IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30-03-2026

CORAM

THE HON'BLE MR JUSTICE G.K. ILANTHIRAIYAN

CRL RC No. 1998 of 2023

Nagalakshmi
W/o. Arun Prakash,
No.28, Kaveri Street,
Melnallathur Village,
Tiruvallur District. - 602 002

..Petitioner

Vs

M.Panchatcharam
S/o. Mutharaman,
No.197, Main Road,
Eraiyur Village,
Monnavedu Post,
Tiruvallur Taluk and District - 602 001.

..Respondent

Prayer : Criminal Revision Case filed under Section 397 and 401 of the Code of Criminal Procedure, to call for the records and set aside the Judgment passed by the learned I Additional Sessions Judge, Thiruvallur in Crl.A.No.151 of 2023 dated 10.10.2023 confirming the Judgment of the learned Judicial Magistrate cum Fast Track Court, Thiruvallur in STC.No.64 of 2022 dated 30.05.2023.

For Petitioner:	M/s. S.Sridevi
For Respondent:	Mr.V.Bharath

ORDER

This Criminal Revision Case has been filed as against the Judgment dated 10.10.2023 passed in C.A.No.151 of 2023 on the file of the I Additional Sessions Judge, Thiruvallur, thereby confirming the order of conviction and sentenced imposed on 30.05.2023 in STC No.64 of 2022 on the file of the Judicial Magistrate cum Fast Track Court, Thiruvallur, for the offence punishable under Section 138 of the Negotiable Instruments Act.

2. The petitioner is the accused in the complaint lodged by the respondent for the offence punishable under Section 138 of the Negotiable Instruments Act. The case of the respondent is that the accused borrowed a sum of Rs.5,00,000/- on 23.01.2021 as a hand loan and agreed to repay the same with interest at the rate of 24% per annum within a period of six months. Thereafter, the accused issued a cheque dated 22.04.2022 for a sum of Rs.5,00,000/-. When the said cheque was presented for collection, the same was returned dishonoured with an endorsement “Funds Insufficient”. After causing a statutory notice, the respondent lodged a complaint and the same has been taken cognizance by the Trial Court.

3. In order to prove the complaint, the respondent had examined P.W.1 and marked Exs.P1 to P4. On the side of the accused, she had examined D.W1 and D.W.2 and marked Ex.D1.

4. On perusal of the oral and documentary evidence, the Trial Court found the accused guilty of the offence punishable under Section 138 of the Negotiable Instruments Act and sentenced her to undergo six months simple

imprisonment and also awarded compensation to the cheque amount. Aggrieved by the same, the accused preferred an appeal. However, the Appellate Court dismissed the appeal and confirmed the order of conviction and sentence imposed by the Trial Court. Hence, the present Criminal Revision Case has been filed.

5. The learned counsel appearing for the petitioner submitted that the accused never borrowed such a huge amount and had not issued the cheque for the said amount. In order to rebut the presumption, she examined D.W.1 and D.W.2. D.W.2 categorically deposed that the accused used to borrow only small amounts of Rs.5,000/- and 10,000/- and that she never borrowed such a huge amount of Rs.5,00,000/-. Further, the accused issued a cheque for a sum of Rs.50,000/-, however, the same was invalid and as such, another cheque was issued, which was misused by the respondent herein. He further submitted that the accused is a poor person and she was unable to comply with the conditions imposed while suspending the sentence, due to which, she was incarcerated. Thereafter, she deposited a sum of Rs.1,25,000/- to the credit of the Trial Court.

6. Per contra, the learned counsel appearing for the respondent submitted that the accused admitted her signature found in the cheque and issuance of the cheque. Therefore, the respondent discharged the initial burden and even then the accused failed to rebut the same. Though the accused was

examined D.W.1 and D.W.2, D.W.2, in her chief examination, categorically admitted that the accused used to borrow money from the respondent. Therefore, the Trial Court as well as the Appellate Court rightly convicted the petitioner and the same does not warrant any interference by this Court.

7. Heard the learned counsel appearing on either side and perused the materials available on record.

8. A perusal of the records and also the submissions made by the counsel appearing for the respondent reveals that the respondent became acquainted with the petitioner through her sister. It is not the case of the respondent that the accused used to borrow money frequently. According to the respondent, on 23.01.2021, the accused approached the respondent to avail hand loan to the tune of Rs.5,00,000/-. Immediately, the respondent, without execution of any documents or without insisting upon any security, such as promissory note, had lent a sum of Rs.5,00,000/-, to the accused, that too, by cash. The accused agreed to pay interest at the rate of 24% per annum. However, the accused issued a cheque for a sum of Rs.5,00,000/- without including any interest. No prudent person would agree to receive a cheque for a sum of Rs.5,00,000/- without including any interest. Further, it is improbable that such a huge amount would be lent in cash without any document.

9. Even according to the respondent, the petitioner had acquainted with him through her sister. After a period of nearly thirteen months, the cheque was issued by the accused, that too, without including any interest. Though the accused did not deny her signature in the cheque and issuance of the cheque. In order to rebut the presumption, the accused examined herself as D.W.1 and also examined one more witness as D.W.2. The accused, in her evidence as D.W.1, categorically deposed that she never borrowed any sum of Rs.5,00,000/- and never issued any cheque. She had examined D.W.2, who is none other than her own employee. D.W.2 deposed that the respondent used to come the shop of the accused and lend small amount of Rs.5,000/- and Rs.10,000/-. In order to repay the said amount, the accused issued a cheque and the same was returned as invalid. The Ex.P1 was obtained by the respondent through D.W.2. The accused never issued any cheque to the respondent for a sum of Rs.5,00,000/-. Further, the accused also completely denied that the cheque was not issued for any legally enforceable debt. Therefore, by cross examination of D.W.1 and D.W.2, the accused categorically rebutted the presumption as contemplated under Section 118 read with 139 of the Negotiable Instruments Act. Further, the respondent had lent a sum of Rs.5,00,000/- in cash. During cross examination, the respondent admitted that the accused is his relative and neighbour. Further, he deposed that the accused assured to pay interest from the next day. Therefore, the accused rebutted the presumption and even then the respondent failed to prove that the cheque was issued for legally

enforceable debt. Without considering the above facts and circumstance of the case, the Trial Court as well as the Appellate Court mechanically convicted the accused. Therefore, the concurrent findings of the Courts below cannot be sustained and are liable to be set aside.

10. In view of the above, the Judgment dated 10.10.2023 passed in C.A.No.151 of 2023 on the file of the I Additional Sessions Judge, Thiruvallur, confirming the order of conviction and sentenced imposed on 30.05.2023 in STC No.64 of 2022 on the file of the Judicial Magistrate cum Fast Track Court, Thiruvallur, is hereby set aside. The petitioner is permitted to withdraw the amount which was already deposited by her to the credit of the Trial Court in STC No.64 of 2022, by filing an appropriate application. It is made clear that the Trial Court is directed to permit the petitioner to withdraw the amount, without ordering notice to the respondent.

11. In the result, this Criminal Revision Case stands allowed.

30-03-2026

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

LPP

To

1. The I Additional Sessions Judge,
Thiruvallur.

2. The Judicial Magistrate cum Fast Track Court,
Thiruvallur

G.K.ILANTHIRAIYAN J.

LPP

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