IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 02.04.2026

CORAM

THE HONOURABLE MR. JUSTICE **G.K.ILANTHIRAIYAN**

Crl.R.C.No.1065 of 2019

Zen Global Finance Ltd
Rep.By Its Authorised Signatory, Mr.Srinivasan,
54 Years, No.20a, 2nd Cross Street, Trustpuram,
Kodambakkam, Chennai-600 024.

..Petitioner(s)

Vs

P.N.Shivaprasad
Proprietor, M/s.Uma Rubber Industries, No.62, 8th
Main Road, Jayalakshmipuram, Mysore-570 012.

..Respondent(s)

Prayer: Criminal Original Petition filed under Sections 397 r/w 401 of Cr.P.C to set aside the Order Passed by the learned XVI Additional City Civil Judge, Chennai made in C.A.No.465 of 2018 dated 08.04.2019 confirming the Judgment of acquittal passed by the learned XXIII Metropolitan Magistrate, Saidapet, Chennai in C.C.No.4707 of 2001 by Judgment dated 25.11.2009.

For Petitioner(s): M/s.Ganesh Rajan
A.Nagarajan
J.Asokan
V.Vignesh

For Respondent(s): M/s.M.L.Ganesh
S.Arun Kumar For The Respondent

O R D E R

This Criminal Revision petition has been preferred as against the Judgment passed in C.A.No.465 of 2018 dated 08.04.2019 on the file of the XVI Additional City Civil Judge, Chennai thereby confirming the order passed by the learned XXIII Metropolitan Magistrate, Saidapet, Chennai in C.C.No.4707 of 2001 dated 25.11.2009.

2. The case of the prosecution is that the petitioner lodged a complaint as against the respondent alleging that the respondent entered into the lease agreement for 5 years with the petitioner on 22.03.1995 and availed the lease amount of Rs.50,00,000/- It was paid by the petitioner to the respondent by way of DD. It is alleged that when the petitioner demanded for re-payment the respondent issued a cheque for a sum of Rs.1,12,30.137/- drawn on Standard Chartered Bank, Mylapore and the same was returned with an Endorsement” funds insufficient . Hence, the petitioner lodged a complaint and the same has been taken cognizance by the Trial Court for the offence punishable under Section 138 of the Negotiable Instruments Act.

3. In order to prove the charges, on the side of the petitioner, P.W.1 and P.W.2 were examined and Exs.P.1 to 12 were marked. On the side of the accused D.Ws.1 to 3 were examined and Exs.D1 to D.12 were marked.

4.On a perusal of oral and documentary evidence, the Trial Court concluded that the petitioner was not found guilt of the offence u/s 138 of Negotiable Instrument Act. Aggrieved by the same, the petitioner preferred an appeal before the learned XVI Additional City Civil Judge, Chennai in C.A.No.465 of 2018 and the same was dismissed on 08.04.2019. Hence the present Revision.

5. The learned counsel for the petitioner submits that though the Appellate Court and the Trial Court acquitted the accused on the basis of Ex.P.9 stating that the Proprietor of M/s Uma Rubber Industries Ltd is one Mrs.B.Umarani who had issued a Demand Draft of Rs.42,00,000/- favouring the petitioner and the complaint has been filed against the petitioner who is no way connected with the M/s Uma Rubber Industries Ltd. Further, the said DD was taken by the proprietor of M/s Uma Rubber

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Industries, therefore, the complainant wrongly lodged a complaint against the petitioner. Therefore, the Trial Court wrongly concluded that the petitioner is also connected with the M/s Uma Rubber Industries Ltd and dismissed the complaint. He further submitted that the Appellate Court has dismissed the appeal without non application of mind. He further submitted that the cheque was issued by the Mrs.B.Umarani for the debt of her husband namely the respondent. Exs.P2,P,3 and P.4 are in no way connected with the present complaint. Though there was transactions between the petitioner and the respondent, it has nothing to do with the cheque which was issued by the respondent. Though the petitioner had discharged his initial burden as contemplated under Section 138 of Negotiable Instrument Act, the Appellate Court shifted the entire burden on the complainant as if the respondent rebutted the provisions contemplated under Section 138 of the Negotiable Instruments Act and dismissed the complaint.

6. Per Contra the learned counsel for the respondent submitted that the certificate issued by the Bank Manager is a vital document and the same was duly considered by the Trial Court. The certificate was issued

by the Bank certifying that Mrs.Umarani is the proprietor of Uma Rubber Industries and she has taken DD for a sum of Rs,42,00,000/- in favour of the petitioner herein. In order to bring money to her account, the said Umarani had entered into certain monetary transactions with the Chairman of the complainant's company. That apart the cheque was issued for a huge sum and though the petitioner specifically contend that the respondent entered into a lease agreement for 5 years on 23.09.1995 and paid a sum of Rs.50,00,000/-, he did not present any lease agreement to prove the said contention. Therefore, the cheque was not issued for legally enforceable debt. Hence, the Trial Court as well as the Appelalte court rightly acquitted the respondent and the same does not require any interference by this Court.

7. Heard the learned counsel for the petitioner and the respondent.

8. The crux of the complaint is that the petitioner had borrowed a sum of Rs.50,00,000/- and in order to repay the said amount, the respondent issued a cheque and the same was returned with the endorsement "funds insufficient". Hence, the petitioner issued a statutory

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notice. After receipt of a statutory notice the respondent sent a reply which is marked as Ex.P.8. The respondent's specific case is that he did not borrow any money from the petitioner and he did not enter into any agreement with the petitioner and he has also not entered into any lease agreement.

9. However, Ex.D1 shows that an amount of Rs.49 lakhs was given to one M/s. Uma Rubber Industries. The contention of the accused is that the M/s.Uma Rubber Industries Limited after adjusting an amount of Rs.7,00,000/- issued a demand draft for Rs.42,00,000/- to M/s Zen Global Finance Ltd. To disprove this fact, the complainant did not place any oral or documentary proof that the said amount was not received by him. He further stated that the respondent helped the petitioner to purchase a land in the state of Karnataka and while purchasing the said land in favour of the petitioner, the respondent had spent a sum of Rs.50,00,000/- for which the petitioner had given a DD for Rs.49,00,000/- drawn on Standard Chartered Bank, Mylapore Branch on 15.04.1995.

10. The complainant's company stated that the accused had failed to repay the monthly EMI on time from the year 1995 to 2001. While that being so, the complainant had not taken any steps to send the accused a demand notice demanding him to repay the monthly EMI. The complainant also accepted that he had not sent any demand notice to the accused to repay the EMI amount. Instead of doing so, and how a sum of Rs.1,12,30,137/- was arrived as the amount due by the accused to the complainant is not clearly clarified by the complainant's side. After receiving the legal notice Ex.P.5, the accused had given reply on 07.08.2001 and denied the contents of the legal notice of the complainant. After receiving the reply notice, the complainant did not come forward to send any rejoinder notice to the accused to disprove the contents of the accused. The Ex.D2 and Ex.D3 also reveal that only as per the instructions of the Managing Director of Complainant's company, the bank account had been opened. The Ex.D10 i.e the sale deed shows that the accused had purchased the land at Mysore for and on behalf of the Chairman of the complainant company.

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11. In view of the above it is made clear that the complainant himself did not bring any supporting evidence to support the impugned cheque and prove the existence of a legally enforceable debt or liability. Hence he shall not be entitled to any presumption. As such both the Trial Court and the Appellate Court rightly found the petitioner not to be guilty for the offence under section 138 of the Negotiable Instruments Act and dismissed the case which does not require interference of this Court.

12. Hence, the Order Passed by Passed by the learned XVI Additional City Civil Judge, Chennai made in C.A.No.465 of 2018 dated 08.04.2019 confirming the Judgment of acquittal passed by the learned XXIII Metropolitan Magistrate, Saidapet, Chennai in C.C.No.4707 of 2001 by Judgment dated 25.11.2009is hereby confirmed. Accordingly this Criminal Revision case is dismissed.

02.04.2026

Index: Yes/No
Internet: Yes/No
Speaking/Non-Speaking order
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To.
1. The XVI Additional City Civil Judge, Chennai

2. The XXIII Metropolitan Magistrate, Saidapet, Chennai

3.The Public Prosecutor,
Madras High Court,Chennai.

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G.K.ILANTHIRAIYAN, J
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Crl.R.C.No.1065 of 2019

02.04.2026

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