In the Court of the Judicial Magistrate I, Tirupattur

Present: Tr.K.S. Dinesh, B.A.,B.L., (Hons.)

Judicial Magistrate I, Tirupattur

Monday the 1st day of June 2026

S.T.C. No. 16/2020

{ CNR No.TNTU02-000115-2020 }

Ragunathan (56), S/o.Kannan,
D.No.1/22, Raja street, Perampattu Village and Post,
Tirupathur Taluk and District. .... Complainant

//Vs//

Devaraji (45), S/o. Krishnamaraja,
Rajapalayam Village,
Kakkanampalaiyam post,
Tirupathur Taluk and District. ...Accused

This case taken on file on 07.01.2020 as STC. No. 16/2020. This case came up before me for the final hearing on 01.06.2026 in the presence of Tr.D.Krishnan Counsel for the complainant and Tr.G.Prakasam, Counsel for the accused and on hearing the arguments advanced by either side counsels and on perusal of entire evidence and the documents relied by either side and on available material case records and having stood over for consideration till this day, this court delivered the following.

KODHAVADI SUBRAMANIAN DINESH

Judicial Magistrate No.I Tirupattur
Digitally signed by KODHAVADI SUBRAMANIAN DINESH
Location: Tirupattur

JUDGMENT

1) The Complaint has been filed by the Complainant against the Accused under section 138, 142 of the Negotiable Instruments Act (Hereinafter referred as “NI Act”)

2) The contents of the Complaint in brief is as follows:-

The Complainant and the Accused are friends. The accused approached the complainant on 01.09.2019 and availed a hand loan of Rs. 3,00,000/- for his children education expenses and his urgent need and promised to repay the said amount within two months. The accused did not repay the said amount inspite of repeated demands and finally the accused issued a cheque on 04.11.2019 drawn on State bank of India, Uthangarai branch for Rs.3,00,000/- bearing cheque number 484057 for collection on 04.11.2019 in his account maintained in IDBI Bank, Tirupattur Branch. The same has been processed by the bank and returned the said cheque stating “Funds insufficient” vide return memo dated 05.11.2019. The complainant issued a legal notice on 08.11.2019 to the accused demanding repayment of the money due as well as intimating that the complainant would initiate criminal action u/s 138 & 142 of the Negotiable Instrument Act. The accused has received the said notice on 09.11.2019 and neither paid the cheque amount nor sent any reply. Hence the complaint has been filed.

3) On receipt of the complaint, sworn statement of the complainant was taken and cognizance was taken and process was issued against the accused along with copy of

the complaint under section 204(3) Crpc. On appearance, the accused appeared and was questioned about the substance of accusation made in the complaint. The accused pleaded not guilty and claimed to be put on trial.

4) The Complainant examined himself as PW-1 and Exb.P-1 to Exb.P-4 were marked. The case of the complainant as could be seen from the evidence of the prosecution side is as follows:-

The PW1 and the Accused are friends. The accused approached the PW1 on 01.09.2019 and availed a hand loan of Rs. 3,00,000/- for his children education expenses and his emergency need and promised to repay the said amount within two moth. The accused did not repay the said amount inspite of repeated demands and finally the accused issued a cheque on 04.11.2019 drawn on State bank of India, Uthangarai branch for Rs.3,00,000/- bearing cheque number 484057 for collection on 04.11.2019 in his account maintained in IDBI Bank, Tirupattur Branch. The same has been processed by the bank and returned the said cheque stating "Funds insufficient" vide return memo dated 05.11.2019. The PW1 issued a legal notice on 08.11.2019 to the accused demanding repayment of the money due as well as intimating that the PW1 would initiate criminal action u/s 138 & 142 of the Negotiable Instrument Act. The accused has received the said notice on 09.11.2019 and neither paid the cheque amount nor sent any reply. Hence the complaint has been filed.

5) After closing of the evidence on the side of the complainant, the incriminating portion of the complainant side evidence were put forth to the accused under section 313(1)(b) Crpc and the same were denied by the accused as false and further stated that he has evidence to lead on the side of the defence.

6) No witnesses were examined on the part of the Defense side and no documents were marked.

7) Point for Determination:-

"Whether the Complainant has proved the guilt of the accused beyond all reasonable doubt or not?”

Discussions:-

8) After hearing rival arguments on both sides and on perusal of the record, it comes to know that the Complainant and Accused are known to each other. Furthermore the accused did not deny the issuance of cheque or the signature contained in the said cheque. Further there is no dispute that the cheque in question was returned unpaid for the reason “Funds Insufficient”. The Defense side has also not disputed the existence of legally enforceable debt.

9) The present cheque has been issued on 04.11.2019 and the same was presented for collection on 04.11.2019 before the Complainant’s banker IDBI Bank, Tirupattur branch which was returned as “Funds Insufficient” on 05.11.2019 and Legal notice

was issued on 08.11.2019 which was received by the accused on 09.11.2019 and the present complaint has been filed on 05.12.2019. Thus the complaint has been preferred within the time limit prescribed by the statute.

10) The Hon'ble Supreme Court of India in Rangappa Vs. Sri Mohan reported in 2010 (3) CRIMES 40 (SC), held as follows:-

> "When the signature is admitted by the accused, then the presumption can be drawn in favour of the complainant including the legally enforceable debt and such presumption will be rebuttable in nature".

11) In the present case also, the accused has not disputed the signature contained in the cheque in their cross-examination. Even in the cross-examination, the Defense side has not taken any defense regarding the signature found in the Exb.P-1 cheque. Thus the Defense side having failed to dispute the signature found in the Exb.P-1 cheque either through reply notice or through evidences or through cross-examination of PW-1 and has inherently admitted the signature contained in the cheque in question and therefore this court inclines to draw the initial statutory presumption in favour of the complainant. When the initial presumption is available in favour of the complainant, the duty is cast upon the accused to rebut the presumption available in favour of the complainant.

12) In order to rebut the presumption available in favour of the complainant, the accused has come forward with the following defenses

1. The accused is not the family friend of the complainant and the accused did not receive any loan from the complainant.

13) It is the case of the Complainant that the accused is a friend and in order to meet children education expenses and urgent expenses, the accused sought for Rs.3,00,000/- loan and hence the Complainant gave him Rs.3,00,000/- as hand loan and accused assured to repay the same within two months and after the expiry of the said period when the complainant demanded the money, the accused issued the cheque which was dishonoured upon presentation. Since the signature of the Accused is admitted, presumption is available to the Complainant under sections 138, 142 of the Negotiable Instruments Act.

14) The Hon'ble Supreme Court of India in Rajesh Jain Vs. Ajay Singh reported in 2023 INSC 888 has held as follows:-

> " 38. As soon as the complainant discharges the burden to prove that the instrument, say a cheque, was issued by the accused for discharge of debt, the presumptive device under Section 139 of the Act helps shifting the burden on the accused. The effect of the presumption, in that sense, is to transfer the evidential burden on the accused of proving that the cheque was not received by

> the Bank towards the discharge of any liability. Until this evidential burden is discharged by the accused, the presumed fact will have to be taken to be true, without expecting the complainant to do anything further."

15) The Defense side has taken a defense that the complainant is not the family friend of the accused and that the accused did not receive any money from the complainant. Since the initial presumption has been drawn against the accused regarding the existence of a legally enforceable debt, the burden of proof is upon the defense side to prove that the accused has not received any money as loan from the complainant. However the defense side has not produced any oral or documentary evidences towards the same. The Defense side has neither disputed the cheque nor disputed the signature found in the cheque. While that being so, the only stand taken by the defense side is that the accused did not receive any loan from the complainant. Since initial presumption regarding the existence of a legally enforceable debt has already been raised in favour of the complainant, the same has to be rebutted by the defense side through sufficient oral and documentary evidences. However the defense side has failed to do the same and hence the defense side has failed to establish that the accused did not receive hand loan from the complainant.

16) In the present case, the initial presumption raised in favour of the complainant has not been strongly rebutted by the accused. Furthermore the accused did not

produce any other documentary or oral evidences to ascertain the rebuttal of the accused.

17) In view of the above and reasoning stated supra, this court comes to the conclusion that unless and until the contrary is proved, the presumption shall be made of consideration, as to date, as to time of acceptance, as to time of transfer, as to order of endorsement, as to stamps and that holder is a holder in due course and such presumption is available to the complainant under sections 138 and 142 of the NI Act. Though the accused had taken the defence by principle of preponderance of probabilities, the presumption in favour of the complainant was not successfully rebutted by the accused. Merely putting suggestion, bare denial and explanation by the accused without adducing any proper evidence towards the same is not plausible. In the light of above reasoning, this Court comes to the conclusion that the complainant proved the guilt of accused beyond all reasonable doubt. The accused is evading the repayment for about 6 years. Hence, this court is inclined to impose 2 times the cheque amount Rs.3,00,000/-, (i.e.,) Rs.3,00,000/- X 2 = Rs.6,00,000/- **(RUPEES SIX LAKHS ONLY)**, as compensation.

20) In the result, the Accused is found guilty of offence under section 138 and 142 of the Negotiable Instruments Act and the Accused is Convicted as per section 255(2) of Cr.PC. and sentenced to undergo simple imprisonment for the period of **SIX MONTHS** and accused shall pay the compensation of Rs.6,00,000/- **(RUPEES SIX**

LAKHS ONLY) as compensation as per S.357 (3) of Cr.P.C., payable to the complainant within 2 months from the date of this Judgment, failing which the accused shall undergo default sentence of 2 months imprisonment. No fine is imposed.

Dictated to the Steno-typist, transcribed and typed by her on computer, corrected and pronounced by me in open court on 1st day of June 2026.

KODHAVADI SUBRAMANIAN DINESH

Judicial Magistrate No.I Tirupattur
Digitally signed by KODHAVADI SUBRAMANIAN DINESH
Location: Tirupattur

Judicial Magistrate No.I,
Tirupathur.

Appendix

Complainant side Witnesses:-

1) P.W-1 : Tr. Ragunathan

Complainant side Exhibits:-

1)	Ex.P-1	:	04.11.2019 dated Original Cheque bearing No.484057 for Rs.3,00,000/-drawn on State bank of India, Uthangarai Branch - original
2)	Ex.P-2	:	05.11.2019 dated Return memo - Original
3)	Ex.P-3	:	08.11.2019 office copy of the lawyer notice.
4)	Ex.P-4	:	09.11.2019 Receieved Acknowledgment card of the accused

Accused side Witnesses :- -NIL-

Accused side Exhibits:- -NIL-

Note:-

1) No witness was detained for more than three days without examination

2) The case result communicated to parties.

KODHAVADI SUBRAMANIAN DINESH

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Tirupathur.