் வங்கி கணக்கில் செலுத்தப்பட்டது என்றால் 2021, 2022, 2023 ஆகிய வருடங்களில் 3 தவணைகளாக பெற்றேன்.

4* எதிரிக்கு வட்டிக்கு பணம் கொடுத்தேனா என்றால் இல்லை, 3 மாதத்தில் பணத்தை திருப்பி தருவதாக கூறினார். ஆனால் பணத்தை திருப்பி தரவில்லை, அதன்பின்பு எதிரியிடம் கேட்டதற்கு நிலம் விற்று பணத்தை திருப்பி தருவதாக கூறினார், அதவரை மாதம் 1 சதவீதம் வட்டி தருவதாக கூறினார். 6 மாதம் மட்டும அதன்படி வட்டி கொடுத்தார்.

5* எதிரியின் மகளின் படிப்பிற்காக உதவும் வகையில் பணம் கொடுக்கப்பட்டதா என்றால் அதற்காகத்தான் கொடுக்கப்பட்டது. என்ன படிப்பிற்காக என்று தெரிந்து



கொண்டேன் என்றால் ஷார்ஷாவில் மருத்துவ படிப்பிற்காக, வட்டி நான் எதிர்பார்க்கவில்லை என்றால் சரிதான், எதிரிதான் வட்டி தருவதாக கூறினார்.

6* எதிரி பணம் பெற்றதாக கூறும் சமயத்தில் ஏதாவது ஆவணம் எழுதிப்பெற்றேனா என்றால் பணம் கொடுத்து ஒரு மாதத்தில் கடனுறுதிச்சீட்டு எதிரி எழுதிக்கொடுத்தார்.

29. When the Complainant was questioned about source of income, the Complainant deposed that he had his retirement benefits. In furtherance of the same the Complainant submitted Ex.P5 bank statemnt to show that he had received around Rs.30,00,000 from 2020 -2021 as his retirement benefits.

30. Issue regarding source of income:-

30.1 During the Cross examination of the Complainant, Accused had raised suggestion questions regarding the source of Income of the Complainant. It is pertinent to look at the observation of Hon'ble Supreme Court of India in "**Tedhi Singh Vs Narayan Dass Mahant** 2022 LiveLaw (SC) 275 " it was held as follows :

"9. The Trial Court and the First Appellate Court have noted that in the case under Section 138 of the N. I. Act the complainant need not show in the first instance that he had the capacity. The proceedings under Section 138 of the N. I. Act is not a civil suit. At the time, when the complainant gives his evidence, unless a case is



set up in the reply notice to the statutory notice sent, that the complainant did not have the wherewithal, it cannot be expected of the complainant to initially lead evidence to show that he had the financial capacity. To that extent the Courts in our view were right in holding on those lines. However, the accused has the right to demonstrate that the complainant in a particular case did not have the capacity and therefore, the case of the accused is acceptable which he can do by producing independent materials, namely, by examining his witnesses and producing documents. It is also open to him to establish the very same aspect by pointing to the materials produced by the complainant himself. He can further, more importantly, achieve this result through the cross examination of the witnesses of the complainant. Ultimately, it becomes the duty of the Courts to consider carefully and appreciate the totality of the evidence and then come to a conclusion whether in the given case, the accused has shown that the case of the complainant is in peril for the reason that the accused has established a probable defence”.

30.2 It is clear that the Accused had received the Statutory legal notice Ex.P 3 and left silent no reply to the same was made by the accused. By considering the observation of Hon’ble Apex Court in **Tedhi(supra)** and by considering that mere raising of suggestion questions, as to source of Income, will not create doubt as to the source of Income of the Complainant. Moreover the Complainant deposed that he had his retirement benefits and in furtherance of the same the Complainant



submitted Ex.P5 bank statemnt to show that he had received around Rs.30,00,000 from 2020 -2021 as his retirement benefits.

31. From the cross examination of the Complainant it is clear that initially the loan was given by the Complainant to the Accused for without any interest as the Accused had agreed to pay back the loan within 3months. After lapse of 3monthas the Accused said that he will give back the loan after selling his property and agreed to give interest for the loan as it caused futher delay. The Accused had not specifically denied the execution of pronote stated by the Complainant in his complaint.

32. The Complainant is backed with initial presumption as mandated by the law and Complainant had satisfied the ingredients of Section 138 N.I Act. The same was not denied by the accused and also left unrebutted in the Cross Examination of the complainant. Moreovere he Accused had not specifically denied the execution of pronote stated by the Complainant in his complaint. Therefore, at this circumstance non production of pronote by the Complainant is not fatal for the case.

33. Reliability of witness:-

33.1 It is pertinent to look at the observation of judgment of Hon'ble Supreme Court of India in "**Vadivelu thevar vs State of Madras 1957 AIR 614**" relating to the reliability of the witness, as follows:-



“Generally speaking, oral testimony in this context may be classified into three categories, namely:

(1) Wholly reliable.

(2) Wholly unreliable.

(3) Neither wholly reliable nor wholly unreliable. In the first category of proof, the court should have no difficulty in coming to its conclusion either way-it may convict or may acquit on the testimony of a single witness, if it is found to be above reproach or suspicion of interestedness, incompetence or subornation. In the second category, the court, equally has no difficulty in coming to its conclusion. It is in the third category of cases, that the court has to be circumspect and has to look for corroboration in material particulars by reliable testimony, direct or circumstantial”.

33.2 The Complainant left un rebutted during the cross examination. The deposition of Complainant was in consonance with the Complaint and corroborates with the same. The complainant witness is satisfied to be wholly reliable.

34. From the cross examination of the Complainant it is also clear that the Complainant had approached police station to get back his money back. After which only the Accused had issued Ex.P1 case cheque for Rs.8,00,000/-. If the cheque was given to the Complainant prior itself as claimed by the Accused, then the accused would have stated about the cheque in the police station itself. No records of police



enquiry submitted to show that the accused had borrowed only Rs.1,00,000 and cheque been issued as security on 13.07.2023 itself.

35. If the accused would have issued the cheque prior itself as claimed by the Accused, then the Accused after the police complaint would have sent notice to the Complainant to get back the cheque or would have made complaint against the Complainant or would have directed for stop payment. But no such act was done by the Complainant. Moreover the Accused had received Ex.P3 Statutory Legal notice and left silent without replying the same. From which it is clear that the accused had issued the Ex.P1 cheque after the police complaint made by the Complainant. The Accused had due knowledge about the issuance of the case cheque and her liability towards the Complainant. The Accused is legally liable for the Ex.P1 case cheque amount of Rs.8,00,000- during the dishonour of the said cheque.

36. The Complainant was left unrebutted in his Cross Examination. Mere denial of evidence of the Complainant, without providing any evidence nor through any circumstances, will not rebut the initial presumption favoring the Complainant. None of the allegation of the accused was substantiated nor created any circumstance in order to rebut the initial presumption favoring the Complainant. The case cheque amount is legally enforceable debt and the accused is liable to pay the legally enforceable debt to the Complainant.



37. In the result, the accused is found guilty under Section 278(2) of The Bharatiya Nagarik Suraksha Sanhita, 2023. for the offence under section 138 of the Negotiable Instruments Act and the accused is sentenced to undergo one year of simple imprisonment and by considering the interest for the period of trial, financial loss to the Complainant this Court directs the Accused to pay a compensation of Rs.10,00,000/- (Cheque amount is Rs.8,00,000/-) to the complainant under Section 395 of The Bharatiya Nagarik Suraksha Sanhita, 2023. within one month and in default of payment compensation the accused shall undergo a further period of one weeks simple imprisonment as default sentence.

Typed, corrected and pronounced by me in the open Court, on the 03rd day of July 2026.

**Judicial Magistrate,
Fast Track Court at Magisterial level,
Karaikudi.**

Chart for prosecution side witnesses:

Witnesses	Name of Witness	Description
PW-1	Rajaram	Complainant

Defence Side Witness – NIL

Chart Complainant for Exhibited Documents :

Exhibit No.	Description of the Exhibit	Proved by / Attested by



EX.P1	The Cheque bearing No.775857 dated 21.05.2025 drawn on Canara Bank, Sankarapuram Branch, Karaikudi for Rs.8,00,000/	PW -1
EX.P2	The Return Memo dated 22.05.2025	PW -1
Ex.P3	The Notice under section 138 of NI Act dated 30.05.2025	PW -1
Ex.P4	The Acknowledgement Card dated 13.06.2025	PW -1
Ex.P5	The Bank Statement Indian Overseas Bank, Karaikudi Main, Report for the period 01.04.2020 to 31.03.2024	PW -1
Defence Side Exhibits - NIL		
Material Objects Submitted by Prosecution - NIL		
Material Objects submitted on the side of the Defence -NIL		

**Judicial Magistrate,
Fast Track Court at Magisterial level
Karaikudi.**

Note:

1. During the period of trial the accused were enlarged on bail.
2. No witnesses were held more than three days without examination.
3. Judgment Date : 03.07.2026