IN THE COURT OF JUDICIAL MAGISTRATE, FAST TRACK COURT, (MAGISTERIAL LEVEL)- AMBATTUR, TIRUVALLUR– 53.

PRESENT- Tmt.K.MAHASAKTHI,B.B.A.,L.LB(Hons).,

JUDICIAL MAGISTRATE, FAST TRACK COURT, AMBATTUR.

Dated: 6th June 2026

S.T.C.No.343/2021

CNR.NO.TNTR-3500-4007-2021

PARTICULARS UNDER RULE 106 OF CRIMINAL RULES OF PRACTICE, 2019:-

1.	**Serial Number**	**S.T.C.No.343/2021**
2.	**Name of Complainant and Offence**	Mr.K.N.Rajendran U/s.138 NI Act
3.	**Accused Name**	**Mrs.Shirisha Singh**, Managing Director of, **M/s.Sanmuga Exports & Import Pvt Ltd.**
4.	**Father / Husband Name**	-
5.	**Occupation**	-
6.	**Residence**	Plot No.85 & 84, Balaji nagar extn, Khadirvedu, Chennai-600066.
7.	**Age**	-
8.	**Date of Occurence**	-
9.	**Date of Complaint**	23.10.2021
10.	**Apprehension**	-
11.	**Release on bail**	-
12.	**Date of Commitment**	-
13.	**Commencement of Trial**	16.07.2025
14.	**Close of Trial**	27.03.2026
15.	**Sentence or Order**	06.06.2026
16.	**Service of copy of judgment or finding on accused**	CONVICTED
17.	**Explanation of delay**	No Delay

Mr.K.N.Rajendran -------Complainant

Vs.

Mrs.Shirisha Singh,
Managing Director of,
M/s.Sanmuga Exports & Import Pvt Ltd.,

--------Accused

JUDGMENT UNDER SECTION 255 Cr.P.C

A	Serial Number of the Case	S.T.C.No.343/2021
B	Date of Offence	20.09.2021 (Date of expiry of 15 days time after legal notice)
C	Name of the Complainant & Address	Mr.K.N.Rajendran, New No.56, (old No.63) Plot No.84-A, Balaji Nagar Extn, Service Road, Kathirvedu, Chennai-600066.
D	Name of Accused	Mrs.Shirisha Singh, Managing Director of, M/s.Sanmuga Exports & Import Pvt Ltd.,
E	Offence Complained of	Dishonor of Cheque- culpable u/s.138 of the Negotiable Instruments Act.
F	Plea of the Accused and his Examination in Brief	Pleaded not Guilty.
G	Final Order	CONVICTED
H	Judgment Reserved on	26.05.2026
I	Judgment Pronounced on	06.06.2026

PART-B – A brief statement of reasons for the decision

This case having been taken on file by this court and coming up for final hearing before me today and in the presence of Mr.R.Nandakumar, Advocate for the complainant and the accused being defended by Advocate, Mr.S.R.Shenbaga baabu and the case having stood over for consideration till this day and upon the arguments advanced by both side and upon considering the materials on record on merits this court delivered the following

JUDGMENT

1. This Judgment shall decide upon the complaint filed by Mr.K.N.Rajendran (hereinafter referred to as the **'Complainant'**) under Section 138, Negotiable Instruments Act, (hereinafter referred to as the **'the NI Act'**) against Mrs.K.Shirisha Singh, Managing Director of M/s.Sanmuga Export & Import Pvt Ltd., (hereinafter referred to as the **'Accused'**).

2. The case of the Complainant, in brief, is that the Accued was introduced by the officers of the Puzhal Prison as one of the accused close relatives namely Mrs.Allirani in Prison Department. The accused person was first associated with the complainant and his wife as Tenant, occupying their properties. The accused being the managing director of private firm have enticed the complainant to be associated with the accused person business organization named as M/s.Sanmuga Export and Import Pvt Ltd., as one among the investor. Firstly, through the complainant's son named Mr.K.R.Vijayakumar, the complainant had invested Rs.1,00,000/- on 05.11.2020, which was acknowledged by "Agreement of Investment after six months and for the same issue city union bank-Redhills branch, Cheque having No.000111 for Rs.1,00,000/- dated 09.05.2021. Then the complainant's wife named

Mrs.R.Padmavathi, the complainant had invested Rs.1,00,000/- on 05.11.2020, which was acknowledged by “Agreement of Investment” duly signed by accused person, agreeing to repay the investment after six months and for the same issued city Union Bank-Redhills branch, cheque having No.000112 for Rs.1,00,000/- dated 09.05.2021. Then next through the complainant’s relative named Miss.Monika Venkatarathinam. had invested Rs.50,000/- on 05.11.2020, which was acknowledged by “Agreement of Investment” duly signed by accused person, agreeing to repay the investment after six months and for the same issued city Union Bank-Redhills branch, cheque having No.000113 for Rs.50,000/- dated 09.05.2021. After placing investment for a sum of Rs.2,50,000/-, the accused has pester the complainant to place substantial investment and referred many officers who had invested through the accused relative Mrs.Alliranni, who hold a respectable position in Prison Department. Then through complainant’s wife named Mrs.R.Padmavathi, the complainant had invested Rs.15,00,000/- on 09.11.2020, which was acknowledged by “Agreement of Investment” duly signed by the accused, agreeing to repay the investment after six months and for the same issued city union Bank-Redhills branch, cheque having No.000221 for Rs.15,00,000/- dated 12.05.2021. With much resistance the complainant started to fight against the delay in the repayment of the liability amount and to appease the complainant on 07.08.2021 the accused had issued a Crossed Cheque in Cheque No.000316 dated 25.08.2021 for a sum of Rs.17,50,000/- the cheque was drawn on City Union Bank, Redhills Branch, Chennai signed by the accused as authorized signatory for Sanmuga Export & Import Pvt Ltd, in favor of the complainant (herein after called as **'Cheque in Dispute'**). The said cheque was presented for the collection by the complainant through his banker namely M/s State Bank of India, Thirumulaivoyal branch, Chennai and the same was dishonoured with an endorsement as 'Funds Insufficient' and the same was informed to the complainant by way of return memo dated 26.08.2021. Then the complainant had sent a legal notice to the accused demanding the repayment of the dishonoured cheque amount on 04.09.2021. The said notice was returned as "Intimation delivered" on 14.09.2021. Even after the said legal notice the accused had not repaid the cheque amount and not sent a reply notice. Hence the accused is liable for the offence, so this present case was filed under sec.138 of N.I.Act.

3. After recording the sworn statement of the complainant and also upon on the perusal of the documents, having found the *prima facie* case against the accused and this court have taken cognizance of the offence and issued summons to the accused. The accused appeared on summons and the copy of the complaint was served on him and on questioning they pleaded not guilty and claimed for trial.

4. The complainant had examined himself as PW1, he has filed his proof affidavit *in lieu* of chief examination and through him documents-Exhibits P1 to P9, Ex.D-1,D-2 were marked and his testimony in the chief examination was replica of the complaint. The Deputy Manager of City Union Bank, Redhills branch was examined

as PW2 and marked Ex.P-10 & P-11. With the above evidence the complainant side evidence was closed. Thereafter, the statement of accused u/s.313 C.r.P.C. was recorded after disclosing the incriminating circumstances and evidence against the accused, to which the accused had denied the evidence as false. In the accused side no witness has been examined and no documents marked then this court had closed the Defense witness and had proceeded the case.

5. ***Now the point for determination before this court is whether the complainant had established a case against the accused under section 138 of the N.I.Act beyond any doubts, so as to punish the accused for the same?***

6. This court have carefully perused the records and the materials available in the case bundle. For properly appreciating the facts of the case and the legal aspects to be determined, a reference is necessary to the relevant statutory provisions. The following are the essential ingredients for constituting the offence u/s.138 N.I. Act:

- Person must have drawn a cheque on an account maintain bank for payment of certain amount of money to another person from out of that account.
- The cheque should have been issued for discharge, in whole or in part, of any debt or other liability;
- That cheque has been presented to the bank within a period of three months from the date of which it is drawn or within the period of its validity whichever is earlier;

- That cheque is 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;
- The payee or the holder in due course of the cheque 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 30 days of the receipt of information by him from the bank regarding the return of the cheque as unpaid;
- 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.

It is only when all the above-mentioned 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. In the present case, the Complainant has proved the above-mentioned ingredients on the face of it.

7. The Act raises two presumptions in favor of the holder of the cheque i.e. the Complainant in the present case; firstly, in regard to the passing of consideration as contained in Section 118 (a) and, secondly, a presumption that the holder of cheque received the cheque of the nature referred to in Section 138, for discharge in whole or in part, of any debt or other liability. For the offence under Section 138 of the Act, the presumptions under Sections 118 and 139 have to be compulsory raised as soon as

execution of cheque by accused is admitted or proved by the complainant and thereafter burden is shifted to accused to prove otherwise. These presumptions shall end only when the contrary is proved by the accused, that is, the cheque was not issued for consideration and in discharge of any debt or liability etc. A presumption is not in itself evidence but only makes a *prima facie* case for a party for whose benefit it exists. The presumptions under section 118 and 138 are rebuttable in nature as held

Hiten P. Dalal (Vs) Bratindranath Banerjee [(2001) 6 SCC 16]:

> "Section 118(a) and section 139 of the Act read as under **Sec.118**:- Presumption as to Negotiable Instruments: - Until the contrary is proved, the following presumptions shall be made:-
>
> (a) of consideration- that every negotiable instrument was made or drawn for consideration and that every such instrument, when it has been accepted, indorsed, negotiated or transferred, was accepted, indorsed, negotiated or transferred for consideration;
>
> Sec. 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, of any debt or other liability."

8. In the present case, the Accused has not denied her signature in the cheque in question Ex.P-1 for a sum of Rs.17,50,000/- and had also not denied the receipt of the legal notice sent by the complainant, at the stage of framing of substance of

accusation under Sec 251 Cr.P.C. It was also not disputed that the accused had received the legal notice. It has been observed by the Hon’ble Supreme Court in **Rangappa (Vs) Sri Mohan, [AIR 2010 SC 1898]** that, *“Once the cheque relates to the account of the accused and he accepts and admits the signatures on the said cheque, then initial presumption contemplated under Section 139 of the Negotiable Instruments Act has to raised by the Court in favour of the Complainant”*

9. In the case of **M/S Laxmi Dyechem (Vs) State of Gujarat & ors. [2013 CRI.L.J. 3288]** the Hon'ble Supreme Court has observed as follows –

> “Therefore, if the accused is able to establish a probable defense which creates doubt about the existence of a legally enforceable debt or liability, the prosecution can fail. The accused can rely on the materials submitted by the complainant in order to raise such defense and it is inconceivable that in some cases the accused may not need to adduce the evidence of his/her own. If however, the accused/drawer of a cheque in question neither raises a probable defense nor able to contest existence of a legally enforceable debt or liability, obviously statutory presumption under Section 139 of the NI Act regarding commission of the offence comes into play if the same is not rebutted with regard to the materials submitted by the complainant”.

10. Likewise, in the case of **K.N. Beena (Vs) Muniyappan and another [2002 SCC (CRI) 14]** the Hon'ble Supreme Court has observed as follows:-

> "Under Section 118 unless the contrary was proved, it is to be presumed that the Negotiable Instrument (including a cheque) had been made or drawn for consideration. Under Section 139 the Court has to presume, unless the contrary was proved, that the holder of the cheque received the cheque for discharge, in whole or in part, of a debt or liability. Thus, in a complaint under Section 138 the Court has to presume that the cheque had been issued for a debt or liability. This presumption is rebuttable. However, the burden of proving that a cheque had not been issued for a debt or liability is on the accused".

11. Thus, as soon as the facts required to form the basis of a presumption of law exist, no discretion is left with the court but to draw the statutory conclusion, but this does not preclude the person against whom the presumption is drawn from rebutting it and proving the contrary. The rebuttal does not have to be conclusively established but such evidence must be adduced before the court in support of the defense that the court must either believe the defense to exist or consider its existence to be reasonably probable, the standard of reason ability being that of the prudent man. The same was affirmed by the Hon'ble Supreme Court in **Krishnajanardhan Bhat vs. Dattatraya G. Hegde [2008Crl.L.J. 1172]** wherein it was held that standard of proof on the part of an accused and that of the prosecution in a criminal case is different.

The Hon'ble Court also held that prosecution must prove the guilt of an accused beyond all reasonable doubt, the standard of proof so as to prove a defense on the part of accused is 'preponderance of probabilities'. Inference of preponderance of possibilities 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. While adjudging whether in a case the presumption of consideration has been rebutted, it becomes important to underscore that a mere denial of liability or vague defense of blank cheque as security, cannot be taken at the mere *ipse dixit* of the accused. The accused has to come forth with a convincing defense that appeals to the judicial conscience. Needless to state that if on a bare denial the presumption is stated to be rebutted, that would defeat the legislative intention of having a presumption in the first place. The reverse onus clause has been introduced further the legislative objective of improving the credibility of negotiable instruments. The presumption that a person would not normally hand over a signed cheque to another unless the same is for a liability has to be respected and given its full play. Only in a case where the accused comes up with a convincing defense to liability, that the presumption can be stated to have been rebutted.

12. Even without the above said presumptions also, the complainant had examined himself as PW-1 and he had marked the cheque in dispute as Ex.P-1, which was returned for the reasons "Funds Insufficient" as claimed in the complainant. And the said fact was established by marking they Ex.P-2 return memo. Thus, the

complainant had established the fact as stated in this complainant that the Cheque in dispute Ex.P1 was returned for the reason of "Funds Insufficient". Moreover, the complainant had also marked the copy of legal notice as Ex.P-9, the legal notice was returned with endorsement as Intimation delivered. It's returned postal cover was marked as Ex.P-4 & P-5, the agreement of Investment executed by the accused in favor of the complainant's wife namely Padmavathi, his son namely Vijaykumar and his relative namely Monika Venkatarathinam was marked as Ex.P-3, P-6 to Ex.P-8 which shows the accused had executed by him from his evidence showing the liability amount due by accused to the complainant. On the entire perusal of the records the complainant had substantiated his case and the essential ingredients of the Section 138 of the Negotiable Instruments Act as held by the Apex Court in **Indian Bank Association Case reported in 2014(5) SCC 590-** in para 18. *"We make it clear that if Provisos (a),(b) and (c) to section 138 of the Act are shown to have been complied with, technically the commission of the offence stands completed and it is for the accused to show that no offence could have been committed by him for specific reasons and defenses".*

13. Once the complainant has satisfied the above essential ingredients, he his entitled for the initial presumptions as held in the dictum's laid down by our Hon'ble High Court and Apex Court. On the perusal of entire record, the accused had taken a specific defense that the cheque was stolen by the complainant, as mandated by the Hon'ble Apex court in the **M/s.Meters and Instruments Private Limited case reported**

<u>in the CDJ 2017 SC 1113.</u> Now, this court could cull out the defense from the cross of PW1 & from Ex.D-1,D-2 let in by the defense side. The accused had not denied her signature in the agreement of investments Ex.P-3,P-6 to Ex.P-8 and Ex.P-1 cheque in dispute at the stage of questioning substance of accusation and questioning U/s.313(1)(b) Cr.P.C. The accused has taken defense in the cross of PW1, that the accused had made the full repayment towards the investment in her company and marked the accused bank statement of account as Ex.D-1, in that the accused has made transaction for a sum of Rs.8,00,000/- approximately and the PW1 had deposed that all those transactions are payment made towards the rental and the interest for the Investments as assured by the accused in the agreement of investment. The terms and condition witnesseth by the accused and the investors. Hence the defense taken by the accused that the investment of Rs.17,50,000/- was full repaid was not proved with the documentary evidence Ex.D-1. Further the accused has defended that the accused was not the authorized signatory for the M/s.Sanmuga Export & Import Pvt ltd. But with contradictory to her own defense the accused has endorsed her signature in the Ex.P-3,P-6,P-7,P-8 Agreement of investment as the capacity of Managing Director. From the documentary evidence it was proved that the accused is the MD & Authorized signatory of M/s.Sanmuga Export & Import Pvt lt. hence the defense taken by the accused was un sustained. Further the PW1 has marked the accused bank statement that the investment by the complainant's wife, son and her relative was made through cheque online transaction was proved. The accused has marked the photocopy(Ex.D-2) to prove that the accused had made the repayment to the complainant daughter but that evidence was vague without the certificate of electronic evidence and in that photo also it was not supportive to the defense. It was admitted that the complainant and his relatives have invested in the accused company for a sum of Rs.17,50,000/- with the proof of documentary evidence and the accused is liable for the repayment of legally enforceable debt to the complainant.

14. When the evidence of the complainant is corroborated with the accused having burden to rebut the presumption to prove his case, without documentary evidence mere suggestion will not affect the case of the complainant. The accused has failed to prove his defense by taking probable defense and failed to rebut the presumption by adducing evidence and production of documentary evidence. Mere suggestions of the accused cannot be taken as evidence in the eyes of law. Without proving his defense with documentary evidence, it cannot be deemed as the accused has rebutted the presumption. The Ex.P-1 cheque in dispute, the Agreement of Investment Ex.P-3, P-6 to Ex.P-8 were marked by the PW1 clears the admission of the liability the accused to the investors and the complainant is the close relative as father and husband to the investors, therefore it cannot be decided as the complainant having no authority to contest on their behalf. Even the accused has not denied her signatures in the Ex.P1, cheque in dispute, Ex.P-3, P-6 to Ex.P8. Therefore, the complainant has proved his case the cheque in dispute is issued by the accused for the legally enforceable debt to the complainant.

15. It is a well settled proposition of law that mere suggestion to a witness would not amount to proof of the said fact unless and until the same was proved by any acceptable evidence on record and this court would lend support of the following Judgment.

In "V.S. Yadav Vs. Reena." Crl. A. No. 1136 of 2010 passed by Hon'ble High Court of Delhi, Hon'ble Court observed at para 5 that:

> *"In the present case, the accused in his statement stated that he had given Cheque as security. If the accused wanted to prove this, he was supposed to appear in the witness box and testify and get himself subjected to cross-examination. His explanation that he handed the Cheque as security for taking loan from the complainant but no loan was given should not have been considered by the Trial Court as his evidence and this was liable to be rejected since the accused did not appear in the witness box to dispel the presumption that the Cheque were issued as security. Mere suggestion to the witness that Cheque were issued as security or mere explanation given in the statement of accused U/s 281 Cr.PC that the Cheque were issued as security does not amount to proof".*

16. From the foregoing discussions, this court is of the considered opinion that the accused had miserably failed to rebut the presumptions under the Negotiable Instruments Act and he had failed to establish his probable defense. And had failed to

discharge the burden upon him as per the dictum laid down in **T.Vasanthakumar (Vs) Vijayakumari, reported in 2015(2)MLJ(Crl)605(SC)** and thus this court is of the consider view that the complainant had fulfilled the basic ingredients of Sec.138 Negotiable Instruments Act and the charge against the accused was proved by the complainant beyond any doubts. And this court also as a corollary comes to the conclusion that the Ex.P-1 Cheque in dispute was given by the accused from the accused bank account to the complainant to discharge the legally enforceable debt for the total amount of Rs.17,50,000/- as seen from them and as the said cheque was returned for the reason of 'Funds Insufficient' vide Ex.P-2 after that the Ex.P-9 legal notice too, but the accused had not repaid the amount within the statutory period and also the accused has failed to take defense to rebut the presumption in favor of the complainant. When the accused had not taken any probable defense in the discussions supra the accused was found guilty under the Sec.138 of the Negotiable Instruments Act.

17. In the result, the accused were found guilty under section 255(2) Cr.P.C or Under Section 278(2) of BNSS for the offence under section 138 Negotiable Instruments Act, convicted the accused Mrs.Shirisha Singh, Managing Director of M/s.Sanmuga Export and Import Pvt Ltd., sentenced to undergo **TWELVE MONTH (12) simple imprisonment** and the accused are directed **to pay a compensation of Rs.17,50,000/- with an interest rate of 9% per annum from the date of dishonour as laid down by the dictum of R. Vijayan vs Baby & Anr CRIMINAL APPEAL NO.**

<u>**1902 OF 2011 dated 11.10.2011,**</u> **to the complainant** under section 357(3) Cr.P.C **within One month** and **in default** of payment of the compensation, the accused shall undergo a further period of **ONE month simple imprisonment as default sentence,** considering the overall facts and circumstances of the case.

Typed directly by me in my laptop, corrected and pronounced by me in the open court this the 6th day of June 2026.

MAHASAKTHI K

Digitally signed by MAHASAKTHI K

Annexure

Complainant side witness

Pw-1- Mr.K.N.Rajendran

Pw-2- Jeysingh

Complainant side Documents

Exhibits
Ex.P-1- Original cheque
Ex.P-2- Return Memo
Ex.P-3- Legal Notice
Ex.P-4- Returned postal cover
Ex.P-5- Returned postal cover
Ex.P-6- Agreement of Investment between the accused and Mrs.Vijayakumar
Ex.P-7-Agreement of Investment between the accused and Mrs.Monika Venkatarathinam
Ex.P-8- Agreement of Investment between the accused and Mrs.Padmavathi
Ex.P-9- Legal Notice
Ex.P-10- Bank statement of Accounts
Ex.P-11- Monthly Maintenance charges Report

Accused Side Witness:

Accused side Document:

Exhibits
Ex.D-1- Bank Statement of accounts (Marked by Pw1)
Ex.D-2- Photo copy of Complainant's Daughter received the balance amount from accused (Marked by Pw1)

Note:

1. The result of the case was informed to the complainant.
2. Copy of this Judgment was supplied to the accused free of costs.
3. The right to prefer appeal against the present Judgment was informed to accused.

MAHASAKTHI K

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