IN THE COURT OF XXXVII METROPOLITAN MAGISTRATE/FTC-IV,
GEORGE TOWN, CHENNAI –01
PRESENT :Tmt.R.Suganthi, B.A., M.L.,
XXXVII METROPOLITAN MAGISTRATE/FTC- IV
Monday, the 10th Day of August, 2026
STC. No.66 of 2024
CNR.No.TNCH0B-014751-2023

JUDGMENT UNDER SECTION 355 of Cr.P.C

1) SUMMARY TRAIL CASE NO	:	66/2024
2) DATE OF OFFENCE	:	23.08.2023 (15 days after receipt of notice)
3) NAME OF THE COMPLAINANT	:	R.Kamalakannan, S/o.Ramu, No.41, Mannappan Street, Old Washermenpet, Chennai-600021.
4) NAME OF THE ACCUSED	:	Mrs.B.Chitra, W/o.Balasubramaniam, No.138/60, Thaiyappan Street, Seven Wells, Chennai-600 001.

This case is coming on for final hearing on 28.07.2026 in the presence of M/s.N.Saravana Kumar and R.Issac Johnson Counsel for the Complainant and M/s.A.Athimoolam and S.Jude Vellington Counsel for the Defence and stood before me for consideration till date and this court deliver the following judgment.

5) CASE OF THE COMPLAINANT :

a) The complainant carrying on silver business, previously the accused had borrowed hand loan many times and returned the money as said. The accused had approached the complainant for financial assistance for her medical emergency and family needs for a hand loan Rs.10,00,000/-. As per the requests and requirements of the accused, the complainant arranged the above said hand loan amount and gave to the accused and the accused promised that the amount will be returned within three months of time. At the time of repayment the accused has to pay the amount along with the interest.

b) The accused had failed to repay the said hand loan amount. Then finally the complainant went to the accused said address, thereafter the accused promised to pay Rs.10,00,000/- and issued one cheque dated 04.05.2023 for full and final settlement. The said cheque was deposited for encashment and the same was returned on 17.07.2023 for the reason "Suspended/Block Bank", again the accused confirmation the said cheque was once again represented on 25.07.2023 and the same returned on 27.07.2023 by the accused banker for the reason "Shifted" by the return memo dated on 27.07.2023.

c) A lowyer's notice dated 02.08.2023 was issued to the accused on 02.08.2023 calling upon the accused to make payment in respect of dishonored cheque within 15 days from the date receipt of the notice. The notice sent to the correct address of the accused. The above said cover was returned on 09.08.2023 with endorsement of "Addressee left without instruction" but the accused did not given any reply notice and till date no payment was made by accused. Therefore instant complaint filed.

6) <u>THE PLEA OF ACCUSED AND EXAMINATION</u>:

On appearance of accused copies relied on by the complainant were supplied to the accused free of cost as per section 208 Criminal Procedure Code. The accusation under 138 Negotiable Instrument Act were read and explained to the accused. The accused is denied the accusation and pleaded as not guilty.

The incriminating evidence against the accused adduced by the complainant were read and explained to the accused under section 313 Criminal Procedure Code. The accused is denied the evidence of the complainant as false and stated "கமலகண்ணன் யார் என்றே எனக்கு தெரியாது. நான் புகார்தாரரிடம் பணமும் வாங்கவில்லை. காசோலையும் அளிக்கவில்லை. பத்மா என்பவரிடம் 2018ல் Cheque அளித்தேன். இதுகுறித்து CM Cell-க்கு புகார் அளித்துள்ளேன்." on the side of the defence examined as DW1 and Ex.D1 to Ex.D11 documents has been marked through her.

7) <u>FINAL ORDER :</u> The accused is found not guilty for the aforementioned offence and acquitted under section 255(1) Criminal Procedure Code.

8) <u>DATE OF JUDGMENT :</u> 10/08/2026

9) <u>POINT FOR DETERMINATION:</u>

(i). Whether the complainant has established case against accused U/s.138 Negotiable Instrument Act beyond any doubts?

(ii). Whether the accused has successfully rebutted the presumption raised infavour of the complainant through his defence of preponderance of probability?

10) <u>DECISION AND REASON:</u>

It is the case of the complainant that, the complainant is carrying Silver business and the accused has previously borrowed hand loans for several times and returned the same. Due to said acquaintance the accused had availed a hand loan of Rs.10,00,000/- from the complainant for medical emergency and family needs and agreed to repay the same within 3 months, but she defaulted her promise, therefore after repeated demands the accused on 04.05.2023 issued cheque for a sum of Rs.10,00,000/- infavour of complainant, the said cheque was deposited on 27.07.2023 which was returned as “Shifted” on 27.07.2023. Thereinafter the complainant has got issued legal notice to the accused through register post on 02.08.2023 and the same was returned with the endorsement of addressee left without instruction but the accused did not given any reply notice and till date no payment was made by accused. Therefore instant complaint filed.

After presentation of complaint, this Court took cognizance of offence and recorded the sworn statement of complainant. Thereafter, a criminal case is registered against accused and summons is issued to the accused. The accused appeared through his counsel. The copies of the complaint and other papers furnished to the accused. Substance of accusation was read over to him. Accused has pleaded not guilty and claimed to be tried.

In order to prove the accusation made against accused, the complainant has got examined himself as PW1 and got marked 4 documents as Ex.P1 to Ex.P4. Thereafter, statement of accused was recorded u/s.313 of Cr.P.C. Wherein the accused has denied the incriminating evidence found on record as false and he stated that he does not know the complainant, and not availed any loan from him, not issued cheques to him. But the cheque was issued one Padma in the year 2018 with regard to this aspect complainant longed CM Cell but on the side of the defence accused examined as DW1 and Ex.D1 to Ex.D11 document has been marked by her.

Heard the arguments of learned counsel for complainant and accused perused written arguments filed by them.

Before proceeding with the discussion, in order to prove the guilt of offence under section 138 of N.I.Act, initial burden casts on the complainant to prove the following ingredients:

a) The cheque must have drawn for discharge of existing debt or liability.

b) Cheque must be presented within Validity period.

c) Cheque must be returned unpaid due to insufficient funds or it exceeds the amount arranged.

d) Fact of dishonour be informed to the drawer by notice within 30 days.

e) Drawer of cheque must fail to make payment within 15 days of receipt of the notice.

In order to prove the case, the complainant – Mr.R.Kamalakannan, has examined himself as PW1. The PW1 has filed an affidavit in lieu of examination-in-chief reiterating entire complaint averments. In support of her oral evidence, he produced Ex.P1 to Ex.P4 documents. The complainant got marked Cheque bearing No.529157 as Ex.P1, Return Memo as Ex.P2, Legal Notice as Ex.P3, Returned Cover as Ex.P4.

It is the case of the complainant that, the complainant is carrying Silver business and the accused has previously borrowed hand loans for several times and returned the same. Due to said acquaintance the accused had availed a hand loan of Rs.10,00,000/- from the complainant for medical emergency and family needs and agreed to repay the same within 3 months, but she defaulted her promise, therefore after repeated demands the accused on 04.05.2023 issued cheque vide Ex.P1 for a sum of Rs.10,00,000/- infavour of complainant, the said cheque was deposited on 27.07.2023 which was returned as “Shifted” vide Ex.P2 on 27.07.2023. Thereinafter the complainant has got issued legal notice vide Ex.P3 to the accused through register post on 02.08.2023 and the same was returned vide Ex.P4 with the endorsement of addressee left without instruction but the accused did not given any reply notice and till date no payment was made by accused. Therefore instant complaint filed.

He further argued that he has not denied Ex.P1 being his cheque drawn on his account. When the signature is not seriously disputed, the presumption u/s.139 is to be drawn in favour of complainant. He further argued that the accused has failed to produce any believable evidence that the dispute cheque was not issued to him to discharge legally enforceable liability.

The learned counsel for the accused argued that the accused never obtained any loan from complainant and not issued any cheques too. But the cheque was issued to one Padma in the year 2018 which was misused by the complainant and filed instant false case. Therefore there was no legally enforceable debt or liability towards complainant and claimed to acquit from this case.

The learned counsel for the complainant argued that the accused borrowed a hand loan of Rs.10,00,000/- for medical emergencies and his family needs and agreed to repay the same within 3 months, subsequently she failed to make payments, therefore after repeated demands, the complainant has went to accused house and got the dispute cheque on 04.03.2023. Per contra the learned counsel for the accused argued that as per the complaint, the complainant stated that the accused had borrowed a sum of Rs.10,00,000/- for medical emergencies and his family needs subsequently he has changed version and deposed during the course of cross of PW1 that the accused purchased the goods and later issued cheque for the same, but with regard to this aspect the complainant did not file GST Invoice, Income Tax etc., further the accused issued seven cheques to one Padma in the year 2018 while availing loan from said Padma, after repayment of said loan the said Padma did not return the Seven cheques and misused the same filed instant case. Further he argued that the accused given "Stop Payments Instruction" to her banker in the year 2018 itself, the instruction given to the banker and the report has been marked as Ex.D4 and Ex.D5.

According to the complainant the accused availed loan of Rs.10,00,000/- for her medical emergency and family needs, the relevant portion of complaint his extracted hereunder

"The accused had approached the complainant for financial assistance for her medical emergency and family needs for a hand loan of Rs.10,00,000/-".

However, the complainant during the course of cross examination he has deposed that the accused given cheque for goods purchased by her, the relevant portion of cross examination of PW1 is extracted hereunder

"நான் என்ன தொழில் செய்கிறேன் என்ருல் வெள்ளி வியாபாரம் பொன்னியம்மன் சில்வர் மார்ட் என்ற பெயரில் 2014 ஆம் வருடத்திலிருந்து செய்து வருகிறேன். மேற்படி என்னுடைய கடையை என்னுடைய சொந்த இடத்தில் நடத்தி வருகிறேனு என்ருல் இல்லே. எதிரியை எனக்கு எவ்வாறு தெரியும் என்ருல் ராஜீ என்பவர் மூலம் தெரியும். வழக்கு காசோலே எவ்வாறு எனக்கு கிடைத்தது என்ருல் எதிரிதான் கொடுத்தார். எதற்காக என்னிடம் அளித்தார் என்ருல் எதிரி என்னிடம் பொருள் வாங்கி

அதற்கான பணம் செலுத்துவதற்காக ஒருவாரம் காலம் அவகாசம் கேட்டார். பின்னர் பணம் செலுத்தாமல் காசோலை அளித்தார்."

The complainant has taken two version of his case, that accused borrowed money of Rs.10,00,000/- for her medical emergency, subsequently the complainant contradictorily deposed that the accused issued cheque for the goods purchased from the complainant. From the two different version of case of complainant is clearly shows that the complainant himself not clear that why he has lent money to the accused and what purpose the accused has issued cheque to complainant. When the accused raised serious doubts regarding the alleged loan stated in the complaint, it is the duty of the complainant to prove his case beyond the reasonable doubts, but instant case when the accused put forth questions before the complainant that how the complainant got the cheque of accused, for which the complainant deposed that the accused issued cheque for the goods purchased by her from the complainant. Even assuming that the complainant supplied goods to the accused, but with regard to this aspect the complainant did not file any receipts, GST Bills etc., further even assuming the complainant lent money of Rs.10,00,000/- to the accused for her medical emergency, without executing any documents by the accused infavour of complainant, how the complainant lent such a huge amount to the accused, no explanation on the side of defense. Therefore which creates serious doubt over the case of complainant and which clears the complainant failed to prove that there was existence of transaction between the complainant and accused.

The accused taken main defense that the dispute cheque is invalid since the accused cheque is belongs to Syndicate Bank, which was merged with Canara Bank in the year 2020, as per the circular issued by Reserve Bank of India all branches of Syndicate Bank will function as branch of Cananra Bank from 01.04.2020therefore after the amalgamation of Syndicate Bank with Canara Bank, Syndicate Bank cheques were invalid after 30.06.2021. Therefore, the complainant under section 138 of NI Act is not maintainable. On perusal of Ex.P1 dispute cheque is belongs to Syndicate Bank as per the report given by Canara Bank dated 27.11.2025 vide Ex.D5, the existing Cheque Books of Syndicate Bank will be valid till 30.06.2021. Further it is noted from the Ex.D6 Circular issued by Reserve Bank of India 28.03.2020 that branch of Syndicate Bank to operate as Branches of Canara Bank from 01.04.2020, since the amalgamation of Syndicate Bank into Canara Bank Schemes, 2020 dated 04.03.2020. The case of the complainant is the accused issued dispute cheque on 04.05.2023. The alleged cheque was Syndicate Bank Cheque, as per Ex.D6 Circular issued by Reserve Bank of India the cheque books of all the Syndicate Bank were valid till 30.06.2021. The complainant being a business man obviously aware of the amalgamation of Syndicate Bank into Canara Bank. Therefore, the cheque which was issued in the year 2023 by the accused is not believable one and not acceptable. However, the dispute cheque is invalid after 30.06.2021 as per the order vide Ex.D6. Therefore, the complaint filed based under the cheque Ex.P1 hence the dispute cheque was invalid at the date of presentation.

Therefore, as per the above discussion, the cheque in question, which was issued from the account maintained in erstwhile Syndicate Bank after its merger with Canara Bank, was not the valid cheque on the date of presentation for encashment as required by proviso(a) of Section 138 of NI Act, therefore dishonouring the same will not attract the liability under section 138 of NI Act.

The accused taken another defense that as per the complaint, the complainant on 04.05.2023 received dispute cheque from the accused from the address given in the complaint. But the accused taken defense that she has shifted her family from the complaint address to some other place, for which she has filed her Rental Agreement Ex.D7, Gas Bills Ex.D8, Death Certificate of Husband of Accused vide Ex.D9. On perusal of Ex.D8 and Ex.D7 it seems the accused has residing at No.18/26, First Narayanan Street, Seven Wells, Chennai-1 from the month of June 2019. As per Ex.D8 as clearly shows that the accused residing at the above address till 21.08.2025 through the accused produced her Gas Bills. As per complaint on 04.05.2023 the complainant has obtained dispute cheque where the accused resides at No.138/16, Thaiyappan Street, Seven Wells, Chennai-20. As per Ex.D8 and Ex.D7 the accused has residing at No.18/26, First Narayanan Street, Seven Wells, Chennai-1 from the month of June 2019. When being so, how the complainant on 04.05.2023 went to the accused address namely at No.138/16, Thaiyappan Street, Seven Wells, Chennai-20, and received cheque from accused, there is no explanation on it, which is also created suspicious over the case of complainant. Therefore, it is clear that there is no possibility to get cheque from the accused on 04.05.2023 at No.138/16, Thaiyappan Street, Seven Wells, Chennai-20. Therefore the complainant failed to establish the existence of legally enforceable debt, since the complaint itself suffers from material contradiction and as per the above discussion it seen that the complainant has not file any documentary evidence for either the alleged hand loan or alleged sale transaction as deposed by the complainant during the course of cross examination hence the accused has successfully rebutted the statutory presumption and accused is acquitted.

Hence, as per supra discussion the complainant failed to prove beyond reasonable doubt that the accused is committed offense punishable under section 138 of Negotiable Instrument Act. Then the presumption stands rebutted. Thus, this court is of considered view of that the complainant has failed to prove that the cheque was issued for legally enforceable liability. The accused is hereby acquitted for the offense punishable under section 138 of Negotiable Instrument Act.

Dictated by me to the Steno Typist, typed by him directly in the Computer, corrected and pronounced by me in the open court on this 10th day of August, 2026.

SUGANTHI VINOTHKUMAR

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Date: 2026.08.10 18:12:44 +0530

XXXVII Metropolitan Magistrate/FTC-IV,
George Town, Chennai-1.

Annexure:

List of complainant Witness

P.W.1 - Mr.R.Kamalakannan

List of complainant Exhibits:

Ex.P.1	04.05.2023	Cheque bearing No.529157
Ex.P.2	27.07.2023	Return Memos
Ex.P.3	02.08.2023	Legal Notice
Ex.P.4	---	Returned Cover

List of Defence Witnesses :

D.W.1 - Mrs.B.Chitra

List of Defence Exhibit :

Ex.D.1	23.12.2018	Copy of the CSR
Ex.D.2	12.03.2019	Legal Notice with Acknowledgment Card
Ex.D.3	28.09.2019	Copy of CM Cell Complaint
Ex.D.4	13.10.2025	Copy of the RTI Reply
Ex.D.5	---	Statement of Accounts
Ex.D.6	---	Reserve Bank Order
Ex.D.7	01.07.2019	Rental Agreement
Ex.D.8	05.10.2019 to 21.08.2025	Gas Bills
Ex.D.9	12.09.2020	Death Certificate
Ex.D.10	11.12.2018	Copy of the Letter
Ex.D.11	05.02.2019	Copy of the Letter

SUGANTHI VINOTHKUMAR

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Date: 2026.08.10 18:12:54 +0530

XXXVII Metropolitan Magistrate/FTC-IV,
George Town, Chennai-1.