



WEB COPY



Crl.R.C.No.1367 of 2019

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 14.10.2025

CORAM

THE HONOURABLE MR.JUSTICE M.NIRMAL KUMAR

Crl.R.C.No.1367 of 2019 and
Crl.M.P.No.19209 of 2025

1.Sri Aravindar Educational Trust,
Rep. by its authorized signatory S.Nithyanandam,
Mailam Road,
Sederapet,
Sederapet,
Pondicherry 605 111.

2.S.Nithyanandam

... Petitioners

Vs.

M/s.Kotak Mahindra Bank Limited,
Rep. by its Chief Manager,
Ponraj Thangadurai,
No.39, Ceebros Centre,
I Floor,
Montieth Road,
Egmore, Chennai.

... Respondent

PRAYER: Criminal Revision Petition filed under Sections 397 and 401 of Criminal Procedure Code, to set aside the order dated 26.09.2019 in Crl Appeal No.167/2019 on the file of XV Additional Sessions Court, Chennai confirming the order dated 21.03.2019 in C.C.No.2750/2016 on the file of Metropolitan Magistrate - Fast Track Court IV, George Town, Chennai.

For Petitioners : Mr.Rajarajan



Crl.R.C.No.1367 of 2019

For Respondent : Ms.Jayaganga for Mrs.Ananda Gomathy

WEB COPY

ORDER

The petitioners were convicted by judgment, dated 21.03.2019 in CC.No.2750 of 2016 by the learned Metropolitan Magistrate, Fast Track Court-IV, George Town, Chennai (trial Court) for offence under Sections 138 of Negotiable Instruments Act, 1881 and sentenced to undergo ten months Simple Imprisonment and to pay a compensation of Rs.2,00,00,000/- (Rupees two crores only) to the respondent/complainant jointly and severally with an interest rate of 9% per annum from the date of dishonour, within one month, in default, the 2nd petitioner to undergo two months Simple Imprisonment. Aggrieved over the judgment of the trial Court, an appeal was preferred by the petitioners before the learned XV Additional Sessions Judge, Chennai (lower appellate Court) in Crl.A.No.167 of 2019. The lower appellate Court, by judgment dated 26.09.2019 modified the findings of the trial Court setting aside the interest of 9% p.a for the cheque amount and confirming the remaining portion of the findings of the trial Court, against which the present criminal revision case is filed.

2.Gist of the case is that the respondent/complainant is a Public limited



Company registered under the Indian Companies Act, 1956. The 1st petitioner approached the respondent and availed a financial facility to the tune of Rs.13,30,00,000/- (Rupees thirteen crores and thirty lakhs only) for his funding requirement and the same was sanctioned by the respondent *vide* sanction letter dated 21.01.2013. As per the directions of the Debt Recovery Tribunal-III, Chennai, the 1st petitioner represented by its Chairman agreed to pay a sum of Rs.2,00,00,000/- towards part payment of the dues payable under the above sanction letter and issued a cheque (Ex.P2) bearing No.000517 dated 23.08.2016 for a sum of Rs.2,00,00,000/- (Rupees two crores only) drawn on Kotak Mahindra Bank, Anna Nagar. When the cheque (Ex.P2) presented for encashment by the respondent through its bank *viz.*, Kotak Mahindra Bank, Parrys, Chennai Branch, the same got dishonoured for the reason “Funds Insufficient” on 30.08.2016 *vide* return memo (Ex.P3). The respondent issued a statutory legal notice (Ex.P4) dated 08.09.2016 calling upon the petitioners to repay the dishonoured cheque amount and the same received by the petitioners on 12.09.2016. Despite the same, the petitioners neither came forward to repay the cheque amount nor made any reply for Ex.P4. Annoyed over the same, the respondent filed a private complaint under Section 138 of Negotiable Instruments Act, 1881 in C.C.No.2750 of 2016.

3.During trial, the respondent examined himself as PW1 and marked



seven documents as Exs.P1 to P7. On the side of the defence, no witness examined and no document marked. On conclusion of trial, the trial Court convicted the petitioners as stated above.

4.The learned counsel for the petitioner submitted that now the issue between the petitioners and the respondent got resolved and that the respondent offered One Time Settlement (OTS) towards closure of the financial liabilities to the tune of Rs.12,00,00,000/- (Rupees twelve crores only) as full and final settlement of the entire outstanding amount. The repayment schedule for the OTS amount is that the payment for Rs.1,00,00,000/- (Rupees one crore only) already received through demand drafts dated 23.12.2024, 27.12.2024 and 31.12.2024 drawn on ICICI Bank and the payment of Rs.50,00,000/- (Rupees fifty lakhs only) on or before 31.03.2025 and payment of Rs.10,50,00,000/- (Rupees ten crores and fifty lakhs only) on or before 30.06.2025. He further submitted that based on the settlement, a compounding petition in Crl.M.P.No.19209 of 2025 in Crl.R.C.No.1367 of 2019 filed under Section 147 of Negotiable Instruments Act, 1881 to compound the offence.

5.The learned counsel for the respondent confirms the settlement between



CrI.R.C.No.1367 of 2019

the petitioners and the respondent and also confirms the receipt of One Time Settlement of Rs.12,00,00,000/- (Rupees twelve crores only) and also produced the letter of acceptance dated 07.02.2025 of Kotak Mahindra Bank.

6.Today, the petitioners and the respondent present before this Court and this Court had an enquiry with the respondent. The respondent reaffirmed the compromise entered with the petitioner, receipt of entire OTS and filing of compounding petition. The scanned reproduction of the compounding petition under Section 147 of Negotiable Instruments Act, 1881 is as follows:



Crl.R.C.No.1367 of 2019

WEB COPY

MEMORANDUM OF CRIMINAL MISCELLANEOUS PETITION

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Criminal Jurisdiction)

CRL MP No. ¹⁹²⁰⁹ of 2025
IN
CRL. R.C.No.1367/2019



1. Sri Aravindar Educational Trust,
Rep. by its authorised signatory S. Nithyanandam,
Mallam Road,
Sederapet,
Sederapet,
Pondicherry 605 111.

2. S. Nithyanandam,
No.36/34,
Mudaliar Street,
Thilaspeth,
Pondicherry 605 009.

... Petitioners

-Vs-

M/s. Kotak Mahindra Bank Limited,
Rep. by its Chief Manager,
Ponraj Thangadurai,
No.39, Ceebros Centre, I Floor, Montieth Road, Egmore,
Chennai

... Respondent/Complainant

**PETITION UNDER SECTION 147 OF THE NEGOTIABLE INSTRUMENTS
ACT, 1881 FOR COMPOUNDING OF THE OFFENCE**

The humble petition of the Respondent/Complainant above named

MOST RESPECTFULLY SHOWETH:

1. The Petitioner/accused was convicted by the learned Metropolitan Magistrate, Fast Track Court IV, George Town, Chennai, in C.C. No. 2750/2016 for an offence under SS.138 to 142 of the Negotiable Instruments Act, 1881, which is confirmed on appeal by the order dated 26.09.2019 in Crl. Appeal No.167/2019 on the file of XV Additional Sessions Court, Chennai.

For KOTAK MAHINDRA BANK LIMITED

(V. Ganesan)
Hajim Asmin

(Signature)
Att. No. 1367/2019



WEB COPY

2. Aggrieved by the said conviction and sentence, the petitioner/accused preferred the above Criminal Revision Petition before this Hon'ble Court.

3. The accused had approached and availed financial facility to the tune of Rs.13,30,00,000/- (Thirteen crore and thirty lakh rupees) vide sanction letter dated 21.01.2013. The 1st Petitioner/1st accused, as per the court order, agreed to pay Rs. 2,00,00,000/- (Two Crores Only) towards part payment of the dues and issued a cheque signed by the 2nd Petitioner/2nd accused, drawn on Kotak Mahindra Bank for a sum of Rs. ~~2,00,00,000~~ ^{2,00,00,000/- crore} (Two ~~Lakhs~~ only). The said cheque was returned with the endorsement "Funds Insufficient." Consequently, a case under Section 138 of the Negotiable Instruments Act was initiated.

4. During the pendency of the revision, the accused approached the bank for an amicable settlement. The parties have amicably settled the entire dispute, and the respondent/complainant has received the full cheque amount and has no further claim against the petitioner/accused.

5. The respondent/complainant therefore submits that the matter having been settled, the offence under Section 138 of the Negotiable Instruments Act may be compounded in terms of Section 147 of the said Act.

6. The respondent/complainant respectfully prays that this Hon'ble Court may be pleased to record the settlement arrived at between the parties, permit compounding of the offence under Section 147 of the Negotiable Instruments Act, and pass such

For KOTAK MAHINDRA BANK LIMITED



CrI.R.C.No.1367 of 2019

WEB COPY

further or other orders as this Hon'ble Court may deem fit and proper in the circumstances of the case.

Schedule - I

Repayment Schedule for the OTS Amount:-

1. Payment of INR 1,00,00,000.00 (Rupees One Crore Only) already received vide Various Demand Drafts dated 23-12-2024, 27-12-2024 and 31-12-2024 drawn on ICICI Bank.
2. Payment of INR 50,00,000.00 (Rupees Fifty Lakhs Only) on or before 31-03-2025.
3. Payment of INR 10,50,00,000.00 (Rupees Ten Crores Fifty Lakhs Only) on or before 30-06-2025.

Dated at Chennai on this the 14th day of October, 2025.

Counsel for the Respondent/Complainant

For KOTAK MAHINDRA BANK LIMITED

Authorized Signatory



Crl.R.C.No.1367 of 2019

7.The respondent/complainant has filed a compounding petition in Crl.M.P.No.19209 of 2025 in Crl.R.C.No.1367 of 2019 invoking Section 147 of the Negotiable Instruments Act, 1881 to compound the offence and the same is ordered.

8.In view of the above development and in the interest of both the parties not to keep these proceedings pending since it will affect their future life, this Court accepts the compromise entered between them.

9.In the result, the case between the petitioners and the respondent is compounded. Hence, the judgment, dated 21.03.2019 in CC.No.2750 of 2016 passed by the learned Metropolitan Magistrate, Fast Track Court-IV, George Town, Chennai and the judgment, dated 26.09.2019 passed by the learned XV Additional Sessions Judge, Chennai in Crl.A.No.167 of 2019 are set aside and the revision is, accordingly, allowed. The petitioners are acquitted of all charges levelled against them.

14.10.2025

Speaking Order/Non Speaking Order
Index : Yes/No
Neutral Citation: Yes/No
vv2



WEB COPY



Crl.R.C.No.1367 of 2019

M.NIRMAL KUMAR, J.

vv2

To

- 1.The XV Additional Sessions Judge,
Chennai.
- 2.The Metropolitan Magistrate,
Fast Track Court-IV,
George Town, Chennai.

Crl.R.C.No.1367 of 2019

14.10.2025