IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06-08-2026

CORAM

THE HON'BLE MR.JUSTICE SHAMIM AHMED

CRL RC No. 290 of 2024
Crl.MP.Nos.2798 and 2799 of 2024

1. M/s.Shree Marketing, Rep.by its Proprietor, Mr.V.Deenadayalan M/A-46 years, No.03, Balaji Nagar, 3rd Cross Street, Ponnalammanmedu, Kolathur, Chennai-99.

2. V. Dheenadayalan, S/o. Venkatesan, Proprietor of M/s.Shree Marketing No.34/75, Moorthy Raja Street, Agaram, Jawahar Nagar, Chennai - 600 082.

..Petitioner(s)

Vs

M/s. D.C.Enterprises
Rep.by its Proprietor, Mr.S.Janakiraman, S/o. T.Sekar, No.1/11A, Janakiram Ngar, 1st Street, 1st Lane, Perambur, Chennai - 600 011.

..Respondent(s)

Prayer:- This Criminal Revision Case is filed against the judgement of conviction and sentence, dated 11.01.2024, passed in Crl.A.No.299 of 2023, by the XXII Additional City Civil Court at Allikulam, Chennai, confirming the judgement of conviction and sentence, dated 04.05.2023, passed in STC.No.1743 of 2022, by the Metropolitan Magistrate Fast Track Court-2, Egmore @ Allikulam, Chennai.

For Petitioner(s): M/s. R.Vivekananthan

For Respondent(s): No Appearance

ORDER

1. This Criminal Revision Case is filed against the judgement of conviction and

sentence, dated 11.01.2024, passed in Crl.A.No.299 of 2023, by the XXII Additional City Civil Court at Allikulam, Chennai, confirming the judgement of conviction and sentence, dated 04.05.2023, passed in STC.No.1743 of 2022, by the Metropolitan Magistrate Fast Track Court-2, Egmore @ Allikulam, Chennai.

2. The facts of the case, in a nutshell, are as follows:-

(a) The Revision Petitioners are the accused/A1 and A2. A1 is the Firm and A2 its Proprietor. The Respondent is the complainant. The accused had borrowed a sum of Rs.50,00,000/- from the complainant and allegedly issued four cheques as security in favour of the complainant. The accused had repaid a sum of Rs.26,08,600/- as a part payment towards the debt of Rs.50,00,000/-. In order to discharge the balance debt, the accused had issued a cheque, bearing No.000589, dated 31.12.2021, for a sum of Rs.3,75,000/- in favour of the complainant. When the said cheque was presented for encashment, the same was dishonoured. Hence, the complainant had preferred the complaint against the accused in STC.No.1743 of 2022, before the Trial Court, for the offence under Section 138 of the Negotiable Instruments Act, for recovery of said cheque amount.

(b) Before the Trial Court, on the side of the complainant, the Proprietor of the Respondent Firm, was examined as PW.1 and Ex.P1 to Ex.P7 were marked. On the side of the accused, and Ex.D1 and D2 were marked.

(c) By the judgement of conviction and sentence, dated 04.05.2023, the Trial Court had convicted and sentenced the accused for the offence under Section 138 of the Negotiable Instruments Act and the 2nd Accused to undergo Simple Imprisonment for six months and the accused to pay a compensation of Rs.,3,75,000/- to the complainant, in default, to undergo Simple Imprisonment for two months. In the appeal filed by the accused, the lower appellate court had, by its impugned judgement of conviction and sentence, dated 11.01.2024, confirmed the judgement of conviction and sentence of the Trial Court. Hence, this Criminal Revision Case has been filed by the accused, seeking the relief, as stated above.

3. This Court heard Mr.R.Vivekananthan, the learned counsel for the Petitioner.

4. According to the Revision Petitioner, the accused had borrowed a sum of Rs.50,00,000/- from the complainant, for which they had issued four cheques only for security purpose and they had repaid a sum of Rs.26,08,600/- to the complainant. But, one of cheques issued by the accused was misused by the complainant. The complainant had misappropriated a cheque, bearing No.000589, dated 31.12.2021, for a sum of Rs.3,75,000/-. When a part payment was made after the cheque is drawn, the complainant has to take a new cheque, but without doing so, the complainant had presented the cheque in question for encashment and hence, the offence under Section 138 of the

Negotiable Instruments Act would not attract, since the cheque does not represent a legally enforceable debt. The courts below erred in holding that the cheque in question was issued to discharge the legally enforceable debt and also erred in convicting and sentencing the Petitioner, ignoring the specified provisions of the Negotiable Instruments Act and based on surmises and conjectures. Both the courts below erred in law in not appreciating the evidence in its proper perspective. Hence, the findings of the courts below are unreasonable and perverse and consequently, the accused is entitled for acquittal, by allowing this Criminal Revision Case.

5. On the other hand, it was the case of the complainant before the Trial Court that towards the total liability of Rs.50,00,000/-, which is admitted by the accused, only a sum of Rs.26,08,600/- was discharged by the accused and the balance amount remains undischarged by the accused, as it is evident from the bank statement of the accused, which was marked as Ex.D2 and hence, the accused is liable to prosecuted under the provisions of the Negotiable Instruments Act.

6. This Court considered the submissions of the learned counsel for the Revision Petitioner and also perused the entire materials placed on record.

7. On perusal of the entire materials placed on record, it is seen that the defence of the accused before the Trial Court was that the accused had borrowed a sum of Rs.50,00,000/- from the complainant, for which, they had issued four

cheques only for security security and they had repaid a sum of Rs.26,08,600/- to the complainant and one of cheques issued by the accused was misused by the complainant. The complainant had misappropriated a cheque, bearing No.000589, dated 31.12.2021, for a sum of Rs.3,75,000/-. When a part payment was made after the cheque is drawn, the complainant has to take a new cheque, but without doing so, the complainant had presented the cheque in question for encashment and hence, the offence under Section 138 of the Negotiable Instruments Act would not attract, since the cheque does not represent a legally enforceable debt.

8. On considering the entire materials, the Trial Court had found that both the parties admitted the alleged transaction of Rs.50,00,000/- and that the contention of the accused that the entire debt was discharged by the accused is not sustainable, since as per the Bank Statement, Ex.D2, only a sum of Rs.26,08,600/- was credited to the account of the complainant and hence, the contentions that the cheque in question was issued only for the purpose of security purpose and that the entire debt was discharged by the acde, cannot be countenanced.

9. Ultimately, the Trial Court, had found that the complainant had proved that the cheque in question was given by the accused for valuable consideration and for enforceable debt and that the accused failed to rebut the presumption under Section 139 of the Negotiable Instruments Act, by letting in valid

evidence and that the accused had failed to probabilise his defence on the basis of the materials available on record. Consequently, the Trial Court, in the light of the concrete evidence that the accused failed to discharge the entire debt and drawing presumption under Section 138 of the Negotiable Instruments Act, in favour of the complainant, had rightly held that the cheque in question was drawn to discharge the legally enforceable debt, as per Section 139 of the Negotiable Instruments Act and hence, the accused was found guilty of the offence under Section 138 of the Negotiable Instruments Act and accordingly, by the impugned judgement of conviction and sentence of the Trial Court, the Accused was convicted and sentenced for the offence under Section 138 of the Negotiable Instruments Act to undergo Simple Imprisonment for six months and to pay a compensation of Rs.3,75,000/-, in default, to undergo Simple Imprisonment for two months.

10.In the appeal filed, as against the judgement of conviction and sentence of the Trial Court, by the accused before the lower appellate court, the lower appellate court, by its impugned judgement of conviction and sentence, had found that the accused did not deny the execution of the cheque and has also not denied the signature found in the cheque in question and hence, it was presumed that the cheque in question has been given only for the purpose of discharging the legally enforceable debt payable to the holder of the cheque and that the accused failed to rebut the presumption under Section 139 of the

Negotiable Instruments Act, by letting in valid evidence and finding so, ultimately, confirmed the judgement of conviction and sentence of the Trial Court, on the same lines.

11.As stated above, nowhere, the Revision Petitioner/ accused has denied his signature found on the cheque in question. On the other hand, they admitted the alleged transaction between the parties and also the execution of the cheque in question, in favour of the complainant.

12.In the case of **Rangappa vs. Sri Mohan, reported in 2010-11-SCC- 441**, the Hon'ble Supreme Court held that once the accused admits his signature in the cheque, then the presumption comes into play in favour of the complainant. The relevant portion of the said judgement is extracted as under:-

> "*15. Coming back to the facts in the present case, we are in agreement with the High Court's view that the accused did not raise a probable defence. As noted earlier, the defence of the loss of a blank cheque was taken up belatedly and the accused had mentioned a different date in the `stop payment' instructions to his bank. Furthermore, the instructions to `stop payment' had not even mentioned that the cheque had been lost. A perusal of the trial record also shows that the accused appeared to be aware of the fact that the cheque was with the complainant. Furthermore, the very fact that the accused had failed to reply to the statutory notice under Section 138 of the Act leads to the inference that there was merit in the complainant's version. Apart from not raising a probable defence, the appellant-accused was not able to contest the existence of a legally enforceable debt or liability. The fact that the accused had made regular payments to the complainant in relation to the construction of his house does not preclude the possibility of the complainant having spent his own money for the same purpose. As per the record of the case, there was a slight discrepancy in the*

complainant's version, in so far as it was not clear whether the accused had asked for a hand loan to meet the construction-related expenses or whether the complainant had incurred the said expenditure over a period of time. Either way, the complaint discloses the prima facie existence of a legally enforceable debt or liability since the complainant has maintained that his money was used for the construction-expenses. Since the accused did admit that the signature on the cheque was his, the statutory presumption comes into play and the same has not been rebutted even with regard to the materials submitted by the complainant."

13. In the judgement rendered by the Bombay High Court in the case of **Purushottam Maniklal Gandhi Versus Manohar K. Deshmukh and another, reported in 2007 STPL(DC) 988(BOM); 2007(4) BOMCR404,** it has been held that if a person hands over a duly signed blank cheque, thereby he gives an authority to the holder to put a date of his choice and to present the same for encashment. The cheque does not loose its sanctity merely due to the fact that the same has been filled in by some other person.

14.It is relevant to refer the judgement of Hon'ble Supreme Court reported in **AIR 2019 SC 2446, (Bir Singh Vs Mukesh Kumar)**, wherein the Hon'ble Supreme Court has held that the presumption as to legally enforceable debt, the rebuttal of signed blank cheque, if voluntarily presented to payee towards the payment, payee may fill up the amount and other particulars, that itself would not invalidate the cheque. The onus would still be on the accused to prove the cheque was not issued for discharge of debtor liability by adducing evidence.

15.Even before this Court, the learned counsel for the Revision Petitioner is not able to point out any single piece of evidence, both oral and documentary, in support of his contentions. But, on the side of the complainant, this Court finds that there are ample evidence in support of the case of the Respondent/ complainant, as discussed by the courts below. Thus, this court, while concurring with the findings of the courts below, does not find any error or illegality or perversity in the findings and the impugned judgements of conviction and sentence of the courts below, which warrants interference by this Court and accordingly, this Criminal Revision Case, is liable to be dismissed.

16.In the result, in view of the above said discussions and reasons and in the light of the decision of the Honourable Supreme Court, referred to above, this Criminal Revision Case is **dismissed**. The impugned judgement of conviction and sentence, dated 11.01.2024, passed in Crl.A.No.299 of 2023, by the XXII Additional City Civil Court at Allikulam, Chennai, confirming the judgement of conviction and sentence, dated 04.05.2023, passed in STC.No.1743 of 2022, by the Metropolitan Magistrate Fast Track Court-2, Egmore @ Allikulam, Chennai, is **confirmed.** Consequently, the connected Criminal Miscellaneous Petitions are closed. There is no order as to costs. The File is consigned to record.

17.The Trial Court is directed to act upon its judgement of conviction and sentence, by securing the accused to undergo the conviction and sentence, imposed upon him.

18.The Registry is directed to send a copy of this Court to the concerned Trial Court, for its compliance and information, immediately.

06-08-2026

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Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

SRCM

To

1. The XXII Additional City Civil Court at Allikulam, Chennai
2. The Metropolitan Magistrate Fast Track Court-2, Egmore @ Allikulam, Chennai

SHAMIM AHMED, J.

SRCM

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