IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10.04.2026

CORAM

THE HONOURABLE MR JUSTICE C. KUMARAPPAN

Crl.M.P.Nos.6473 & 6474 of 2026
in
Crl.R.C.No.845 of 2026

Smt U Sunanda
Director of M/s Tej Ugam Hire Purchase (P) Ltd
No.18 Vaikunta Vadhyar Street
Sowcarpet, Chennai 600 079 ...Petitioner/Accused-4

-vs-

The Assistant Commissioner of Income-tax
Company Circle IV (5)
Chennai 600 006. ...Respondent

PRAYER in Crl.M.P.No.6473 of 2026: Criminal Miscellaneous Petition filed under Section 438(1) of BNSS Act, 2023, praying to suspend the sentence passed by the learned Additional Chief Metropolitan Magistrate (EO II), Egmore, Chennai, by judgement dated 29.04.2022 in EOCC No.41 of 1995 and partly allowed by the learned Principal Sessions Judge, Chennai, in C.A.No.133 of 2022 and release the petitioner on bail pending disposal of the above Crl.R.C.No.845 of 2026.

PRAYER in Crl.M.P.No.6474 of 2026: Criminal Miscellaneous Petition filed under Section 528 of BNSS, praying to grant an order of exemption from surrendering before the trial Court in pursuance to the sentence passed by the learned Additional Chief Metropolitan Magisterial (EO II), Egmore, Chennai, by judgement dated 29.04.2022 in EOCC No.41 of 1995 and partly allowed by the learned Principal Sessions Judge, Chennai in C.A.No.133 of 2022 and release the petitioner on bail pending disposal of the above Crl.R.C.No.845 of 2026.

For Petitioners	:	Mr.P.Ramesh Kumar
For Respondent	:	Ms.M.Sheela, Standing Counsel for Income Tax

COMMON ORDER

These Criminal Miscellaneous Petitions have been filed seeking to suspend the sentence imposed on the petitioner/Accused by judgment dated 29.04.2022 passed in EOCC No.41 of 1995 by the learned Additional Chief Metropolitan Magistrate(EO-II), Egmore, Chennai and partly allowed vide judgment dated 08.12.2025 in Crl.A.No.133 of 2022, by the learned Principal Sessions Judge, Chennai, and also to exempt him from surrendering before the trial Court, pending disposal of the Criminal Revision Case.

2. The petitioner was convicted by the trial Court for the following offences:

Rank of the accused	Conviction under Sections	Sentence awarded
A4	193 of IPC r/w 136 of Income Tax Act, 1961 r/w 120B of IPC	To undergo rigorous imprisonment of 1 year and pay a fine of Rs.5,000/- and in default to undergo simple imprisonment for 2 months
	196 of IPC r/w 136 of Income Tax Act, 1961 r/w 120B of IPC	To undergo rigorous imprisonment of 1 year and pay a fine of Rs.5,000/- and in default to undergo simple imprisonment for 2 months.
	420 of IPC	To undergo rigorous imprisonment of 2 years and shall pay a fine of Rs.5,000/- and in default to undergo simple imprisonment for 3 months.
	276C(1) r/w 278B of Income Tax	To undergo rigorous imprisonment for 2 years and pay a total fine of Rs.50,000/-,which includes Rs. 25,000/- imposed on her personally and Rs. 25,000/- payable on behalf of the 1st accused company and in default to undergo simple imprisonment for 3 months.

	277 r/w 278B	To undergo rigorous imprisonment for 2 years and pay a fine of Rs.50,000/-, which includes Rs. 25,000/- imposed on her personally and Rs. 25,000/- payable on behalf of the 1st accused company and in default to undergo simple imprisonment for 3 months

3. Challenging the above conviction and sentence, the petitioner/Accused preferred Crl.A.No.133 of 2022. The appellate Court, vide judgment dated 08.12.2025 partly allowed the judgment of conviction and sentence passed by the trial Court by setting aside the conviction and sentence imposed in respect of the offences under Section 193 of IPC r/w 136 of Income Tax Act, Section 196 of IPC r/w 136 of Income Tax Act and Section 420 of IPC.

4. Aggrieved by the same the petitioner/accused has preferred Crl.R.C.No.845 of 2026 and pending revision has sought for suspension of sentence and exemption from surrendering before the trial Court, in these Criminal Miscellaneous Petitions.

5. The case of the prosecution is that the Assistant Commissioner of Income Tax filed a complaint against the 1st accused company, M/s Tej Ugam Hire Purchase Pvt. Ltd., and its Managing Director and Directors (Accused 2 to 4), who were responsible for the company's affairs during the relevant period. For the Assessment Year 1992–1993, the company filed its income tax return showing a loss of Rs. 78,360/-. The return was initially accepted. Later, during investigation, the Income Tax Department found discrepancies in the income shown, particularly relating to gas tanker income and other earnings. On further scrutiny, it was found that the company had not disclosed certain income, including Rs. 1,25,000/- from MGM Transport, and had also understated its lease income. A revised return was then filed, but even that was found to be incorrect. The department ultimately determined the total income as Rs. 1,73,470/-. Since the company had concealed income and furnished incorrect details, penalty proceedings were initiated and a demand notice was issued. The revision filed by the accused was dismissed. Thereafter, sanction was obtained from the Principal Commissioner of Income Tax, and the accused were prosecuted for offences relating to tax evasion, furnishing false statements, and cheating.

6. The learned counsel for the petitioner submitted that, during the assessment proceedings, the petitioner neither rendered any services to the 1st accused company nor participated in its business activities. It was further contended that the trial Court failed to properly consider the cross-examination of PW-1, wherein it was clearly established that the petitioner had no connection whatsoever with the affairs of the 1st accused company. He further submitted that the entire affairs of the 1st accused company were managed and controlled by Accused 2 and Accused 3, who are no longer alive to defend the case. Therefore, he prayed that the petitioner may be exempted from surrender and that the sentence imposed on her may be suspended.

7. Heard the learned Standing Counsel appearing for the respondent.

8. Considering the fact that the petitioner has raised substantial grounds in the above revision, which require consideration, this Court is inclined to suspend the sentence imposed on the petitioner and exempt her from surrendering before the trial Court.

9. Accordingly, these Criminal Miscellaneous Petitions are allowed and till the disposal of the Criminal Revision cases, the sentence imposed upon the petitioner by the trial Court, is suspended and she is exempted from surrendering before the trial Court, on the following conditions:

(a) The petitioner shall execute a bond for a sum of Rs.10,000/- (Rupees Ten thousand only), with two sureties, each for a like sum to the learned Additional Chief Metropolitan Magistrate, EO-II, Egmore;

(b) The petitioner and the sureties shall affix their photographs and Left Thumb Impression in the surety bond and the trial Court may obtain a copy of their Aadhar card or Bank pass Book and mobile numbers to ensure their identity; and

(c) The petitioner shall appear before the Trial Court on the first working day of a month at 10.30 a.m., until the disposal of the revision and if he is not able to appear before the Trial Court on that day, he shall make arrangements to file an application under Section 317 Cr.P.C. and shall appear before the Trial Court on any other day in lieu of the date of his absence as directed by the Trial Court.

(d) In the event of failure on satisfying the above conditions, this order would stand automatically cancelled.

10. Accordingly, these Criminal Miscellaneous Petitions are ordered.

10.04.2026
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To

1. The learned Additional Chief Metropolitan Magistrate (EO II),
Egmore, Chennai,

2. The learned Principal Sessions Judge, Chennai

3.The Assistant Commissioner of Income-tax
Company Circle IV (5)
Chennai 600 006.

C. KUMARAPPAN, J.

dpa

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