



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12-06-2026

CORAM

THE HONOURABLE MR JUSTICE M. NIRMAL KUMAR

CRL OP No. 9628 of 2026

A.Perumal

Petitioner(s)

Vs

R.Selvam

Respondent(s)

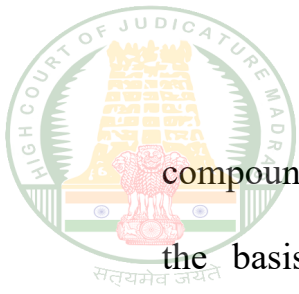
PRAYER

This criminal original petition is preferred under section 528 of the BNSS, 2023, seeking to permit the petitioner and the respondent to compound the offence under section 138 NI Act, based on the Memorandum of Compromises dated 07.03.2026 entered by both the parties, relating to the order of Conviction passed in judgement dated 01.03.2024 passed by the Learned Judicial Magistrate No.1, Mettur in CC.No.94 of 2023, and the same was confirmed by judgement dated 14.02.2025 passed by the Hon'ble Additional District Judge (Fast Track Court), Mettur in Crl.A.No.74 of 2024 and the same was confirmed by this Hon'ble Court by Judgement dated 09.02.2026 in Crl.R.C.No.2268 of 2025 and thus render justice.

For Petitioner(s): Mr.L.Mouli

ORDER

This criminal original petition has been filed by the petitioner seeking to



compound the offence under section 138 of the Negotiable Instruments Act on the basis of the memorandum of compromise entered into between the petitioner and the respondent on 07.03.2026.

2.The learned counsel appearing for the petitioner is before this court. It is the submission of the learned counsel that on the complaint of the respondent, a case in C.C.No.94 of 2023 came to be registered under Section 138 of the Negotiable Instruments Act, 1881 before the learned Judicial Magistrate No.I, Mettur. It was the complaint that the petitioner had borrowed Rs,15 lakhs from the respondent and as the petitioner could not repay the same within the agreed period, the respondent demanded the petitioner to repay the same. The petitioner had issued a cheque of Rs.15 lakhs to the respondent and when the same was presented before the bank for encashment, the cheque was returned as 'Funds insufficient'. Therefore, the respondent initiated proceedings under the NI Act and filed the above case in C.C.No.94 of 2023.

3.It was contended that after the completion of the trial, the trial court, namely the learned Judicial Magistrate-I, Mettur had convicted the petitioner under section 138 of the NI Act and sentenced him to undergo one year simple imprisonment and also directed the petitioner herein to pay Rs.15 lakhs as compensation to the complainant and in default to undergo a simple imprisonment for three months. Aggrieved over the same, the petitioner preferred appeal before the Additional District Court (Fast Track Court), Mettur



in Criminal Appeal No.74 of 2024 and on contest, the same was dismissed confirming the conviction and sentence imposed by the trial court, against which the petitioner herein preferred a criminal revision case before the High Court in Crl.R.C.No.2268 of 2025. This court vide order dated 09.02.2026 dismissed the revision.

4.Now, it is the contention of the learned counsel for the petitioner that after the aforesaid order of the High Court, both the petitioner and the respondent settled the matter. The petitioner had paid the full cheque amount of Rs.15 lakhs by way of demand draft and the respondent complainant had also received the same. They have entered into a memorandum of compromise dated 07.03.2026. As per the memorandum of compromise, the respondent had also agreed to compound the offence against the petitioner and therefore, the learned counsel requested this court to make an order compounding the offence.

5.In the light of the above, it is seen that the petitioner has filed the present original petition seeking for compounding the offence post conviction. It is also seen that the petitioner has settled the entire due payable to the respondent by way of demand draft and the same was also received by the respondent. Now a memorandum of compromise dated 07.03.2026 has been entered into between the parties herein, wherein it is seen that the respondent has agreed to compound the offence under section 138 of the NI Act against the petitioner and it is also agreed that the respondent will not move any legal



action against the petitioner.

6.The scanned reproduction of the memorandum of compromise dated 07.03.2026 is as follows:

भारतीय गैर न्यायिक
एक सौ रुपये
रु. 100
Rs. 100
ONE HUNDRED RUPEES
भारत INDIA
INDIAN NON JUDICIAL

தமிழ்நாடு வமிலநாடு TAMILNADU
07-03-2026
B1001-
FL 178530
A. Perumal
Kolnaickenpatti
க.அம்மலாந் தனசாமி, S.V
மேட்டூர் அகலாணி - 1.
உ.எண்: 6424-18/E1/97-1

MEMORANDUM OF COMPROMISE ON 7TH DAY OF MARCH 2026

This Memorandum of Compromise is entered on 7th day of March 2026 between

A.Perumal, Son of Ammasi, aged 52 years, residing at Door No.2/164, Reddiyur Colony, Thermal Post, Kolnaickenpatty, Mettur Taluk, Salem District- 636406, **A-Party**.

AND

R.Selvam, son of Ramasamy, aged about 62 years, residing at Door No.6/94B, Thookanampatti, Mettur Taluk, Salem District - 636 452. **B-Party**.

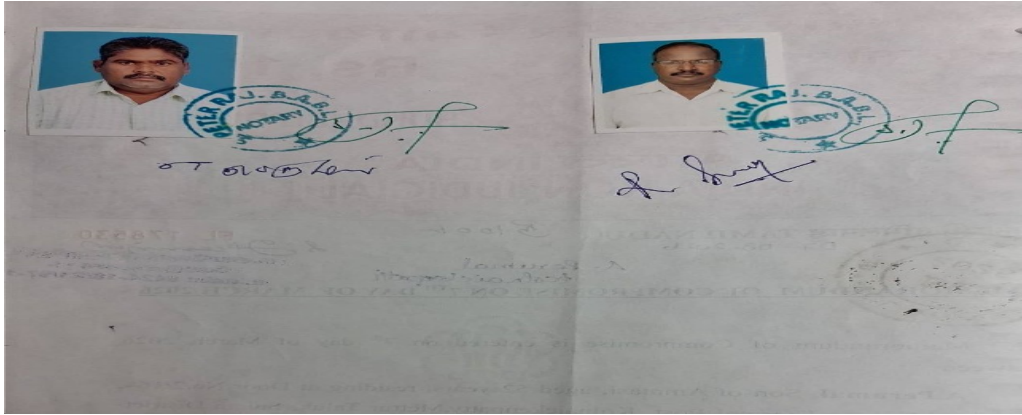
1. Whereas the above said B-Party filed a complaint against A-Party under Section 138 of Negotiable Instrument Act in C.C No.94 of 2023 before the Hon'ble

S. Peterraj, B.A.L.,
Salem District,
G.O.M.S. No:624,
Law Department
29-10-2022

7-3-2026 R. Selvam



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Judicial Magistrate No.1, Mettur with an allegation that the A-Party and the B-Party are friends due to friendship the A-Party had borrowed Rs 15,00,000/- from B-Party by assuring that the A-Party will repay the said amount within 3 months and further the B-Party had made repeated demands to the A-Party to return back the borrowed amount to the B-Party and to discharge the amount due it is alleged that A-Party had issued a cheque for sum of Rs.15,00,000/- drawn on Indian Overseas Bank, Leigh Bazzar, Salem, bearing No.124015 dated 07.03.2023 and when the B-Party presented the same through his Indian Bank, Mettur Dam branch on 07.03.2023, the same was returned as "Funds Insufficient" on 08.03.2023 and after the B-Party issued statutory Notice dated 11.03.2023 and the A-Party had received the notice on 18.03.2023 it is alleged that A-Party sent Reply Notice dated 27.03.2023, but did not pay the cheque amount. The Learned Judicial Magistrate No.1, Mettur after conclusion of trial had convicted the A-Party for offence under Section 138 of Negotiable Instrument Act and sentenced me to undergo one year simple imprisonment and directed me to pay Cheque amount i.e sum of Rs.15,00,000/- to the B-Party in default to undergo three months simple imprisonment by Judgment dated 01.03.2024.

2. Whereas the A-Party aggrieved by the order dated 01.03.2024 passed by the Learned Judicial Magistrate No.1, Mettur in CC.No.94 of 2023 had preferred Criminal Appeal in CrI.A.No.74 of 2024 before the Hon'ble Additional District Judge (Fast Track Court), Mettur and the same was dismissed on 14.02.2025 by confirming the judgement dated 01.03.2024 passed by the Learned Judicial Magistrate No.1, Mettur in C.C.No. 94 of 2023 aggrieved by the said order the A-Party filed a Criminal Revision Petition before Hon'ble High Court Madras in CrI.R.C.No. 2268 of 2025 and the Hon'ble High Court Madras had Dismissed the Criminal Revision Petition in CrI.R.C.No.2268 of 2025 by Order dated 09.02.2026.

S. Peterraj, A.M.L.
Salem District,
C.M.S. No.624,
Law Department
28-10-2002.



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Now the A-Party and B-Party had agreed to compromise the dispute on following conditions.

i) The A-Party will Pay the cheque amount ie Rs 15,00,000/- to the B-Party through the Demand Draft as Full and Final Settlement

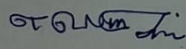
ii) The B-Party after receipt of the Cheque amount of Rs. 15,00,000/- agreed to give No-Objection for compounding the above offence against the A-Party.
(A-party Expenses Responsibility)

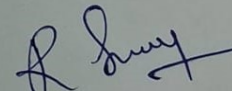
iii) The B-Party has agreed to come in person either to Chennai or New Delhi when A-Party files appropriate petition to compound the offence under section 138 of N.I. Act either before the Hon'ble High Court, Madras or before Hon'ble Supreme Court of India to give his consent for compounding the above offence.

iv) The B-Party agreed to return back the 4 Pro Notes and 4 Cheque Slips to the A-Party, which is given by the A-Party to the B-Party at the time of borrowing amount

v) The B-party agreed to ^{not} take legal action against ^{the} A party.

In WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the 7th day of March 2026.


A. Perumal
A-Party


R. Selvam
B-Party

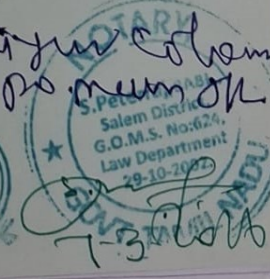
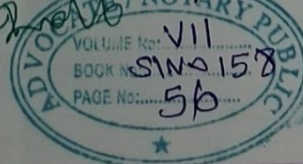
Witnesses:

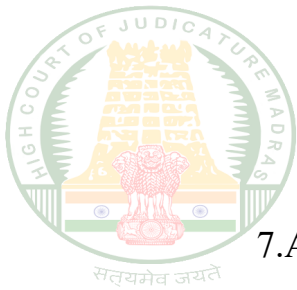
1. S. B. Sathya - S/o. Rajaguru, Kaverinagar
Mettur 636 401, Salem Dt.

2. P. R. Sathya - S/o. Perumal, Reddiger, Salem
Kotmai, Kaveri Dt. 636 401, Salem Dt.



S. PETER RAJ B.A.B.
Advocate / Notary
143/26, Kaveri Nagar,
Mettur Dam - 636 401
Cell: 944951215





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7.A photocopy of the demand draft taken by the petitioner for a sum of Rs.15,00,000/- in favour of the respondent towards settlement of dues is as follows:

केवल तीन महीने के लिए वैध (VALID FOR THREE MONTHS ONLY)

07 03 2024
D D M M Y Y Y

DD No. 162609952

भोगी जनेपर R SELVAM S/O RAMASAMY 6249814640 D NO 6/94
On Demand PAYEE HOCKKANAMPATTI, METTUR DAM, METTUR (TN) *
Fifteen Lakh only

प्रति
Rupees

प्राप्त मूल्य के बटले में
for value received

₹ 15,00,000.00
Leigh Bazzar-0655

प्रेषणकर्ता
Remitted by
A PERUMAL

भेजा है
To
भारतीय अंतर्राष्ट्रीय बैंक
Indian Overseas Bank

कोड नं.
Code No.
(0156)

ई सी टाइप
E.C.Type
00

जॉच डिजिट
Check Digit

न.ह.में S.S.No. 65751
न.ह.में S.S.No. A1924

प्रमाणित हस्ताक्षरों
AUTHORISED SIGNATORIES
न.ह.में S.S.No. A1924
Please sign above

16 260995 0000 200001 16

7/13/26

R. Senthil



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8. The Hon'ble Apex Court, in the case of ***Parsharvanath Weld Wires Pvt. Ltd. & Anr. v. State of Chhattisgarh & Anr.***, reported in ***2026 LiveLaw SC 585*** following the decision in ***Gian Chand Garg v. Harpal Singh and Another*** reported in ***2025 SCC OnLine SC 2317***, allowed the compounding of the offence under Section 147 of the Negotiable Instruments Act even after the conviction had been confirmed by the Appellate Court and subsequently affirmed by the High Court in revision.

9. On a perusal of the memorandum of compromise, it is clear that the complainant had agreed to compound the offence voluntarily and without any coercion. Further, in view of the settlement arrived at between the parties and the consent expressed by the complainant for compounding the offence, this court is satisfied that the dispute between the parties is amicably resolved/settled. Considering the decision of the Hon'ble Supreme Court in ***Parsharvanath Weld Wires Pvt. Ltd. supra***, and having regard to section 147 of the Negotiable Instruments Act, 1881, the offence under section 138 of the Negotiable Instruments Act can be permitted to be compounded post conviction.

10. In the light of the above, the affidavits filed by the petitioner and the respondent are taken note of and the memorandum of compromise entered into between the parties dated 07.03.2026 is also taken on record. It is seen that both



parties are willing to compound the offence. Therefore, the conviction and sentence passed in C.C.No.94 of 2023 by the Judicial Magistrate-I, Mettur dated 01.03.2024 which was confirmed in Criminal Appeal No.74 of 2024 by the learned Additional District Judge Mettur by judgment dated 14.02.2025 and also confirmed by this Court in Crl.R.C.No.2268 of 2025 dated 09.02.2026 is set aside on the basis of the compromise entered into between the petitioner and the respondent. Accordingly, this Criminal Original Petition is allowed. No costs.

12-06-2026

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

1. Additional District Judge,
Fast Track Court,
Mettur

2. The Judicial Magistrate-I
Mettur.



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CRL OP No. 9628 of 2026



M.NIRMAL KUMAR J.

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2026**

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