

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 Tuesday, the 30th day of June 2026

Criminal Appeal No.132/2022

CNR No.TNTR08-000603-2022

1	In which court the appeal is preferred	:	Judicial Magistrate, Fast Track Court, Ambattur.
2	No. of the Case in that court	:	C.C No.189/2019
3	No. of Appeal	:	C.A. No.132/2022
4	Name of the Appellant / Accused and address	:	H. Thirumalai, S/o. Harikrishnan, No.187, Perumal Kovil Street, Maduravoyal, Chennai.
5	Name of the Respondent / Complainant and Address	:	D. Prithivi Rajan S/o. Doss No.34/79A, Pillaiyar Kovil Street, Maduravoyal, Chennai.
6	The sentence and law under which it was imposed in the trial court	:	In the result, the accused is found guilty for an offence u/s. 138 of Negotiable Instruments Act and thereby convicted as per section 255(2) of Cr.P.C. Thus the accused is sentenced to

		undergo simple imprisonment of 6 months and the accused is directed to pay compensation to a tune of Rs.2,25,000/- (Rupees Two Lakhs and Twenty Five Thousand only) to the complainant with an interest at the rate of 6% per annum from the date of the complaint to till the date of realization towards the compensation amount as laid down in the dictum rendered by the Hon'ble Apex Court in In Re R.Vijayan Vs. Baby & Anr in Criminal Appeal No.1902/2011 dated 11.10.2011 within a period of 3 months as per section 357(3) of Cr.P.C and in default of payment of compensation amount the accused shall undergo further one month of simple imprisonment as default sentence considering the overall facts and circumstances of this case. The default sentence shall run consecutively.
7	Whether confirmed,modified or reversed, and if modified the modification	In the result, this appeal is allowed and the Judgment and sentence passed by the Judicial

			Magistrate, Fast Track Court, Ambattur in C.C. No.189/2019, dated 30.08.2022 is set aside and the Appellant is acquitted under section 320(8) Cr.P.C. If any bond is executed by the Appellant / Accused before the trial court that also be cancelled.
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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
27.09.2022	23.12.2022	23.11.2022	23.11.2022	23.12.2022	04.06.2026	30.06.2026

This Criminal Appeal has been filed by the Appellant / Accused prays that the Judgment passed by the Judicial Magistrate, Fast Track Court, Ambattur in C.C. No.189/2019, dated 30.08.2022, and set aside the same and allow the appeal.

This Criminal Appeal coming for final hearing before me on 04.06.2026 in the presence of M/s. D. Dharma, J. Prasanth, M. Suresh Babu, R. Sasi Kumar and R. Priyadharshini, learned counsel for Appellant/Accused and M/s. V. Vanamali, C. Vishal Kumar and P.M. Srinath, 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 Appellant / Accused against the Judgment and conviction passed by the learned Judicial Magistrate, Fast Track Court, Ambattur in C.C. No.189/2019, dated 30.08.2022.

2. The Complainant filed a private complaint under section 200 Cr.P.C r/w.138 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 contends that the accused herein was known to him for the past ten years. While so, on 24.08.2018 the accused had received a hand loan from the complainant for a sum of Rs.2,00,000/-(Rupees Two Lakhs only) towards urgent family need. The said hand loan was given in interest to the accused at the rate of 12% per annum. Thereafter the accused was prompt in payment of interest to the loan availed till the month of November 2018. In such circumstances a further hand loan for a sum of Rs.1,50,000/- (Rupees One Lakh and Fifty Thousand Only) was demanded by the accused. Since the accused was very regular in payment of interest for the hand loan availed in the first instance, the complainant had decided

to lend hand loan for a sum of Rs.1,50,000/- and accordingly the same was also given to the accused on 12.12.2018 with 12% rate of interest for per annum. Also it is contended that the accused had executed a loan agreement in favour of the complainant for the two hand loans availed. In total the complainant had lent a sum of Rs.3,50,000/- to the accused. Thereafter on demand by the complainant to return back the availed loan amount, the accused had returned only a sum of Rs.25,000/- to the complainant. On several demands for repayment of balance amount, the accused had finally issued a cheque in favour of the complainant bearing Cheque No.000159 dated 04.03.2019 drawn on Karur Vysya Bank for a sum of Rs.3,25,000/- (Rupees Three Lakhs and Twenty Five Thousand only) which is marked as Exhibit P.1. It is also contended that on giving cheque to the complainant, the accused had received back the said executed loan agreement. When the cheque was presented by the complainant in his account holding bank for honour, the same was returned with an endorsement as " Funds Insufficient" vide Return memo dated 06.03.2019 which is marked as Exhibit P2. Consequent to the same the complainant had issued the statutory legal notice which is Exhibit P3 to the accused dated 16.03.2019 calling upon him to pay the dishonoured cheque amount and for which the accused even after receipt of legal notice which is ensured vide postal

acknowledgment card dated 18.03.2019 which is Exhibit P4, had neither chosen to reply nor paid the cheque amount to the complainant. Since the accused had issued the subject cheque with dishonest intention the complainant had no other go approached this court by presenting this present complaint.

3. During trial before the trial court, on the side of Complainant PW.1 was examined and Ex.P.1 to Ex.P.4 were marked and on the side of accused no witness was examined and no documents were marked. After completion of trial, the accused is found guilty for an offence u/s. 138 of Negotiable Instruments Act and thereby convicted as per section 255(2) of Cr.P.C. Thus the accused is sentenced to undergo simple imprisonment of 6 months and the accused is directed to pay compensation to a tune of Rs.2,25,000/- (Rupees Two Lakhs and Twenty Five Thousand only) to the complainant with an interest at the rate of 6% per annum from the date of the complaint to till the date of realization towards the compensation amount as laid down in the dictum rendered by the Hon'ble Apex Court in In Re R.Vijayan Vs. Baby & Anr in Criminal Appeal No.1902/2011 dated 11.10.2011 within a period of 3 months as per section 357(3) of Cr.P.C and in default of payment of compensation amount the accused shall undergo further one month of simple imprisonment as default sentence considering the overall facts and

circumstances of this case. The default sentence shall run consecutively.

4. As per the order of the Hon'ble Principal District and Sessions Court, Thirvallur in CrI.MP No.4860 / 2022, dated 23.11.2022 the Appellant/Accused have deposited 20% of the compensation amount before the Trial Court/Judicial Magistrate, Fast Track Court, Magisterial Level, Ambattur.

5. Aggrieved by the said Judgment, the Appellant preferred this appeal.

6. During the pendency of this appeal, both the Appellant and the Respondent filed a petition under Section 147 of the Negotiable Instruments Act (Joint Compromise Memo) stating that "the matter was referred to the Mediation and Conciliation Centre by this Court and both parties participated in the mediation proceedings. Pursuant to the mediation proceedings, the parties have amicably settled all their disputes and differences relating to the subject matter of the above appeal. In terms of the settlement arrived at between the parties, the Appellant/Accused has paid the entire settlement amount including the compensation amount and interest agreed between the parties and the Respondent/Complainant has received the same to his full satisfaction. The Respondent/Complainant hereby acknowledges the receipt of the entire settlement amount and states that no amount whatsoever remains due and payable by the Appellant/Accused. The Respondent/Complainant further states that

he has no objection for compounding the offence under Section 147 of the Negotiable Instruments Act, 1881 and has no objection for setting aside the judgment of conviction and sentence dated 30.08.2022 passed in C.C. No.189 of 2019. Both parties jointly submit that in view of the settlement arrived at between them, no dispute survives for adjudication and therefore the offence may be compounded under Section 147 of the Negotiable Instruments Act, 1881.”

7. 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.

8. 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 ?

9. The Appellant filed this appeal against the conviction order passed by the Trial court for the offence under section 138 Negotiable Instruments Act. Both the Appellant and the Respondent filed a petition under Section 147 of the Negotiable Instruments Act, (Joint Compromise Memo) stating that “ The matter was referred

to the Mediation and Conciliation Centre by this Court and both parties participated in the mediation proceedings. Pursuant to the mediation proceedings, the parties have amicably settled all their disputes and differences relating to the subject matter of the above appeal. In terms of the settlement arrived at between the parties, the Appellant/Accused has paid the entire settlement amount including the compensation amount and interest agreed between the parties and the Respondent/Complainant has received the same to his full satisfaction. The Respondent/Complainant hereby acknowledges the receipt of the entire settlement amount and states that no amount whatsoever remains due and payable by the Appellant/Accused. The Respondent/Complainant further states that he has no objection for compounding the offence under Section 147 of the Negotiable Instruments Act, 1881 and has no objection for setting aside the judgment of conviction and sentence dated 30.08.2022 passed in C.C.No. 189 of 2019. Both parties jointly submit that in view of the settlement arrived at between them, no dispute survives for adjudication and therefore the offence may be compounded under Section 147 of the Negotiable Instruments Act, 1881.”

10. This appeal have been preferred by the Appellant against the order of conviction passed by the learned Judicial Magistrate, Fast Track Court, Magisterial Level, Ambattur. 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.

11. 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. Appellant and the Respondent are examined and they affirmed the compromise.

12. Hence in these circumstances, the Joint Compromise Memo filed by both the parties in (Crl.M.P. No.1/2026) is accepted and recorded.

In the result, this appeal is allowed and the Judgment and sentence passed by the Judicial Magistrate, Fast Track Court, Ambattur in C.C. No.189/2019, dated 30.08.2022 is set aside and the Appellant is acquitted under section 320(8) Cr.P.C. If any bond is executed by the Appellant / 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 June 2026.

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

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

Judgment

Crl. Appeal No.132 of 2022

Date : 30.06.2026

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