

CRL RC No. 1636 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON: 20-01-2026

PRONOUNCED ON: 06-02-2026

CORAM

THE HON'BLE MR.JUSTICE SUNDER MOHAN

CRL RC No. 1636 of 2023

1. M/s.Mediaone
Global Entertainment Ltd.,
Rep By Its Authorised Signatory,
J.Murali Manohar,
No.1, Wallace Lane, 1st Floor,
Mataji Complex, Mount Road,
Chennai.

2. Dr.J.Murali Manohar ... Petitioners/A1 & A2

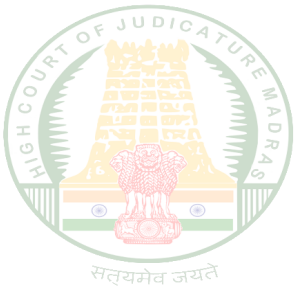
Vs.

M/s.Ad Bureau Advertising Pvt Ltd

Rep By Mr.Abirchand Nahar,
Rayala Towers, 781, Mount Road,
Chennai 600 002.

... Respondent/Defacto complainant

Prayer: Criminal Revision Case filed under Section 397 r/w 401 of Criminal Procedure Code, to set aside the Judgment dated 04.08.2023 in Crl.A.199/2021 on the file of the VI Additional City Civil Court, Chennai, thereby confirming the conviction of the petitioners by Judgment dated 04.12.2021 in CC.5702/2016 on the file of the Metropolitan Magistrate Fast Track Court No.1, Allikulam, Egmore, Chennai.



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For Petitioners:

For Respondent:

Mr.T. Saikrishnan

Mrs.Abirchand Madhubala Nahar

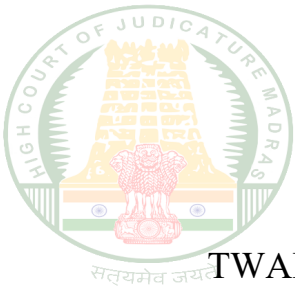
for Mr.Abirchand Nahar

Party-in-Person

ORDER

The Criminal Revision Case is filed by the petitioners/A1 & A2 challenging the judgment dated 04.08.2023 in Crl.A.199 of 2021 on the file of the VI Additional City Civil Court, Chennai, thereby confirming the judgment dated 04.12.2021 in CC.No.5702 of 2016 on the file of the Metropolitan Magistrate Fast Track Court No.1, Allikulam, Egmore, Chennai, convicting the petitioners for the offence under Section 138 of the Negotiable Instruments Act and sentencing the 2nd petitioner to undergo simple imprisonment for six months and to pay a compensation of Rs.7,70,00,000/-, in default to undergo simple imprisonment for a further period of six months.

2(i) The case of the respondent/complainant as stated in the complaint before the trial Court for the offence under Section 138 of the Negotiable Instruments Act, is that the respondent is the Company registered with the Indian Newspaper Society; that it has built a strong reputation and deals with various Government departments such as PWD,



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TWAD, MNCs and other Private Production and Entertainment Companies; that the 2nd petitioner, as the Director of the 1st petitioner company approached the respondent for monetary assistance of Rs.20 Crores for the post production of the movie 'Kochadaiiyaan' by representing that the 1st petitioner company is an upcoming entertainment company and that the lease rights of the film 'Kochadaiiyaan' will fetch the respondent the return of Rs.20 Crores with interest and a minimum guaranteed profit of Rs.2.40 Crores.

(ii) It is the further case of the respondent that believing the words of the 2nd petitioner, the respondent entered into a Memorandum of Understanding [MoU] dated 25.04.2014 pursuant to which the petitioners borrowed a sum of Rs.10 Crores, which was sent to them by RTGS on 28.04.2014 through Central Bank of India; that the petitioners guaranteed the due repayment before the release of the said movie i.e., on or before 07.05.2014, which was further extended to 21.05.2014; that the petitioners also represented that they would not sell the rights of the movie 'Kochadaiiyaan', to any other company without paying the amount due to the respondent; and that they promised to pay 20% of the sale



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commission in case the rights of the movie is sold to any third party in addition to the principal amount of Rs.10 Crores and the guaranteed profit share.

(iii) Further it is alleged in the complaint that towards part discharge of the said liability, the petitioners issued a cheque bearing No.587789 drawn on Indian Overseas Bank dated 13.12.2014 for a sum of Rs.5 Crores; that the said cheque was presented in the City Bank, Mount Road Branch for clearance; that it was returned on 16.12.2014, with a return memo for the reason, “stop payment by the drawer”; that the respondent issued a statutory notice through Registered Post on 20.12.2014 demanding the payment of Rs.5 Crores; that the petitioners received the said notice on 22.12.2014 and gave a false reply without paying the cheque amount and hence, the petitioners are liable for the offence under Section 138 of the Negotiable Instruments Act.

3. Before the trial Court, the respondent’s representative and its Director viz., Abirchand Nahar examined himself as PW1 and the Branch Managers of the respondent's bank as well as the petitioners' bank as

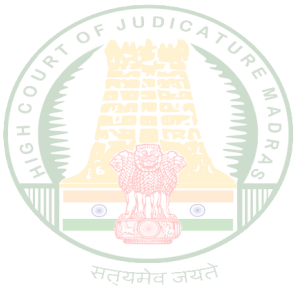


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PW2 and PW3, respectively. Six documents were marked on the side of the respondent as Ex.P1 to Ex.P6. Ex.P1 is the Board Resolution of the respondent; Ex.P2 is the MoU dated 25.04.2014 entered into between the respondent and the petitioners; Ex.P3 is the cheque involved in the case; Ex.P4 is the return memo dated 16.12.2014; Ex.P5 is the Statutory Notice dated 20.12.2014; and Ex.P6 is the Reply Notice dated 26.12.2014 sent by the petitioners.

4. The petitioners/accused had marked three documents on their side as Ex.D1 to Ex.D3. Ex.D1 is the letter dated 21.15.2014 issued by the respondent to the petitioners permitting them to release the movie. Ex.D2, is the copy of the plaint in C.S.No.545 of 2014 filed by the respondent against the petitioners and pending on the file of this Court. Ex.D3 is the copy of the FIR in Cr.No.485 of 2015 registered on 25.11.2015 for the offence under Sections 406, 420 and 506(i) of the IPC and Sections 3 and 4 of Tamilnadu Prohibition of Charging Exorbitant Interest Act, 2003 (Act No.38 of 2003) against the respondent for charging exorbitant interest.



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5. The trial Court found that the respondent had established that the cheque was issued for a legally enforceable debt / liability and that the petitioners had not rebutted the statutory presumption and held the petitioners guilty of the offence under Section 138 of the Negotiable Instruments Act and sentenced them as stated above. The appellate Court confirmed the said conviction as well as the sentence imposed by the trial Court.

6.(i) Mr.T.Sai Krishnan, the learned counsel for the petitioners would submit that the petitioners had paid more than Rs.12.75 Crores towards discharge of their liability and as such they are not liable to pay any money to the respondent; that the MoU [Ex.P2] relied upon by the respondent was never acted upon as the respondent had not lent a sum of Rs.20 Crores as promised by them and lent only Rs.10 Crores as a result of which, the release of the movie got delayed and the petitioners had suffered a huge loss; that PW1 had admitted in the cross-examination that the petitioners had paid a total sum of Rs.8.74 Crores which fact the respondent had also stated in the Civil Suit filed by them and that as such the petitioners could not have issued a cheque for Rs.5 Crores; that the

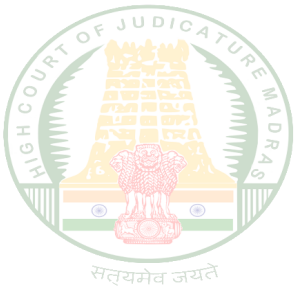


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respondent had misused the cheque which was given as a security; that the cheque was not issued on the date claimed by the respondent; that the respondent have also not stated as to what is the exact amount that they are entitled to either in the complaint or in the proof affidavit; that since the petitioners had rebutted the statutory presumption, the Courts below ought not to have convicted the petitioners and prayed for setting aside the judgment.

(ii) The learned counsel relied upon the following judgments in support of his submission that if the accused has rebutted the statutory presumption and had discharged the loan amount before the presentation of the cheque then the cheque would lose its validity and a complaint under Section 138 of the Negotiable Instruments Act, would not be maintainable.

1. ***Kumar Exports v. Sharma Carpets***, reported in (2009) 2 SCC 513;
2. ***Alliance Infrastructure Project Pvt Ltd and another v. Vinay Mittal***, reported in 2010 (115) DRJ 241;
3. ***Samiyappan v. S.Sharmila Banu***, reported in 2016 SCC OnLine Mad 28052;
4. ***Meters and Infrastructure Pvt Ltd and others v. Kanchan Mehta***, reported in (2018) 1 SCC 560;



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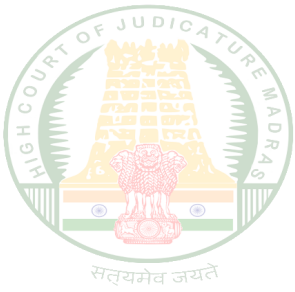


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5. *ANSS Rajashekar v. Augustus Jeba Ananta*, reported in (2020) 15 SCC 348; and
6. *Dashrathbhai Trikambhai Patel v. Hitesh Mahendrabhaipatel and Others*, reported in (2023) 1 SCC 578.

7. (i) The respondent was represented by Mr. Abirchand Nahar, who appeared party-in-person. In fact his wife, who was present along with Mr. Abirchand Nahar also made submissions.

(ii) The respondent submitted that the cheque was issued to the respondent in December 2014 towards the commission that the respondent is entitled to for the sale proceeds received by the petitioners, who had sold the movie to third parties; that the petitioners had not denied the signature in the cheque; that the respondent had proved that the cheque was issued for a legally enforceable debt/liability and relied upon the contents of Ex.P2, Ex.D1 and certain other documents which are not part of the documents filed before the trial Court or the appellate Court.



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(iii) The respondent further submitted that the suit filed before this Court in C.S.No.545 of 2015 was for a recovery of a sum of Rs.6.84 Crores, which was towards the loan granted by them and 12% guaranteed share and that the said suit was not filed for recovery of the 20% of the commission amount that they are entitled to; and that the subject cheque was issued towards the petitioners' liability to pay 20% of the commission amount.

(iv) The respondent has filed written submissions and a counter affidavit praying to dismiss the revision petition. In the written submissions and in the counter affidavit they had stated that the cheque was issued only towards 20% of the commission amount that they are entitled to; and that the petitioner had collected more than Rs.90 Crores in Tamil Nadu and Rs.187 Crores all over India, out of which, the respondent is entitled to Rs.18 Crores.

(v) The respondent further submitted that the Court would ordinarily not interfere with two concurrent findings of fact and relied



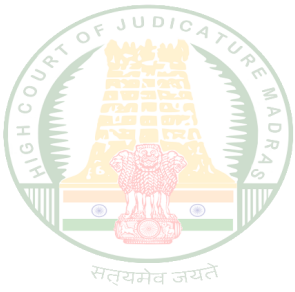
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upon the following decisions.

1. *Amit Kapoor v. Ramesh Chander and other*, reported in 2012(9) SCC 460;
2. *State of Kerala v. Puttumana Illath Jathavedan Namboodiri*, reported in (1999) 2 SCC 452;
3. *Duli Chand v. Delhi Administration*, reported in (1975) 4 SCC 649;
4. *Bir Singh v. Mukesh Kumar*, reported in (2019) 4 SCC 197;
5. *Kaptan Singh v. State of Uttar Pradesh*, reported in (2021) 9 SCC 35; and
6. *Johar & Others v. Mangal Prasad and another*, reported in (2008) 3 SCC 423.

Discussion:

8. Apart from their submission on facts, the respondent as stated earlier had submitted that the scope of the revisional jurisdiction is limited and this Court cannot re-appreciate the evidence and interfere with concurrent findings of fact, unless, the findings are perverse or based on no evidence. There cannot be any quarrel with the said proposition of law. In fact, this Court cannot substitute its own view of facts for that of the trial Court and the appellate Court in the revision. This Court would not interfere in the concurrent findings of fact unless there is serious legal infirmity or the findings are perverse.



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9. The judgments relied upon by the petitioners would suggest that the accused in a prosecution under Section 138 of the NI Act, can establish his case by preponderance of probability. Further, he need not adduce any independent evidence. It is enough if the accused brings on record the facts and circumstances which may lead the Court to either believe that there is no debt or liability or the existence of debt of liability is so that a prudent man would act on the supposition that such a debt did not exist. The Hon'ble Supreme Court has reiterated the above legal position in ***Kumar Exports' case*** [cited supra].

10. It is also seen from the judgment of the Hon'ble Supreme Court in ***Meters and Infrastructures' case*** [cited supra] that the Court in the interest of justice can always close the proceedings if it is satisfied that the complainant has been duly compensated, even though the complainant is not agreeable for compounding the offence.

11. In ***Dashrathbhai Trikambhai Patel's case*** [cited supra], the Hon'ble Supreme Court reiterated that even a cheque issued as security

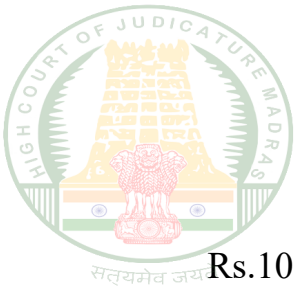


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can be enforced if there is a legally enforceable debt on the date of the cheque or on its maturity. The Hon'ble Supreme Court further held that where the accused had made part payment towards discharge of his liability, then, the complainant is still entitled to present a cheque after making an indorsement under Section 56 of the NI Act that a part of the sum mentioned in the cheque has been paid. The Hon'ble Supreme Court further held that if a part payment has been made and the cheque amount does not represent the actual amount due, unless an indorsement is made as per Section 56 of the NI Act, Section 138 of the NI Act would not be attracted, as the cheque does not represent a legally enforceable debt at the time of encashment.

12. Therefore, this Court has to analyse the evidence on record and the impugned judgments keeping in mind the above legal position.

13. As stated earlier, it is the case of the respondent that the subject cheque for Rs.5 Crores was issued in December 2014 towards discharge of their liability. The liability according to the respondent in their complaint is that the petitioners have to repay the principal amount of



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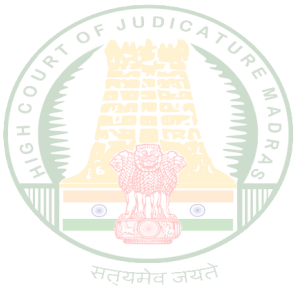
Rs.10 Crores in addition to the guaranteed profit share and 20% of the sale proceeds.

14. Therefore, the complaint refers to three types of liability of the petitioners. From the submission made by the respondent it is seen that the respondent has now taken a stand that the subject cheque was issued towards 20% of the profits in the Tamilnadu Territory Rights Collection. The relevant portion in their written submissions reads as follows:

“12. CC.No.5702 of 2016 is filed for the 20% commission, for which cheque of Rs.5 Crore was given.”

15 (a). This is contrary to the stand taken in the complaint. The relevant portion is as follows:

“5. The complainant submits that by virtue of a Memorandum of Understanding Agreement dated 25/04/2014 entered into between them, the accused herein borrowed a sum of Rs.10,00,00,000/- (Rupees Ten Crores Only) and money was released vide RTGS on 28th April for Rs.10,00,00,000/- through Central Bank of India into the accused account. Thereafter the accused herein guaranteed the due payment before the release of the said movie i.e., on or before 07/05/2014 which was further extended to 21/05/2014. Further, the Accused herein have agreed not to sell the rights of the movie “Kochadaiiyan” to any company without clearing the payments due to the Complainant and



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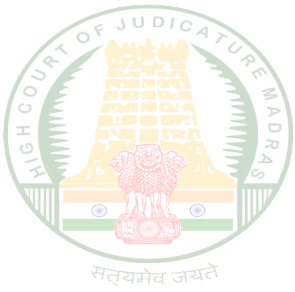
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promised to pay 20% of the sale commission in case the rights of the said movie is sold to any third party in addition to the principal amount of Rs.10,00,00,000 (Rupees Ten Crores Only) and in addition the guaranteed profit share.

6. The Complainant submits that towards the part discharge of the liability to make payment the Accused herein issued a cheque bearing number “587789” drawn on Indian Overseas Bank, Near Pondy Bazaar Police Station, Chennai – 600 017 dated 13.12.2014 for a sum of Rs.5,00,00,000/- [Rupees Five Crores Only]. The above was presented in Citi Bank, Mount Road Branch for clearance. However, the cheque was returned on 16th Dec 2014 with a return memo reasoned as “STOP PAYMENT BY THE DRAWER”.”

(b). In the statutory notice issued by the respondent through their counsel, which is marked as Ex.P5, the respondent had stated as follows:

“3. By virtue of a Memorandum of Understanding Agreement dated 25/04/2014 entered into between my client and yourself, you have borrowed a sum of Rs.10,00,00,000/- (Rupees Ten Crores Only) and money was released vide RTGS on 28th April for Rs.10,00,00,000/- by our client through Central Bank of India into your account and guaranteed the due payment before the release of the said movie i.e., on or before 07/05/2014, which was further extended to 21/05/2014. Further, you have agreed not to sell the rights of the movie, “Kochadaiiyaan” to any company without clearing the payments due to our client. And promised to pay 20% of the sale commission in case the rights of the said movie is sold to any third party in addition to the principal amount of Rs.10,00,00,000/- (Rupees Ten Crores Only) and in addition the guaranteed profit share. Our client states under Clause 11 of the said agreement, you have agreed to



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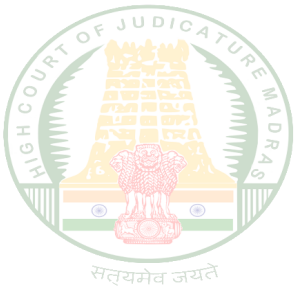
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pay an interest at the rate of 2%pm penalty at the rate of 2%pm in case of delay.

4. Our client states that towards the part discharge of your liability to make payment to our client, you had issued a cheque bearing number “587789” drawn on Indian Overseas Bank, Near Pondy Bazaar Police Station, Chennai – 600 017 dated 13.12.2014 for a sum of Rs.5,00,00,000/- [Rupees Five Crores Only] ”

These versions in the statutory notice and the complaint are contrary to the specific stand taken by the respondent at present.

16. Further, the respondent had not averred either in the complaint or in the proof affidavit as to what was the exact amount of sales commission that they are entitled to though in their written submissions they would submit that they are entitled to Rs.18 Crores as the petitioners had received Rs.90 Crores for Tamil Nadu Rights Collection of the film. This stand of the respondent in the written submissions is not backed by any pleading or document which is on record. Though the respondent has referred to several documents during the course of arguments, this Court is not advertent to those documents, as they were not marked either before the trial Court or before the appellate Court.

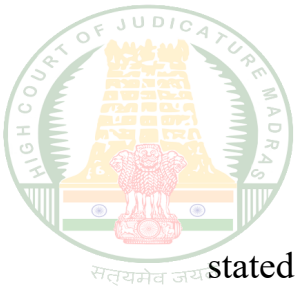


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17. Above all, the only agreement that was marked by the respondent before the trial Court is the MoU dated 25.04.2014 marked as Ex.P2. In the said document, there is no reference whatsoever to any agreement with regard to 20% share in the profits or in the sale proceeds. The understanding is that the respondent should lend a sum of Rs.20 Crores and the petitioners should return the said Rs.20 Cores with 12% *pro-rata* share in the profits and the minimum guaranteed profit share was agreed as Rs.2.40 Crores.

18. Even according to the respondent, they had not lent the said sum of Rs.20 Crores and they had only lent Rs.10 Crores. According to the petitioners the agreement was not acted upon and therefore the liability of the petitioners to pay 12% of the profit share would not arise and in any case, they are not liable to pay the minimum guaranteed amount Rs.2.40 Crores, which is 12% of Rs.20 Crores, as they have not received Rs.20 Crores.

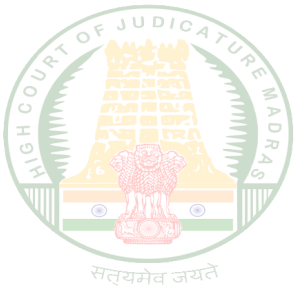
19. There is substantial force in the stand taken by the petitioners. In the MoU, first of all there is no reference to 20% sharing of profits as



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stated by the respondent in the complaint. The minimum guaranteed amount of Rs.2.40 Crores also would not arise as admittedly the respondent had not lent Rs.20 Crores. It is not the case of the respondent that the petitioners are liable to pay 12% of Rs.10 Crores. There is no clarity as to the quantum of liability of the petitioners. The versions of the respondent as regards the nature of liability at various stages are different.

20. The trial Court and the appellate Court, however, had proceeded on the basis that the petitioners had not established that the cheque was issued only as a security; that if the petitioners had paid substantial money to the respondent, the petitioners ought to have sought for return of the cheque and failure to do so, raises a doubt; that since the petitioners had not established as to how the cheque came in possession of the respondent; and that the presumption under Section 139 of the Negotiable Instruments Act, has not been rebutted. This Court is of the view that the findings of the Courts below are not based on the evidence on record.



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21. Be that as it may. It is the case of the petitioners that they are not liable to pay any money to the respondent; that the respondent themselves have admitted that they have received Rs.8.74 Crores towards the money due to them; that they had paid a total sum of Rs.12.75 Crores to the respondent so far; that since the petitioners have paid more money that was due to the respondent, there is no liability in respect of the subject cheque and therefore, the Courts ought not to have convicted the petitioners.

22. It is seen that PW1-Abirchand Nahar, the respondent herein had admitted in his cross-examination the receipt of Rs.2.75 Crores on 03.05.2014 and another sum of Rs.4 Crores on 04.12.2014. PW1 had also admitted that the respondent had received Rs.8.74 Crores in total as on 30.01.2015 and the evidence only suggests that this amount includes the two payments of Rs.2.75 Crores and 4 Crores. It is seen from the evidence that the petitioners have not proved that they had paid a sum of Rs.12.75 Crores in all, as claimed by them. The petitioners have not produced any document or adduced any evidence to show that they had paid more than Rs.8.74 Crores. Neither of the parties had produced any



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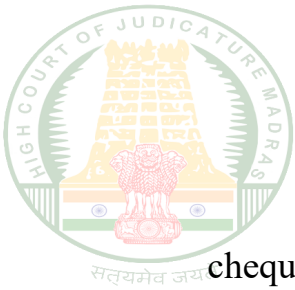
bank statements or other proof for the payment received by the respondent. Therefore, the petitioners have also not established the fact of repayment of the entire loan amount received by them.

23. It is the further case of the petitioners that the cheque was issued as security, which was misused by the respondent. The stand taken by the petitioners in the reply notice is that the cheque could have been one of the undated cheques issued by the petitioners during the last week of April 2014 or first week of May 2014. The relevant portion of the reply notice reads as follows:

“5... The said cheque could have been one of the undated cheques issued by my clients during the last week of April 2014 or first week of May 2014 and the same was presented for clearance....”

Therefore, it is seen that the petitioners have also not come up with a definite case as to when the cheque was handed over to the respondent as security.

24. The question is whether the petitioners are liable to pay any amount to the respondent even if it is not the amount covered under the

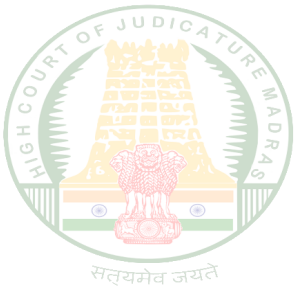


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cheque. As stated earlier, the petitioners have not stated as to when exactly the alleged cheque was given to the respondent. In the reply notice there is a vague reference stating that it could have been given in the month of April or 1st week of May 2014. It is the case of the respondent that the cheque was issued on 04.12.2024. The respondent had not established that the petitioners are liable to pay Rs.5 Crores as on that day, as could be seen from the discussion above. The petitioners therefore had rebutted the presumption to that extent. Hence, this Court is of the view that the trial Court and the appellate have not appreciated the above facts and the evidence in the proper perspective.

25. However, it is well settled that the proceedings under Section 138 of the Negotiable Instruments Act is intended to compensate the complainant more than the punitive aspect. On the analysis of the facts and the documents on record, the fact that the petitioners had borrowed a sum of Rs.10 Crores is not in dispute and the fact that the petitioners have so far paid Rs.8.74 Crores is also not in dispute.

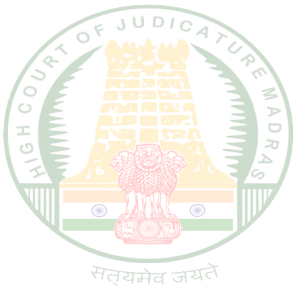


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26. The evidence on record therefore suggests that the petitioners are liable to pay Rs.1.26 Crores [Rs.10 Crores LESS Rs.8.74 Crores]. As regards the claim of the respondent that the respondent is entitled to 20% in the profits, it is for the Civil Courts to consider the same and the evidence adduced in this case does not support their claim.

27. In *P.Mohanraj vs. Shah Brothers Private Limited*, reported in 2021(6) SCC 250, the Hon'ble Supreme Court while considering the applicability of Section 14 of the Insolvency and Banking Code to proceedings under Section 138 of the Negotiable Instruments Act, had held that the proceedings under the Act are quasi-criminal in nature. After referring to various judgments on the subject, the Hon'ble Supreme Court had held as follows:

“67. A conspectus of these judgments would show that the gravamen of a proceeding under [Section 138](#), though couched in language making the act complained of an offence, is really in order to get back through a summary proceeding, the amount contained in the dishonoured cheque together with interest and costs, expeditiously and cheaply. We have already seen how it is the victim alone who can file the complaint which ordinarily culminates in the payment of fine as compensation which may extend to twice the amount of the cheque which would include the amount of the cheque and the interest and costs thereupon. Given our analysis of [Chapter XVII of the Negotiable](#)



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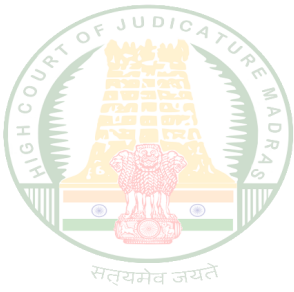
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Instruments Act together with the amendments made thereto and the case law cited hereinabove, it is clear that a quasi-criminal proceeding that is contained in **Chapter XVII of the Negotiable Instruments Act** would, given the object and context of **Section 14** of the IBC, amount to a “proceeding” within the meaning of **Section 14(1)(a)**, the moratorium therefore attaching to such proceeding.”

28. Therefore, from the above observations, it would be clear that the object of the provision is essentially for recovery of money covered under the cheque, provided it is issued for the discharge of any liability. In ***Damodar S. Prabhu v. Sayed Babalal H*** reported in **2010 (5) SCC 663**, the Hon'ble Supreme Court held as follows:

17. In a recently published commentary, the following observations have been made with regard to the offence punishable under Section 138 of the Act [cited from: Arun Mohan, *Some thoughts towards law reforms on the topic of Section 138, Negotiable Instruments Act—Tackling an avalanche of cases* (New Delhi: Universal Law Publishing Co. Pvt. Ltd., 2009) at p. 5]:

“... Unlike that for other forms of crime, the punishment here (insofar as the complainant is concerned) is not a means of seeking retribution, but is more a means to ensure payment of money. The complainant's interest lies primarily in recovering the money rather than seeing the drawer of the cheque in jail. The threat of jail is



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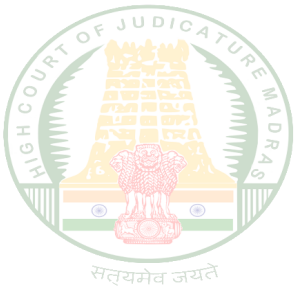


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only a mode to ensure recovery. As against the accused who is willing to undergo a jail term, there is little available as remedy for the holder of the cheque.

If we were to examine the number of complaints filed which were ‘compromised’ or ‘settled’ before the final judgment on one side and the cases which proceeded to judgment and conviction on the other, we will find that the bulk was settled and only a miniscule number continued.”

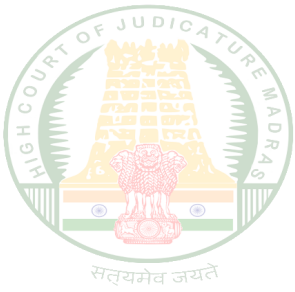
18. It is quite obvious that with respect to the offence of dishonour of cheques, it is the compensatory aspect of the remedy which should be given priority over the punitive aspect. There is also some support for the apprehensions raised by the learned Attorney General that a majority of cheque bounce cases are indeed being compromised or settled by way of compounding, albeit during the later stages of litigation thereby contributing to undue delay in justice delivery. The problem herein is with the tendency of litigants to belatedly choose compounding as a means to resolve their dispute. Furthermore, the written submissions filed on behalf of the learned Attorney General have stressed on the fact that unlike Section 320 CrPC, Section 147 of the Negotiable Instruments Act provides no explicit guidance as to what stage compounding can or cannot be done and whether compounding can be done at the instance of the complainant or with the leave of the court.



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29. Similarly in *Somnath Sarkar v. Utpal Basu. Mallik and another*, reported in **2013(16) SCC 465**, the Hon'ble Supreme Court has held as follows:

“15. We do not consider it necessary to examine or exhaustively enumerate situations in which Courts may remain content with imposition of a fine without any sentence of imprisonment. There is considerable judicial authority for the proposition that the Courts can reduce the period of imprisonment depending upon the nature of the transaction, the bona fides of the accused, the contumacy of his conduct, the period for which the prosecution goes on, the amount of the cheque involved, the social strata to which the parties belong, so on and so forth. Some of these factors may indeed make out a case where the Court may impose only a sentence of fine upon the defaulting drawer of the cheque. There is for that purpose considerable discretion vested in the Court concerned which can and ought to be exercised in appropriate cases for good and valid reasons. Suffice it to say that the High Court was competent on a plain reading of [Section 138](#) to impose a sentence of fine only upon the appellant. In as much as the High Court did so, it committed no jurisdictional error. In the absence of a challenge to the order passed by the High Court deleting the sentence of imprisonment awarded to the appellant, we do not consider it necessary or proper to say anything further at this stage.”



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30. From the discussion on facts, this Court is of the view that neither the respondent nor the petitioners/accused have established their respective cases. It is no doubt true that the standard of proof for the respondent and the petitioners/accused are different. In such circumstances, normally this Court would have held that the petitioners/accused are not guilty of the offence. However, the alleged cheque was issued in the year 2014 and in the peculiar facts and circumstances of this case, this Court is inclined to adopt a course to secure the ends of justice. In the facts and circumstances, the petitioners cannot be sentenced to imprisonment.

31. The Hon'ble Supreme Court in the cases of ***P.Mohanraj*** [cited supra], ***Damodar S.Prabhu*** [cited supra] and ***Somnath Sarkar*** [cited supra], had reiterated that the object of the provision is to compensate the complainant and the compensatory aspect of the remedy should be given priority over the punitive aspect. Therefore, keeping in mind the aforesaid observations and the object of the Act, this Court is of the view that ends of justice would be met if the petitioners are directed to jointly



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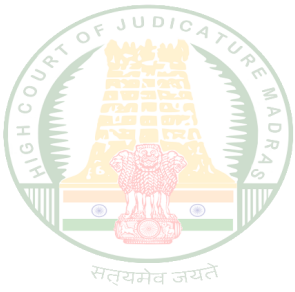
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pay a fine of Rs.2.52 Crores, which is twice the amount due and payable by the petitioners to the respondent and in default of which the 2nd petitioner/2nd accused shall suffer six months simple imprisonment.

32. It is seen from the records that the petitioners had already deposited Rs.25 Lakhs pursuant to an order passed by this Court on 27.01.2022 in CrI.OP.No.1441 of 2022 and the respondent had withdrawn the same. It is also seen that the condition imposed by this Court on 18.07.2024 directing the petitioner to deposit Rs.1,01,00,000/- [Rupees One Crore One Lakh], pending the above revision was challenged before the Hon'ble Supreme Court in SLP (CrI.) No.11348 of 2024 and the Hon'ble Supreme Court vide order dated 30.08.2024 had granted interim stay of the said condition and further vide order dated 22.09.2025 had directed this Court to dispose of the criminal revision.

32. In the result, the Criminal Revision Case is partly-allowed and it is ordered as follows:

(i) The judgment dated 04.08.2023 in CrI.A.199 of 2021 on the file of the VI Additional City Civil Court, Chennai, thereby confirming the judgment dated 04.12.2021



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in CC.No.5702 of 2016 on the file of the Metropolitan Magistrate Fast Track Court No.1, Allikulam, Egmore, Chennai, is modified;

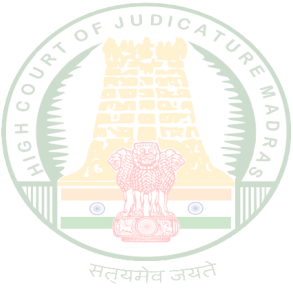
(ii) Conviction of the petitioners under Section 138 of the Negotiable Instruments Act is confirmed. However, the sentence imposed by the trial Court, which was confirmed by the appellate Court is modified and the petitioners are directed to jointly pay a fine of Rs.2.52 Crores [Rupees Two Crores and Fifty-Two Lakhs only], less the amount already deposited by the petitioners and withdrawn by the respondent, within a period of four weeks from the date of receipt of a copy of this order and in default the 2nd petitioner/2nd accused shall undergo simple imprisonment for six months.

(iii) On such payment, the learned Magistrate shall pay the entire fine amount received, as compensation to the respondent.

06-02-2026

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

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SUNDER MOHAN, J.

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To

1. The VI Additional City Civil Court,
Chennai.
2. The Metropolitan Magistrate Fast Track Court No.1,
Allikulam Egmore, Chennai.

**Pre-delivery order in
CRL RC No. 1636 of 2023**

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