



Crl.A.(MD)No.1132 of 2025

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BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Reserved on : 13.11.2025

Pronounced on : 27.11.2025

CORAM:

THE HON'BLE MR.JUSTICE K.MURALI SHANKAR

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Reliance Industries Ltd
3rd Floor, Maker Chambers IV
No.222, Nariman Point,
Mumbai 400 021 represented by its
Duly constituted Attorney
Mr.V.Venkatachalam

... Appellant/
Complainant

Vs.

1.M/s Ashwini Associates,
No.1, Vanamamalai Nagar,
Bye Pass Road,
Madurai 625 010.

2.S.Sankaranarayanan,
Partner,
M/s Ashwini Associates,
No.1, Vanamamalai Nagar,
Bye Pass Road,
Madurai 625 010.



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3.S.Shyamala,
Partner,
No.1, Vanamamalai Nagar,
Bye Pass Road,
Madurai 625 010.

... Respondents/
A-1 to A-3

4.Subbulakshmi Ammal
Partner,
No.1, Vanamamalai Nagar,
Bye Pass Road,
Madurai 625 010.

... Respondent/
Accused

(A-4 died pending trial and charge against her abated)

Prayer : This Criminal Appeal filed under Section 378 of Criminal Procedure Code, to set aside the judgment in S.T.C.No.940 of 2012 dated 18.11.2014 on the file of the learned Judicial Magistrate No.1, / Fast Track Court Magisterial Level, Madurai.

For Appellant : Mr.S.Chella Pandian, Senior Counsel
for Mr.V.R.Shanmuganathan

For Respondents : Mr.M.Karunanithi
for Mr.S.Madhavan for R1 to R3

JUDGMENT

The Criminal Appeal is directed against the judgment made in S.T.C.No.940 of 2012 dated 18.11.2014 on the file of the Court of Judicial Magistrate No.I, Fast Track Court at Magisterial Level, Madurai, in



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acquitting the respondents 1 to 3 / accused 1 to 3 for the offence under Section 138 of the Negotiable Instruments Act (hereinafter referred as 'the NI Act').

2. The appellant Company, who is the complainant, filed a complaint through its duly constituted attorney, under Section 200 Cr.P.C. against the respondents / accused 1 to 4 for the offence under Section 138 r/w 142 of the NI Act.

3. For the sake of convenience and brevity, the parties herein after will be referred to as per their status / ranking in the trial Court.

4. The case of the complainant Company is as follows;

(a) The complainant Company is a Public Limited Company incorporated under the Companies Act, 1956, engaged in the business of manufacturing and marketing of Polyester products. The first accused is a partnership firm and the accused 2 to 4 are the partners of the first accused Firm, who are actively involved in the day to day affairs of the first accused Firm and are incharge of and responsible in the conduct of the



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business of the first accused Firm.

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(b) The complainant Company and the first accused Firm entered into an agreement dated 25.04.2008 whereby the complainant Company appointed the first accused Firm as one of its del credere agent of the complainant Company from 01.04.2008 for sale of the products in India. The accused, while acting as the del credere agent of the complainant Company, collected from various customers of the complainant Company an amount of Rs.2,23,50,327.61/- payable by the said customers to the complainant Company towards the products delivered unto them, on the basis of the orders placed by the accused. The accused sent a letter dated 23.09.2008 confirming the receipt of Rs.2,23,50,327.61/- but however, they have failed and neglected to pay an amount of Rs.1,87,28,768.61/- to the complainant Company.

(c) In order to secure payment against the said amount due and payable by the accused to the complainant Company, the fourth accused on her behalf and on behalf of the other accused, has created a second charge of her landed property lying at 1, Vanamamalai Nagar, Bypass Road, Madurai-10 by way of simple mortgage as registered as document No.957/2009 with the Sub Registrar, Arasaradi, Madurai. During the



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month of July 2010, the accused have requested the complainant Company to release its second charge on the said property by assuring that they will repay to the complainant Company the amount due and payable by them along with interest thereon. The total amount due and payable by the accused till 30.07.2010 was mutually calculated and confirmed as Rs.2,73,29,776.61/- and accordingly, the accused have given an undertaking in writing dated 28.07.2010 to pay to the complainant Company Rs.10,00,000/- on the date of release of the second charge and to pay the remaining amount of Rs.2,63,29,776.61/- on demand. Later on, the accused have paid a sum of Rs.10,00,000/- to the complainant Company and to ensure the payment of remaining amount, they have issued a promissory note for the said amount and the complainant Company has released its second charge on the said property.

(d) In order to discharge the aforesaid legally enforceable liability, the accused issued a cheque bearing No.272076 dated 30.07.2010 for Rs.2,63,29,776.61/- drawn on the Federal Bank Limited, Madurai Branch. The complainant Company presented the cheque for collection through its banker, Axis Bank Limited, Madurai but the cheque was returned dishonored as funds insufficient. The complainant Company sent a legal



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notice dated 06.12.2010 to the accused directing them to pay the amount covered by the cheque and having received the notice on 09.12.2010, the accused sent a common reply notice dated 31.12.2010 containing certain false and frivolous allegations. Since the accused have not paid the cheque amount within the time stipulated, the complainant Company was constrained to file the above complaint for the offence under Section 138 r/w 142 of the NI Act.

5. The learned Judicial Magistrate No.I, Madurai, upon receiving the complaint, recorded the sworn statement of the complainant Company's power agent and on perusing the records, upon satisfied that there existed a *prima facie* case, took the case on file in S.T.C.No.39 of 2011 for the offence under Section 138 of the NI Act and ordered for issuance of summons to the accused. After appearance of the accused, copies of records were furnished to them under Section 207 Cr.P.C. on free of costs. When the accused were questioned about the offence alleged as against them, they denied the commission of offence and pleaded not guilty. Thereafter, as per the order of the learned Chief Judicial Magistrate, Madurai District, dated 26.06.2012, the above case was transferred to the



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file of the Court of Judicial Magistrate No.I, Fast Track Court at Magisterial Level, Madurai and the case was taken on file in S.T.C.No.940 of 2012.

6. During trial, the complainant Company's power agent Thiru.Venkatachalam examined himself as P.W.1 and exhibited 10 documents as Ex.P.1 to Ex.P.10. After closure of the complainant Company's side evidence, when the accused were examined under Section 313(1)(b) Cr.P.C. with regard to the incriminating aspects found as against them, they denied the same as false and stated that a false case has been foisted against them. Though the accused have stated that they are having defence evidence, they have not let in any evidence subsequently.

7. Pending trial, the fourth respondent / fourth accused was reported dead and hence, the case as against her was ordered to be abated.

8. The learned Judicial Magistrate, upon considering the evidence both oral and documentary and on hearing the arguments of both the sides, passed the impugned judgment dated 18.11.2014, holding that the



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complainant Company has not proved the offence under Section 138 of the NI Act as against the accused beyond reasonable doubt, acquitted them under Section 255(1) Cr.P.C. Aggrieved by the impugned judgment of acquittal, the complainant Company has preferred the present appeal.

9. The complainant Company along with the appeal filed a petition in Crl.O.P.(MD)No.865 of 2015 under Section 378(4) of the Code of Criminal Procedure seeking special leave to file an appeal and a learned Judge of this Court passed an order dated 23.02.2015 dismissing the petition for special leave to file the appeal against the acquittal and consequently, rejected the criminal appeal. Challenging the order refusing special leave to file the appeal against the acquittal, the complainant Company preferred a criminal appeal in Crl.A.No.1937 of 2017 before the Hon'ble Supreme Court and the Hon'ble Supreme Court vide order dated 13.02.2025 set aside the order of this Court dated 23.02.2015 and granted the leave sought for by the complainant Company to file acquittal appeal and directed this Court to hear both the parties on merits and dispose of it within three months. When the matter was listed on 23.10.2025, this Court ordered notice to the accused and also directed the Registry to call for the



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records from the trial Court and after appearance of the accused and upon the receipt of the trial Court records, the matter was listed on 13.11.2025 and on that day, I have heard Mr.S.Chella Pandian, learned Senior Counsel appearing for the complainant Company and Mr.M.Karunanithi, learned counsel appearing for the accused 1 to 3.

10. Whether the impugned judgment of acquittal passed in S.T.C.No.940 of 2012 dated 18.11.2014 on the file of the Judicial Magistrate No.I, Fast Track Court at Magisterial Level, Madurai, is liable to be set aside? is the point for consideration.

11. Before proceeding further, it is necessary to refer the following observation made by the Hon'ble Supreme Court while disposing the criminal appeal in Crl.A.No.1937 of 2017,

“10. As we are inclined to remand the matter to the High Court, we do not propose to say anything further. However, all that we want to say at this stage is that the High Court while declining to grant leave, should have kept in mind Section 139 of the NI Act as well as Section 118 of the NI Act. The High Court should have tried to consider the case of the complainant applying the two



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provisions to the facts of the case, more particularly, having regard to the evidence on record oral as well as documentary. This aspect has not been touched even by the Trial Court and therefore, it was necessary for the High Court to look into it closely.”

12. At this juncture, it is necessary to refer Sections 118(a) and 139 of the NI Act, which deal with statutory presumptions,

*“Section 118 : Presumptions 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;”

“Section 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.”

13. The learned Senior Counsel appearing for the complainant



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Company would rely on a decision of the Hon'ble Supreme Court in **Bir Singh Vs. Mukesh Kumar** reported in (2019) 4 SCC 197, wherein, the Hon'ble Apex Court has referred its earlier decision in **K.N.Beena Vs. Muniyappan** reported in (2001) 8 SCC 458 that in view of the provisions of Section 139 r/w 118 of the NI Act, the Court had to presume that the cheque had been issued for discharging a debt or liability and the relevant passages are extracted hereunder;

“18. In passing the impugned judgment and order dated 21-11-2017, the High Court mis-construed Section 139 of Negotiable Instruments Act, which mandates that unless the contrary is proved, it is to be presumed 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. Needless to mention that the presumption contemplated under Section 139 of the Negotiable Instruments Act, is a rebuttable presumption. However, the onus of proving that the cheque was not in discharge of any debt or other liability is on the accused drawer of the cheque.

.....

24. In K.N. Beena v. Muniyappan and Another,



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(2001) 8 SCC 458, this Court held that in view of the provisions of Section 139 of the Negotiable Instruments Act read with Section 118 thereof, the Court had to presume that the cheque had been issued for discharging a debt or liability. The said presumption was rebuttable and could be rebutted by the accused by proving the contrary. But mere denial or rebuttal by the accused was not enough. The accused had to prove by cogent evidence that there was no debt or liability. This Court clearly held that the High Court had erroneously set aside the conviction, by proceeding on the basis that denials/averments in the reply of the accused were sufficient to shift the burden of proof on the complainant to prove that the cheque had been issued for discharge of a debt or a liability. This was an entirely erroneous approach. The accused had to prove in the trial by leading cogent evidence that there was no debt or liability.”

14. The learned counsel appearing for the accused 1 to 3 would rely on a decision of the Hon'ble Supreme Court in ***M/s.Meters and Instruments Private Limited and another Vs. Kanchan Mehta*** reported in ***AIR 2017 SC 4594***, wherein, the Hon'ble Apex Court, considering its various decisions, summarized the principles and the first one, which is



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relevant for our case, is extracted hereunder;

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“18. From the above discussion following aspects emerge:

i) Offence under Section 138 of the Act is primarily a civil wrong. Burden of proof is on accused in view presumption under Section 139 but the standard of such proof is “preponderance of probabilities”. The same has to be normally tried summarily as per provisions of summary trial under the Cr.P.C. but with such variation as may be appropriate to proceedings under Chapter XVII of the Act. Thus read, principle of Section 258 Cr.P.C. will apply and the Court can close the proceedings and discharge the accused on satisfaction that the cheque amount with assessed costs and interest is paid and if there is no reason to proceed with the punitive aspect.”

15. The learned Senior Counsel appearing for the complainant Company as well as the learned counsel appearing for the accused 1 to 3 would rely on a decision of the Hon'ble Supreme Court in ***Sanjabij Tari Vs. Kishore S. Borcar and another*** reported in ***2025 SCC OnLine SC 2069 (2025 LiveLaw (SC) 952)***, wherein, the Hon'ble Apex Court has observed,

“ONCE EXECUTION OF CHEQUE IS ADMITTED,



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***PRESUMPTIONS UNDER SECTIONS 118 AND 139 OF
THE NI ACT ARISE***

15. In the present case, the cheque in question has admittedly been signed by the Respondent No.1-Accused . This Court is of the view that once the execution of the cheque is admitted, the presumption under Section 118 of the NI Act that the cheque in question was drawn for consideration and the presumption under Section 139 of the NI Act that the holder of the cheque received the said cheque in discharge of a legally enforceable debt or liability arises against the accused. It is pertinent to mention that observations to the contrary by a two Judges Bench in Krishna Janardhan Bhat vs. Dattatraya G. Hegde, (2008) 4 SCC 54 have been set aside by a three Judges Bench in Rangappa (supra).

16. This Court is further of the view that by creating this presumption, the law reinforces the reliability of cheques as a mode of payment in commercial transactions.

17. Needless to mention that the presumption contemplated under Section 139 of the NI Act, is a rebuttable presumption. However, the initial onus of proving that the cheque is not in discharge of any debt or other liability is on the accused/drawer of the cheque [See: Bir Singh vs. Mukesh Kumar, (2019) 4 SCC 197].



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21. This Court also takes judicial notice of the fact that some District Courts and some High Courts are not giving effect to the presumptions incorporated in Sections 118 and 139 of NI Act and are treating the proceedings under the NI Act as another civil recovery proceedings and are directing the complainant to prove the antecedent debt or liability. This Court is of the view that such an approach is not only prolonging the trial but is also contrary to the mandate of Parliament, namely, that the drawer and the bank must honour the cheque, otherwise, trust in cheques would be irreparably damaged.”

16. The legal position is well settled that once the execution of the cheque is admitted, the presumption under Section 118 of the NI Act that the cheque was drawn for consideration and the presumption under Section 139 of the NI Act that the holder of the cheque received the said cheque in discharge of a legally enforceable debt or liability, arises against the accused.

17. It is the specific case of the complainant Company that the first



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accused Firm being a del credere agent of the complainant Company collected Rs.2,23,50,327.61/- from various customers but failed to pay an amount of Rs.1,87,28,768.61/-, that the first accused Firm sent a letter dated 23.09.2008 under Ex.P.3 admitting the receipt of Rs.2,23,50,327.61/- from various customers and also the particulars of amount to be received, that the fourth accused on her behalf and on behalf of the other accused, has created a second charge on her landed property by executing a simple mortgage vide document No.957/2009 before the Sub Registrar, Arasaradi, Madurai in order to secure payment against the amount due by them to the complainant Company, that the accused 2 to 4 as partners of the first accused Firm have given a written undertaking dated 28.07.2010 under Ex.P.4 requesting the complainant Company to release the second charge on their immovable property and assured to pay Rs.10,00,000/- from the sale proceeds towards part payment of the amount due and also agreed to execute a promissory note for the balance amount of Rs.2,63,29,776.61/- and accordingly, they executed a promissory note on 30.07.2010 under Ex.P.5, that the accused, in order to discharge the above liability, issued a cheque dated 30.07.2010 drawn on the Federal Bank Limited, Madurai Branch for Rs.2,63,29,776.61/- under Ex.P.6, that



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the complainant Company presented the cheque for collection through its banker, Axis Bank Limited, Madurai but the cheque was returned dishonored for want of sufficient funds in the bank account of the accused through banker's memo dated 16.11.2010 under Ex.P.7, that the complainant Company sent a legal notice dated 06.12.2010 under Ex.P.8 to all the accused directing them to pay the amount covered by the cheque, that all the accused having received the legal notice vide Ex.P.9-acknowledgement cards, sent a common reply notice dated 31.12.2010 under Ex.P.10 with false and untenable allegations and that since the accused have not paid the cheque amount within the stipulated period, the complainant Company was forced to file the above complaint.

18. The defence of the accused, as evident from their reply notice dated 31.12.2010 under Ex.P.10, is that one of the spinning mills at Madurai, namely, Sri Mappillai Vinayagar Group, Madurai, had purchased certain products from the complainant Company and failed to remit the payment, that the accused being a del credere agent had taken necessary steps against the Sri Mappillai and Manickka Vinayagar Group of mills to collect the amounts due to the complainant Company and they had



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initiated legal proceedings in I.P.No.21 of 2008 on the file of the IIIrd Additional Subordinate Court, Madurai to declare the Sri Mappillai Vinayagar Group as insolvent and to collect the pending amount from them, that the accused had already settled the amounts due to the complainant Company, that when the accused asked the complainant Company authorities to return the original agreement and the blank cheque issued at the time of entering into agreement, they informed that the documents are held up at records section and the same will be sent by post, that the cheque in dispute was given only for the purpose of security, that the complainant Company, by using the said cheque, is now attempting to collect the amount due by Sri Mappillai Vinayagar Industries and that since the entire liability had already been discharged, the accused are not liable for the claim.

19. As rightly contended by the learned Senior Counsel appearing for the complainant Company, it is evident from Ex.P.10 (reply notice) and also the cross-examination made to P.W.1 (power agent) that the accused have specifically admitted that Ex.P.6 (cheque) was belonging to them and also the signature found in Ex.P.6 (cheque). But according to the accused,



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Ex.P.6 (cheque) was issued as a security at the time of entering into the agreement with the complainant Company. It is pertinent to note that P.W.1 (power agent) has given evidence reiterating the complaint contentions and deposed about the liability of the accused, execution of Ex.P.4 (undertaking) and Ex.P.5 (promissory note), issuance of cheque therefor, dishonor of cheque for want of sufficient funds in the bank account of the first accused Firm, issuance of statutory notice and failure of the accused to pay the cheque amount within the stipulated time. On considering the evidence of P.W.1 and the documents exhibited through him and also the admission of the accused with respect to Ex.P.6 (cheque) and the signature found therein, this Court has no other option, but to draw a presumption under Sections 118 and 139 of the NI Act.

20. The learned counsel appearing for the accused 1 to 3 would rely on a decision of the Hon'ble Supreme Court in ***Sri Dattatraya Vs. Sharanappa*** reported in ***AIR 2024 SC 4103***, wherein, the Hon'ble Apex Court has observed,

“26. Furthermore, on the aspect of adducing evidence for rebuttal of the aforesaid statutory presumption, it is pertinent to cumulatively read the



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decisions of this Court in Rangappa (supra) and Rajesh Jain (supra) which would go on to clarify that accused can undoubtedly place reliance on the materials adduced by the complainant, which would include not only the complainant's version in the original complaint, but also the case in the legal or demand notice, complainant's case at the trial, as also the plea of the accused in the reply notice, his Section 313 CrPC 1973 statement or at the trial as to the circumstances under which the promissory note or cheque was executed. The accused ought not to adduce any further or new evidence from his end in said circumstances to rebut the concerned statutory presumption."

21. As rightly contended by the learned counsel appearing for the accused 1 to 3, the presumption available under Sections 118 and 139 of the NI Act are always rebuttable in nature. It is also settled law that the accused, in order to rebut the presumption drawn in favour of the complainant under Sections 118 and 139 of the NI Act, is not required to adduce any evidence and he can very well prove his probable defence through the evidence adduced by the complainant and that the standard of proof required is of preponderance of probabilities.



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22. It is pertinent to mention that the accused, in their reply notice, took a specific defence that they had already discharged their liability due to the complainant Company. Generally, a person pleading discharge must prove it. Though the accused alleged that they had discharged all liabilities, they furnished no particulars and adduced no evidence.

23. As rightly pointed out by the learned counsel appearing for the accused 1 to 3 and as rightly observed by the learned trial Judge, Ex.P.3 (letter) alleged to have been sent by the first accused Firm to the complainant Company was not at all referred in Ex.P.8 (legal notice). But it is pertinent to note that the defence has nowhere whispered that Ex.P.3 (letter) was not at all sent by them or that Ex.P.3 (letter) was a fabricated one. When P.W.1 was in witness box, he was cross-examined by the defence with regard to Ex.P.3 (letter) and the relevant portion is extracted hereunder;

“ம.சா.ஆ.3 முதல் எதிரி நிறுவனத்திடமிருந்து வரப்பெற்ற கடிதம் எந்த வகையில் எங்கள் நிறுவனத்திற்கு அனுப்பப்பட்டது என்ற விபரம் குறித்து என்னால் கூற இயலாது. ம.சா.ஆ.3 ஆவணம் வழக்கிற்காக எங்கள் நிறுவனத்திடமிருந்து எனது பொறுப்பில் கொடுக்கப்பட்டது. ம.சா.ஆ.3 ஆவணத்தில் குறிப்பிடப்பட்டுள்ள தொகைகள்



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குறித்து எங்கள் நிறுவனத்திடமிருந்து முதல் எதிரி நிறுவனத்திற்கு மேற்சொன்ன தொகை ஆவணத்தில் குறிப்பிடப்பட்டுள்ள நிறுவனத்திடமிருந்து வசூலிக்கப்பட்ட பிறகு எங்கள் நிறுவனத்திற்கு கொடுக்கப்படாமல் இருப்பது குறித்து கடிதமோ சட்ட அறிவிக்கையோ முதல் எதிரி நிறுவனத்திற்கு கொடுக்கப்பட்டதா என்றால் ஆவணங்களை பார்த்துதான் என்னால் கூறஇயலும்.”

24. As rightly pointed out by the learned Senior Counsel appearing for the complainant Company, it was not even suggested that Ex.P.3 (letter) was not at all sent by the first accused Firm or it was created by the complainant Company.

25. As already pointed out, it is the specific case of the complainant Company that the accused have given an undertaking in writing under Ex.P.4 admitting the balance amount due by them to the complainant Company and requesting the complainant Company to release the second charge on the immovable property so as to enable the accused to sell the property and assured the complainant Company that they will pay Rs.10,00,000/- from the sale proceeds and to execute a promissory note for the remaining balance and accordingly, Ex.P.5 (promissory note) was



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executed.

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26. As rightly pointed out by the learned Senior Counsel appearing for the complainant Company, the complainant Company, in the statutory notice under Ex.P.8, has specifically referred about the written undertaking given by the accused, wherein, the accused have confirmed the balance amount due till 30.07.2010 was Rs.2,73,29,776.61/- and assured to pay Rs.10,00,000/- on the date of release of the second charge created on the fourth accused property. In Ex.P.8 (legal notice), the complainant Company has also stated that the accused have paid Rs.10,00,000/- and also agreed to pay the balance amount on demand, that thereafter, the complainant Company released their second charge on the said property and that in order to discharge the said liability, the accused have issued the cheque in dispute. It is pertinent to mention that the accused, in their reply notice under Ex.P.10, have nowhere denied or disputed the Ex.P.4 (written undertaking) allegedly given by them. No doubt, the accused, in Ex.P.10 (reply notice), have taken a stand that the second charge created on the fourth accused property was only for the purpose of security and since the accused had settled the dues, the security was discharged by the complainant Company.



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27. As rightly pointed out by the learned Senior Counsel appearing for the complainant Company, in Ex.P.2 (del credere agreement) dated 25.04.2008 entered into between the complaint Company and the first accused Firm, the accused had agreed to provide a security as may be required by the complainant Company from time to time to secure the due performance of their undertakings / obligations and the relevant clause is extracted hereunder;

“del credere agreement Page No.2

WHEREAS:

.....

IV. The Agent has represented to RIL that he/she/it has the necessary financial resources and competence as well as experience necessary for proper discharge and/or performance of all obligations required to be performed as a del credere agent of RIL and will provide a security as may be required by RIL from time to time to secure the due performance of his/her/its undertakings/obligations hereunder.”

28. The defence have not shown that the second charge on the fourth accused property was created at the time of entering into del credere



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agreement. But on the other hand, the complainant Company has specifically stated that the fourth accused on her behalf and on behalf of the other accused has created a second charge on her landed property lying at 1, Vanamamalai Nagar, By Pass Road, Madurai-10 by executing a simple mortgage vide document No.957/2009 before the Sub Registrar, Arasaradi, Madurai. Considering the above, it is clear that the simple mortgage deed was executed in the year 2009. Though the learned Magistrate as well as the learned counsel appearing for the accused had commented on the non-production of the said mortgage deed, as rightly contended by the learned Senior Counsel appearing for the complainant Company, production of simple mortgage deed does not advance the case of either party and more importantly, the same does not advance the defence of the accused.

29. According to the complainant Company, since the accused have paid Rs.10,00,000/- and executed the promissory note for the remaining amount, the second charge on the immovable property was released but the said factum was not at all specifically denied by the accused.



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30. The learned counsel appearing for the accused 1 to 3 would contend that promissory note under Ex.P.5 has not been attested and P.W.1 in cross-examination would admit that no one had subscribed their signature in the promissory note as attesting witness, that the promissory note produced by the complainant Company is not valid and that they have also not proved the execution.

31. At the outset, it is pertinent to note that promissory note does not require mandatory attestation and its absence does not invalidate the document. Moreover, as rightly contended by the learned Senior Counsel appearing for the complainant Company, they have produced the promissory note as a supporting document, executed consequent to the written undertaking under Ex.P.4 and hence, the defence's objections, lacking substance, are liable for rejection.

32. As rightly pointed out by the learned Senior Counsel appearing for the complainant Company, in Ex.P.10 (reply notice), the accused have admitted that Sri Mappillai and Manickka Vinayagar Group of mills, who purchased certain products from the complainant Company, failed to remit



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the amounts and that they have already initiated insolvency proceedings to declare the said Group of companies as insolvent and for collecting the amounts due by them. But the accused, in reply notice, have also stated that the complainant Company was trying to shift the entire burden on the accused for the amounts due by the said Sri Mappillai and Manickka Vinayagar Group of mills but they had already discharged all the liabilities due by them to the complainant Company. A cursory perusal of Ex.P.10 (reply notice) would reveal that the accused have specifically admitted that Sri Mappillai and Manickka Vinayagar Group of mills failed to pay the sale price for the products purchased from the complainant Company and that the accused have taken legal action for the same.

33. As rightly pointed out by the learned Senior Counsel appearing for the complainant Company, in Ex.P.2 (del credere agreement), there is a specific clause No.8, wherein, the Agent shall at all times and/or under any circumstances indemnify and keep indemnified the complainant Company against the loss caused to the complainant Company by reason of such failure and clause No.10 contemplates that in the event the Agent commits breach of any of the terms or conditions of the Agreement, the



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complainant Company, without prejudice to other rights and powers, shall be entitled to recover any amount payable by the Agent on account of the said breach from any property of the Agent, including any credit balance and/or any security for the time being held by the complainant Company and that the Agent agrees and undertakes not to create any impediment in such recovery and/or realisation of security. Clause No.15 says that any dispute or differences that may arise between the Agent and any of his/her/its buyers' in connection with the sale of the Products shall be resolved by the Agent directly and no liability in that behalf shall attach to the complainant Company.

34. The learned Senior Counsel appearing for the complainant Company would rely on a decision of the Hon'ble Supreme Court in ***Sripati Singh Vs. State of Jharkhand and another*** reported in (2022) 18 SCC 614, wherein, the Hon'ble Apex Court has held that any cheque issued as security is dishonored, Section 138 of the NI Act can very well be invoked and the relevant passages are extracted hereunder;

“21. 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



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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 time-frame 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 the NI Act would flow.

22. 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



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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 proceeding initiated under Section 138 of the NI 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."



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35. In the case on hand, as rightly contended by the learned Senior Counsel appearing for the complainant Company, even assuming that the cheque in dispute was given as a security, since the accused have themselves admitted that they have not collected the sale price due by Sri Mappillai and Manickka Vinayagar Group of mills and legal proceedings are pending, applying the dictum laid down in ***Sripati Singh's*** case, the contention that Section 138 of the NI Act cannot be invoked for the cheque issued as security, cannot be sustained.

36. The learned counsel appearing for the accused 1 to 3 would submit that there is no mention about the knowledge of P.W.1 regarding the business of the complainant Company and more particularly, the transaction mentioned in the complaint between the complainant Company and the first accused Firm and as such, P.W.1 cannot adduce any evidence on behalf of the complainant Company, that P.W.1 (power agent) for many vital questions do not have direct answer which clearly revealed and proved that he does not have personal knowledge regarding the business of the complainant Company, that P.W.1 pleaded ignorance for many aspects and does not have personal knowledge about the transactions



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between the complainant Company and the first accused Firm and that therefore, P.W.1 is not a competent witness to speak about the allegations in the complaint and non-examination of any material witnesses from the complainant Company to prove their case is fatal. To put it in other way, according to the defence, the evidence of P.W.1 is sufficient enough to rebut the presumption under Section 139 of the NI Act since he feigned ignorance about the aspects touching the affairs of the complainant Company and the alleged transactions between the complainant Company and the first accused Firm.

37. The learned Senior Counsel appearing for the complainant Company would rely on a decision of the Kerala High Court in ***Choice Intermodel Services Vs. M/s.Green Sea Marine, Alappuzha and others*** reported in ***2013 (4) KHC 53***, which came to be confirmed by the Hon'ble Supreme Court dismissing the special leave petition in ***Special Leave to Appeal (Crl) No.894 of 2014 dated 10.02.2014*** and referred paragraph No.9, which is extracted hereunder;

“9. In this case the complaint is a company and power-of-attorney was deputed to tender evidence on behalf of the company. In company matters always officers



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are representing the company. One officer may go and another may come. The evidence is always let in on the basis of the documentary evidence. Any responsible officer of the company can represent the matter before a Court, who is authorised to do so. Complaint instituted alleging offence punishable under the Negotiable Instruments Act should be supported by an authorisation or power-of-attorney. It is true that the complaint cannot be entertained in the absence of authorisation or power-of-attorney. It can safely be inferred that PW 1 has the express authority to act on behalf of the company and after all she represented the company only to safeguard its interest, i.e. her acts are not to the prejudice of the company, but on the contrary they are for the benefit of the company. Most importantly the Board of the company never expressly or impliedly, disrobed PW1 for acting on behalf of the company.”

38. The learned Senior Counsel appearing for the complainant Company as well as the learned counsel appearing for the accused 1 to 3 would rely on a decision of the Hon'ble Supreme Court in ***A.C.Narayanan and another Vs. State of Maharashtra and another*** reported in **2013 (5) CTC 560**, wherein, the entitlement of power of attorney holder was



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considered and the relevant passage is extracted hereunder;

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“23. In the light of the discussion, we are of the view that the power of attorney holder may be allowed to file, appear and depose for the purpose of issue of process for the offence punishable under Section 138 of the N.I. Act. An exception to the above is when the power of attorney holder of the complainant does not have a personal knowledge about the transactions then he cannot be examined. However, where the attorney holder of the complainant is in charge of the business of the complainant-payee and the attorney holder alone is personally aware of the transactions, there is no reason why the attorney holder cannot depose as a witness. Nevertheless, an explicit assertion as to the knowledge of the Power of Attorney holder about the transaction in question must be specified in the complaint. On this count, the fourth question becomes infructuous.”

39. There is no dispute about the legal position referred above. In the present case, according to the complainant Company, the complainant Company, which is a Public Limited Company, gave power of attorney in favour of P.W.1 to file the complaint on behalf of the Company and depose on behalf of the Company and give evidence before the Courts of law and



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they have produced the copies of the power of attorney along with the copies of resolution passed in the meeting of the Board of Directors. As per the legal position above referred, the power of attorney holder can very well file a complaint, appear and depose and in case, if he is having personal knowledge about the transaction, can also depose about the same. No doubt, P.W.1 in cross-examination, for some questions, would say that he was not aware or he has to see the documents.

40. The learned Senior Counsel appearing for the complainant Company would submit that even assuming that P.W.1 is not aware of certain facts, that will not make the case of the defence neither true nor the case of the complainant Company false. Moreover, as rightly pointed out by the learned Senior Counsel appearing for the complainant Company, the questions asked by the defence and answers given by P.W.1 are not at all relevant to the present dispute as the accused have not discharged their initial burden of rebutting presumption under Sections 118 and 139 of the NI Act.

41. The learned counsel appearing for the accused 1 to 3 would



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submit that the complainant Company has failed to produce account statements filed for the period of 2008 – 2009 before the Registrar of Companies as per the Companies Act, Income Tax Returns for the said period, balance sheet / books of accounts for the said period and details from whom the first accused Firm had collected the amount and also the particulars of purchasers of Polyester products from the complainant Company.

42. The learned Senior Counsel appearing for the complainant company would submit that since the accused have failed to rebut the presumption, non-production of the above documents are totally irrelevant.

43. At this juncture, it is necessary to refer the decision of the Hon'ble Supreme Court in ***Rohitbhai Jivanlal Patel Vs. State of Gujarat and another*** reported in ***(2019) 18 SCC 106***, wherein, it was observed,

“18. In the case at hand, even after purportedly drawing the presumption under Section 139 of the NI Act, the trial court proceeded to question the want of evidence on the part of the complainant as regards the source of



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funds for advancing loan to the accused and want of examination of relevant witnesses who allegedly extended him money for advancing it to the accused. This approach of the trial court had been at variance with the principles of presumption in law. After such presumption, the onus shifted to the accused and unless the accused had discharged the onus by bringing on record such facts and circumstances as to show the preponderance of probabilities tilting in his favour, any doubt on the complainant's case could not have been raised for want of evidence regarding the source of funds for advancing loan to the appellant-accused. The aspect relevant for consideration had been as to whether the appellant-accused has brought on record such facts/material/circumstances which could be of a reasonably probable defence.

xxx

20. Hereinabove, we have examined in detail the findings of the trial court and those of the High Court and have no hesitation in concluding that the present one was clearly a case where the decision of the trial court suffered from perversity and fundamental error of approach; and the High Court was justified in reversing the judgment of the trial court. The observations of the trial court that



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there was no documentary evidence to show the source of funds with the respondent to advance the loan, or that the respondent did not record the transaction in the form of receipt of even kachcha notes, or that there were inconsistencies in the statement of the complainant and his witness, or that the witness of the complaint was more in the know of facts, etc. would have been relevant if the matter was to be examined with reference to the onus on the complaint to prove his case beyond reasonable doubt. These considerations and observations do not stand in conformity with the presumption existing in favour of the complainant by virtue of Sections 118 and 139 of the NI Act. Needless to reiterate that the result of such presumption is that existence of a legally enforceable debt is to be presumed in favour of the complainant. When such a presumption is drawn, the factors relating to the want of documentary evidence in the form of receipts or accounts or want of evidence as regards source of funds were not of relevant consideration while examining if the accused has been able to rebut the presumption or not. The other observations as regards any variance in the statement of complainant and witness; or want of knowledge about dates and other particulars of the cheques; or washing away of the earlier cheques in the rains though the office of the complainant being on the 8th floor had also been irrelevant factors for consideration of a probable defence



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of the appellant....”

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44. Given the presumption under Sections 118 and 139 of the NI Act favouring the complainant Company, the onus is on the accused to raise a probable defence. Without rebuttal, questioning the complainant's non-production of documents or non-examination of other witnesses does not arise.

45. The accused have attempted to take a feeble defence that the cheque in dispute was not filled up by the accused 2 to 4 on behalf of the first accused Firm. When it was suggested that the cheque was not filled up by the accused 2 to 4, the same was denied by P.W.1. Even assuming that such a defence is available, as rightly pointed out by the learned Senior Counsel appearing for the complainant Company, that would not aid the defence case.

46. At this juncture, it is necessary to refer the decision of this Court in ***Padmavathy Vs. M/s Sri Balaji Networks*** in ***Crl.R.C.(MD)No.523 of 2023, dated 30.06.2023***, while dealing with the scope of Section 20 of the NI Act, observed as follows:



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“7. The learned Counsel for the complainant would submit that as per Section 20 of the Negotiable Instruments Act, the holder of the cheque either by himself or through any third party can very well fill up the blank cheques and it is necessary to refer Section 20 of the Negotiable Instruments Act hereunder for better appreciation;

“Inchoate stamped instruments : Where one person signs and delivers to another a paper stamped in accordance with law relating to negotiable instruments then in force in India, and either wholly blank or having written thereon an in complete negotiable instrument, he thereby gives prima facie authority to the holder thereof to make or complete, as the case may be, upon it a negotiable instrument, for any amount specified therein and not exceeding the amount covered by the stamp. The person so signing shall be liable upon such instrument in the capacity in which he signed the same, to nay holder in due course for such amount; provided that no person other than a holder in due course shall recover from the person delivering the instrument anything in excess of the amount instead by him to be paid to thereunder.”

8. As per Section 20 of the Negotiable Instruments Act, the holder in the due Course has every authority to



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complete the stamped instruments i.e., blank pronote and bill of exchange, delivered to him after properly signing therein by the maker of the instruments and as such Section 20 of the Negotiable Instruments Act, will have no application to the blank cheques issued after signing by the drawer. But, at the same time, there is no law which mandates that the cheque shall be filled up by the drawer himself. Similarly, if a drawer of a cheque gives authority to the payee or holder in due course to fill up the cheque signed by him, then the payee or holder in due course can very well fill up the blank cheque by themselves or through a stranger / third party, as there is no bar for the drawer of the cheque to give authority to the third person to fill up the cheque signed by him for the purpose of negotiating the same.

9. The learned Counsel for the revision petitioner/accused has relied on the decision of the Division Bench of the Hon'ble Supreme Court in T.Nagappa Vs. Y.R.Muralidhar reported in 2008(2) Crimes 219 (SC) and the relevant passages are extracted hereunder:

“ Code of Criminal Procedure 1973 – Section 243(2) r/w Article 21 of the Constitution of India – An accused has a right to fair trial and to adduce evidence for that purpose – Ordinarily an accused should be allowed to



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approach the court for obtaining its assistance with regard to summoning of witnesses etc.

Negotiable Instruments Act 1881 – Section 20 – Only a prima facie right, that too conditional, had been conferred upon the holder of the negotiable instrument – Request of the appellant for referring the cheque to Forensic examination was bona fide.”

10. At this juncture, it is necessary to refer the recent judgment of the Hon'ble Supreme Court in Oriental Bank Of Commerce vs Prabodh Kumar Tewari reported in 2022 Live law SC 714, wherein it has been held as follows:

“ Negotiable Instruments Act, 1881 – Sections 138, 139 - A drawer handing over a cheque signed by him is liable unless it is proved by adducing evidence at the trial that the cheque was not in discharge of a debt or liability. The evidence of a hand-writing expert on whether the respondent had filled in the details in the cheque would be immaterial to determining the purpose for which the cheque was handed over. Therefore, no purpose is served by allowing the application for adducing the evidence of the hand-writing expert. The presumption which arises on the signing of the cheque cannot be rebutted merely by the report of a hand-writing expert. Even if the details in the cheque have not been filled up by drawer but by another person, this is not relevant to the defense whether cheque



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was issued towards payment of a debt or in discharge of a liability.”

11. In that decision, another judgment of the Three Judges Bench of the Hon'ble Supreme Court in Kalamani Tex Vs. Balasubramanian reported in 2021(5) SCC 283 was referred and wherein the Hon'ble Apex Court has reiterated the legal position settled in Bir Singh Vs. Mukesh Kumar reported in (2019)4 SCC 197, wherein it has been held as follows:

“14. In Bir Singh v. Mukesh Kumar, after discussing the settled line of precedent of this Court on this issue, a two-Judge Bench held:

33. 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.



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34. *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.*

[...]

36. *Even a blank cheque leaf, voluntarily signed and handed over by the accused, which is towards some payment, would attract presumption under Section 139 of the Negotiable Instruments Act, in the absence of any cogent evidence to show that the cheque was not issued in discharge of a debt.*

(emphasis supplied)''

12. *The above decisions are clearly applicable to the case on hand. In the present case, according to the petitioner, she has not written the contents of the cheque. As already pointed out, since it is not mandatory for the drawer to fill up the entire instrument by himself, no useful purpose would be served, if the disputed cheques are sent for expert opinion. Even assuming for argument sake, that the expert gives his opinion that the writings found in the cheque are not that of the petitioner, that by itself would not advance the case of the petitioner further. A drawer*



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who signs a cheque and hands it over to the payee is presumed to be liable unless the drawer adduces evidence to rebut the presumption that the cheque has been issued towards payment of a debt or in discharge of a liability and that the cheque presumption arises under Section 138 of the Negotiable Instruments Act. Section 139 of the said Act mandates that it shall be presumed, unless the contrary is proved, that the holder of a cheque received it for the discharge, in whole or in part, of any debt or other liability. In case if the accused is able to raise a probable defence which creates doubts about the existence of a legally recoverable debt or liability, the prosecution can fail. The standard of proof for rebuttal of presumption under Section 139 of the Negotiable Instruments Act is guided by preponderance of probabilities. For deciding the above, the fact that the details in the cheque have been filled up not by the drawer, but by some other person, would be immaterial.”

47. Even assuming that the cheque contents were not filled up by the accused 2 to 4, it's irrelevant.

48. The learned counsel appearing for the accused 1 to 3 would then contend that the complainant Company claimed different amount in



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paragraph No.2 of Ex.P.8 (legal notice) but finally claimed different amount in the notice as well as in the complaint. He would rely on a decision of the Hon'ble Supreme Court in ***Kaveri Plastics Vs. Mahdoom Bawa Bahrudeen Noorul*** reported in ***2025 LiveLaw (SC) 927***, wherein, the Hon'ble Apex Court has held that the notice demanding the payment of the amount covered by the dishonored cheque is one of the main ingredients for the offence under Section 138 of the NI Act and in the event of the main ingredient not being satisfied on account of discrepancy in the amount of cheque and one mentioned in the notice, all proceedings under Section 138 of the NI Act would fall flat as bad in law and the relevant passages are extracted hereunder;

“8. From the afore-stated reiterative pronouncements and the principles propounded by the courts, the position of law that emerges is that the notice demanding the payment of the amount covered by the dishonoured cheque is one of the main ingredients of the offence under Section 138 of the NI Act. In the event of the main ingredient not being satisfied on account of discrepancy in the amount of cheque and one mentioned in the notice, all proceedings under Section 138 of the NI Act would fall flat as bad in law. The notice to be issued under Proviso (b) to Section 138 of the Act, must mention the



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same amount for which the cheque was issued. It is mandatory that the demand in the statutory notice has to be the very amount of the cheque. After mentioning the exact cheque amount, the sender of the service may claim in the notice amounts such as legal charges, notice charges, interest and such other additional amounts, provided the cheque amount is specified to be demanded for payment.

8.1 A failure in above regard, namely when the cheque amount is not mentioned in the Proviso (b) notice or the amount different than the actual cheque amount is mentioned, in the notice, such notice would stand invalid in eye of law. The notice in terms of Proviso (b) being a provision in penal statute and a condition for the offence, it has to be precise while mentioning of the amount of the cheque which is dishonoured. Even if the cheque details are mentioned in the notice but corresponding amount of cheque is not correctly mentioned, it would not bring in law the validity for such notice. Here the principle of reading of notice as a whole is inapplicable and irrelevant. Any elasticity cannot be adopted in the interpretation. It has to be given technical interpretation.

8.2 The condition of notice under Proviso (b) is required to be complied with meticulously. Even



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typographical error can be no defence. The error even if typographical, would be fatal to the legality of notice, given the need for strict mandatory compliance. And in the facts of the present case, the explanation that mentioning of wrong amount in the cheque was in the nature of typographical or inadvertent error could hardly be accepted, for, the so called mistake occurred and recurred in both the notices dated 08.06.2012 and 14.09.2012.

9. When the provision is penal and the offence is technical, there is no escape from holding that the 'said amount' in proviso (b) cannot be the amount other than mentioned in the cheque in question for dishonour of which the notice is received, nor the mentioning of omnibus amount in the notice would fulfil the requirement. It has to be held that in order to make a valid notice under the Proviso (b) to Section 138 of the NI Act, it is mandatory that 'said amount' to be mentioned therein is the very amount of cheque, and none other."

49. In the present case, in Ex.P.8 (legal notice) in paragraph No.2, the complainant Company has stated that the accused collected from various customers of the complainant Company an amount of Rs.2,23,50,327.61/- payable by the said customers to the complainant



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Company, however, out of the said amount, the accused have failed and neglected to pay an amount of Rs.1,87,28,768.61/-. But as rightly pointed out by the learned Senior Counsel appearing for the complainant Company, in paragraph No.4, the complainant Company has referred about the written undertaking given by the accused confirming the balance amount at Rs.2,73,29,776.61/- and assured to pay Rs.10,00,000/-, on the date of release of the second charge on the property and agreed to pay the balance amount of Rs.2,63,29,776.61/- on demand, for which amount, the cheque in dispute was issued and the complainant Company in last paragraph of Ex.P.8 (legal notice) demanded the accused to pay Rs.2,63,29,776.61/- covered by the cheque and hence, there is no difference as claimed by the defence.

50. In light of the foregoing, this Court has no hesitation in holding that the accused failed to rebut the presumption under Sections 118 and 139 of the NI Act, but the findings of the learned Judicial Magistrate are perverse, overlooking crucial aspects and relying on immaterial factors. Hence, the judgment of acquittal is liable to be set aside. Consequently, this Court concludes all the accused are guilty of committing the offence



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punishable under Section 138 of the NI Act.

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51. Now turning to the punishment to be awarded, the Hon'ble Supreme Court in *M/s.Meters and Instruments Private Limited and another Vs. Kanchan Mehta* reported in *(2017) 3 MWN (Crl) DCC 161 SC*, has observed that the offence under Section 138 of the Negotiable Instruments Act related to a civil wrong and the same was a regulatory offence and that the object was described as punitive as well as compensatory. It is very much clear that the intention of the provision is not only to punish the accused, but at the same time, the aggrieved party is to be compensated.

52. Section 141 of the NI Act makes individuals within a Company or Partnership criminally liable for the offence under Section 138 of the NI Act and it establishes a concept of vicarious liability, meaning that if the Firm or the Company is the offender, then anyone, who was incharge of and responsible for the Companies or Firm's business at the time of the offence is also considered guilty and can be prosecuted. In the case on hand, as already pointed out, the complainant Company, in their



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complaint, has specifically averred that the accused 2 to 4 are the partners of the first accused Firm, who are actively involved in the day to day affairs of the Firm and / or incharge of and / or responsible for the conduct of the business of the first accused Firm. No doubt, cheque in dispute was signed by the third accused but Ex.P.4 (undertaking) and Ex.P.5 (promissory note) were executed by all the three partners / accused 2 to 4. Considering the above, it can easily be inferred that the accused 2 and 3 were incharge of and responsible for the business of the first accused Firm.

53. Given the case's pendency since 2011, this Court is not inclined to impose punishment of imprisonment but taking into account the nature of the offence and the cheque amount, this Court sentences the respondents 2 and 3 / accused 2 and 3 being the partners of the first respondent / first accused Firm to pay a fine of **Rs.2,63,29,776.61/- each** (Rupees Two Crores Sixty Three Lakhs Twenty Nine Thousand Seven Hundred and Seventy Six and Sixty One paisa only) (totalling Rs.5,26,59,553.22/- (Rupees Five Crores Twenty Six Lakhs Fifty Nine Thousand Five Hundred and Fifty Three and Twenty Two paisa only))



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(twice the cheque amount) within a period of two months from the date of receipt of copy of this judgment, in default, to undergo simple imprisonment for three months. Upon payment, the learned trial Judge shall disburse the fine as compensation to the appellant / complainant under Section 357 Cr.P.C.

54. In the result, this Criminal Appeal is allowed.

27.11.2025

NCC :yes/No
Index :yes/No
Internet:yes/No
csm

To

1. The Judicial Magistrate No.I,
Fast Track Court at Magisterial Level,
Madurai.



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K.MURALI SHANKAR,J.

csn

Pre-Delivery Judgment made in
Crl.A.(MD)No.1132 of 2025

Dated : 27.11.2025