

IN THE COURT OF II ADDITIONAL DISTRICT AND SESSIONS JUDGE,
THIRUVALLUR @ POONAMALLEE.

Present : Tmt. G. Bhuvaneswari, B.L.,

II Additional District and Sessions Judge, Poonamallee.

On this Monday, the 30th day of March 2026

Criminal Appeal No.18/2024

CNR No.TNTR08-000098-2024

1	In which court the appeal is preferred	:	Judicial Magistrate, Fast Track Court, (Magisterial Level), Poonamallee.
2	No. of the Case in that court	:	S.T.C No.372/2018
3	No. of Appeal	:	18/2024
4	Name of the Appellants / Accused and address	:	1.Sri Rani Bai Matriculation School Rep by its Trustee / Authorized signatory P.R.Siva Shankar, No.39, Vaitheeswaran Koil Street. Poonamallee, Chennai – 600 056. 2. Sri Rani bai Educational Trust Rep by its Chairman/Authorized signatory Rep by P.R.Siva Shankar No.39, Vaitheeswaran Koil Street, Poonamallee, Chennai-600 056.

		<p>3. P.R.Siva shankar, M/A 51 S/o Rajabather Old No.3/4, New No.3/166 Pillaiyar Kovil Street, Pidari Thangal, Panaveduthottam, Poonamallee, Chennai – 600 056</p> <p>4. S. Kavitha, M/A 47 W/o P.R.Siva shankar S/o Rajabather Old No.3/4, New No.3/166 Pillaiyar kovil street, Pidari Thangal, Panaveduthottam, Poonamallee, Chennai-600 056</p>
5	Name of the Respondent / Complainant and Address	: Shiksha Financial Services India Private Ltd, Rep. by S. Sureshkumar, Male/Aged 38, S/o. Srinivasan, No.16, Old No.34, J Block, 7 th Street, Anna Nagar East, Chennai – 600 102.
6	The sentence and law under which it was imposed in the trial court	: In the result, all the accused persons are found guilty under section 255 (2) of C.r.P.C for the offence under section 138 of the Negotiable Instruments Act and the accused

		<p>3 and 4 are sentenced to undergo one month simple imprisonment and all the accused persons are directed to pay a compensation of Rs.30,00,000/- (Cheque amount is Rs.30,00,000/-) jointly to the complainant under section 357 (3) of C.r.P.C, within one month and in default of payment compensation the accused persons shall undergo a further period of one weeks simple imprisonment as default sentence.</p>
7	<p>Whether confirmed,modified or reversed, and if modified the modification</p>	<p>In the result, this appeal is allowed and the Judgment and sentence passed by the Judicial Magistrate, Fast Track Court, (Magisterial Level), Poonamallee in S.T.C. No.372/2018, dated 16.10.2023 is set aside and the Appellants are acquitted under section 320(8) Cr.P.C. If any bond is executed by the Appellants / Accused before the trial court that also be cancelled.</p>

Date of or on which

Presentation	Filing	Notice issued by the court	Bail Bonds if Appellant(s) has/have been let out on bail/sentence suspended as per order	Appellant/ Appellants Ordered to appeal	Hearing	Order
05.02.2024	07.02.2024	12.02.2024	12.02.2024	07.02.2024	23.03.2026	30.03.2026

This Criminal Appeal has been filed by the Appellants / Accused prays that the Judgment passed by the Judicial Magistrate, Fast Track Court, Poonamallee in S.T.C No.372/2018, dated 16.10.2023, and set aside the same and allow the appeal.

This Criminal Appeal coming for final hearing before me on 23.03.2026 in the presence of M/s. V. Vanamali, J. Jagathratchagan, C. Vishal Kumar, P.M. Srinath and J. Vijayabalan, learned counsel for the Appellants /Accused and M/s. T. Muthamilselvi, learned counsel for the Respondent / Complainant and this court perusing the material records and having stood over for consideration till this date, this Court passed the following:

JUDGMENT

This Criminal Appeal has been filed by the Appellants / Accused against the Judgment and conviction passed by the learned Judicial Magistrate, Fast Track Court, Poonamallee in S.T.C. No.372/2018, dated 16.10.2023.

2. The Complainant filed a private complaint under section 200 Cr.P.C r/w. 138 (b) of Negotiable Instrument Act before the Trial court for the offence committed by the accused under section 138 of Negotiable Instruments Act. The Complainant states that, the complainant, engaged in non-banking financial services, sanctioned two loans dated 24.01.2016 and 28.03.2016 to the first accused, amounting to Rs.10,00,000/- and Rs.50,00,000/- respectively, totaling Rs.60,00,000/-. The second accused is a school run by the first accused, the third accused is its authorised signatory, and the fourth accused is responsible for the day-to-day affairs. All accused were involved in availing the loan. The accused agreed to repay the loan as per the terms of the agreements but committed default by failing to pay the installments regularly. Towards part repayment, the third accused issued a cheque dated 16.04.2018 for Rs.30,00,000/- on behalf of the first and second accused. However, the cheque was dishonoured on 17.05.2018 due to “funds insufficient.” The complainant issued a statutory legal notice on 05.06.2018, which was received by all accused on 06.06.2018, but they neither replied nor repaid the amount. As the fourth accused was actively involved in the affairs of the first accused, all accused are jointly and severally liable. The complaint has been filed within the limitation period as prescribed under law. Hence, this complaint for offence under section 138

of Negotiable Instruments Act.

3. During trial before the trial court, on the side of Complainant PW.1 was examined and Ex.P.1 to Ex.P.14 were marked and on the side of accused DW.1 was examined and no documents were marked. After completion of trial, all the accused persons are found guilty under section 255 (2) of Cr.P.C for the offence under section 138 of the Negotiable Instruments Act and the accused 3 and 4 are sentenced to undergo one month simple imprisonment and all the accused persons are directed to pay a compensation of Rs.30,00,000/- (Cheque amount is Rs.30,00,000/-) jointly to the complainant under section 357 (3) of Cr.P.C, within one month and in default of payment compensation the accused persons shall undergo a further period of one weeks simple imprisonment as default sentence.

4. Aggrieved by the said Judgment, the Appellants preferred this appeal.

5. During the pendency of this appeal, both the Appellants and the Respondent filed a petition under Section 359 BNSS r/w 147 of the Negotiable Instruments Act, stating that “on 16.10.2023, the Judicial Magistrate, Fast Track Court, Poonamallee, directed the Appellants/Accused to pay a compensation amount of Rs.30,00,000/- within one month from the date of judgment. In another pending Criminal Appeal No.17 of 2024, the Judicial Magistrate, Fast Track Court, Poonamallee, directed

payment of a compensation amount of Rs.50,00,000/- within one month from the date of judgment. The Appellants/Accused has paid a total sum of Rs.50,00,000/- to the Respondent/Complainant's account on 26.03.2024 towards full and final settlement of both Criminal Appeal Nos.17 of 2024 and 18 of 2024. The Respondent/Complainant has endorsed no objection to the same.”

6. The section 147 Negotiable Instruments Act provides that every offence under Negotiable Instruments Act is compoundable. Now the parties come forward with the compromise, and the compound the offence. Both parties seeking necessary orders based on the petition filed u/s 147 of Negotiable Instruments Act.

7. Now the point for consideration before this court is what order could be passed on the application filed under 147 of Negotiable Instruments Act and in the main appeal ?

8. The Appellants filed this appeal against the conviction order passed by the Trial court for the offence under section 138 Negotiable Instruments Act. Both the Appellants and the Respondent filed a petition under Section 359 BNSS u/s. 147 of the Negotiable Instruments Act, stating that “on 16.10.2023, the Judicial Magistrate, Fast Track Court, Poonamallee, directed the Appellants/Accused to pay

a compensation amount of Rs.30,00,000/- within one month from the date of judgment. In another pending Criminal Appeal No.17 of 2024, the Judicial Magistrate, Fast Track Court, Poonamallee, directed payment of a compensation amount of Rs.50,00,000/- within one month from the date of judgment. The Appellants/Accused has paid a total sum of Rs.50,00,000/- to the Respondent/Complainant's account on 26.03.2024 towards full and final settlement of both Criminal Appeal Nos.17 of 2024 and 18 of 2024. The Respondent/Complainant has endorsed no objection to the same.”

9. This appeal have been preferred by the Appellants against the order of conviction passed by the learned Judicial Magistrate, Fast Track Court, Magisterial Level, Poonamallee. The section 147 Negotiable Instruments Act provides that every offence under Negotiable Instruments Act is compoundable. Now the parties come forward with the compromise and compound the offence. In the following case the Hon'ble Apex court observed that

K.M. Ibrahim vs. K.P.Mohammed and Ors. (Criminal Appeal No.2281 of 2009 (Arising out of S.L.P. (Crl.) No.9263/09 Crl.M.P.15423/2009) in which the Apex Court in its order dated 02.12.2009 ruled, (at paras 8 and 12), as follows:

8. The golden thread in all these decisions is that once a person is allowed to compound a case as provided for under Section 147 of the Negotiable Instruments Act, the conviction under Section 138 of the said Act should also be set aside. In the case of Vinay Devanna Nayak (supra), the issue was raised and after taking note of the provisions of Section 320 Cr.P.C., this Court held that since the matter had been compromised between the parties and payments had been made in full and final settlement of the dues of the Bank, the appeal deserved to be allowed and the Appellant was entitled to acquittal. Consequently, the order of conviction and sentence recorded by all the courts were set aside and the Appellant was acquitted of the charge levelled against him.

12. It is true that the application under Section 147 of the Negotiable Instruments Act was made by the parties after the proceedings had been concluded before the Appellate Forum. However, Section 147 of the aforesaid Act does not bar the parties from compounding an offence under Section 138 even at the appellate stage of the proceedings. Accordingly, we find no reason to reject the application under Section 147 of the aforesaid Act even in a proceeding under Article 136 of the Constitution.

As per the above ratio, during pendency of this appeal the parties in the present case compounding the offence.

10. In view of the above principle set down by the Hon'ble Supreme Court the petition filed by the learned counsels for the both side under 147 Negotiable Instruments Act is liable to be entertained. Appellants and the Respondent are examined and they affirmed the compromise.

11. Hence in these circumstances, the petition filed under section 359 BNSS u/s.147 of Negotiable Instruments Act (CrI.M.P. No.1/2026) is allowed. The Appellants are ordered to be acquitted from the offence under section 138 of Negotiable Instruments Act under section 320(8) Cr.P.C.

In the result, this appeal is allowed and the Judgment and sentence passed by the the Judicial Magistrate, Fast Track Court, (Magisterial Level), Poonamallee in S.T.C. No.372/2018, dated 16.10.2023 is set aside and the Appellants are acquitted under section 320(8) Cr.P.C. If any bond is executed by the Appellants / Accused before the trial court that also be cancelled.

This Judgment is dictated to steno-typist, directly typed by her in computer, after making necessary corrections and pronounced by me in the Open Court, today this the 30th day of March 2026.

**II Additional District and Sessions Judge,
Thiruvallur @ Poonamallee.**

Copy to
The Judicial Magistrate,
Fast Track Court (Magisterial Level)
Poonamallee.

Judgment

Crl. Appeal No.18 of 2024

Date : 30.03.2026

II A.D.S.C., Poonamallee.