IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 04-02-2026

PRONOUNCED ON : 06-02-2026

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THE HON'BLE MR.JUSTICE SUNDER MOHAN

CRL RC No. 1553 of 2023

and Crl.MP No.14300 of 2023

R.Chandrasekar ..Petitioner/Accused

Vs

Tamil Nadu Industrial Development
Corporation Ltd.,
Rep. By its representative,
Mrs.N.Sheela Devi.
(C.C.No.15108 of 2014) ... Respondent/Complainant

Prayer: Criminal Revision Case filed under Sections 397 and 401 of the Cr.P.C., to call for the records made in C.A.No.506 of 2018 dated 06.06.2023 passed by the Principal Sessions Judge Court, Chennai and confirming the conviction and sentence imposed in C.C.No.15108 of 2014 dated 15.02.2018 on the file of the Court of Metropolitan Magistrate, Fast Track Court-II, Egmore, Allikulam, Chennai and set aside the same to secure the ends of justice.

For Petitioner: Mr. R.Sankarasubbu

For Respondent: Ms.Anjanaa Aravindan
for Mr.R.Palaniandavan

ORDER

The Criminal Revision Case challenges the judgment dated 06.06.2023 passed in Crl.A.No.506 of 2018 by the learned Principal Sessions Judge, Chennai, confirming the judgment dated 15.02.2018 passed in CC No.15108 of 2014, by the learned Metropolitan Magistrate [Fast Track-2], Egmore at Allikulam, Chennai, convicting the petitioner for the offence under Section 138 of the Negotiable Instruments Act, 1881 and sentencing him to undergo simple imprisonment for one year and to pay a fine of Rs.3,53,69,576/-, in default to undergo simple imprisonment for three months.

2. It is the case of the respondent/complainant that the respondent is a Government of Tamilnadu Enterprise and a company incorporated under the Company's Act, 1956; that their primary function is to identify and promote large and medium scale Industrial establishments; that the respondent approached the petitioner for joint participation in the equity capital of the company; that they entered into a mutual agreement on 11.03.2008; that the petitioner had executed an undertaking dated

14.08.2008 to purchase 12,37,763 equity shares of Rs.10/- each as and when the respondent exercises its option at the end of three years from the date of investment by the respondent; that the respondent had released a sum of Rs.1,23,77,632.50p on 08.08.2008 by a cheque drawn in favour of one Devaraj Agro Industries (P) Limited, towards the subscription of 12,37,763 equity shares; that the petitioner had undertaken to purchase the entire shares or part thereof as and when the same was disinvested by the respondent at its option at the price calculated in accordance with the Undertaking; that the petitioner had issued a post dated cheque for Rs.1,23,77,632.50p on 14.08.2008; that the petitioner was liable to pay a sum of Rs.1,76,84,788/- as on 25.04.2011 which was the price payable by the petitioner for the shares disinvested by the respondent; that on 13.08.2011 the respondent had presented the cheque issued by the petitioner in the month of April 2011; that the said cheque was returned with an endorsement 'Insufficient Funds'; that on 12.09.2011, the respondent issued a statutory notice; and that even after the receipt of the notice, the petitioner did not make any payment and thus committed the aforesaid offences.

3. Before the trial Court, the respondent/complainant examined one witness and marked Ex.P1 to Ex.P10. The trial Court found that under the terms agreed between the parties, the petitioner/accused was liable to pay the aforesaid sum and the petitioner had issued the post dated cheque to secure the payment and since the petitioner had not made the payment, the amount under the cheque issued as security became liable and sentenced him, as stated above.

4. The appellate Court on re-appreciation of the evidence found that the petitioner was liable to pay the said sum; that the petitioner had not rebutted the statutory presumption; and that therefore, the petitioner is liable to be punished.

5. Mr.Sankarasubbu, learned counsel for the petitioner/accused would submit that the petitioner has already undergone the period of sentence of imprisonment and that therefore nothing survives in this revision. He therefore did not make any submission on the merits of the case.

6.(i) Ms.Anajanaa Aravindan, learned counsel for the respondent/Complainant however submitted that it is not known whether the petitioner had undergone the period of sentence and in any case there is no merit in the revision and that the revision may be disposed of on merits and if the petitioner had already undergone the sentence, it is open to him to claim set off.

(ii) The learned counsel for the respondent further submitted that the Courts below have carefully considered the documents filed by the respondent and the communications which would show that the cheque was issued for a legally enforceable debt or liability and the concurrent findings of fact are not perverse warranting an interference in the revision.

7. It is seen from the judgments of the Courts below that the signature of the cheque is not disputed by the petitioner. The fact that there is a Memorandum of Understanding entered into between the parties is also not disputed. The only defence taken by the petitioner is

that the cheque was issued as a security and that it was not issued for a legally enforceable debt or liability. The said defence of the petitioner has not been probabilised either in the cross-examination or by adducing any independent evidence.

8. The communications between the parties which are marked as Ex.P4 and Ex.P5 and the Undertaking [Ex.P3] and the fact that the signature in the cheque is not disputed, would show that the respondent had established that the cheque though was issued as a security, it became enforceable, as the petitioner was liable to pay the money on the date when it was presented.

9. As stated above the petitioner has not rebutted the statutory presumption in any manner whatsoever. Therefore, this Court finds that the concurrent findings of fact by the Courts below are justified and in any case they are not perverse and they do not suffer from any legal infirmity so as to warrant interference in a revision.

10. Hence, the Criminal Revision case is dismissed. The impugned judgments of the Courts below, convicting and sentencing the petitioner/accused, are confirmed. It is needless to say that the period of sentence already undergone by the petitioner/accused shall be set off. Consequently, the connected Criminal Miscellaneous Petition is closed.

06-02-2026

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

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To

1. The Principal Sessions Judge Court,
   Chennai.

2. The Metropolitan Magistrate Court,
   East Track Court-II,
   Egmore, Allikulam, Chennai.

3. The Tamil Nadu Industrial Development
   Corporation Ltd.,
   19-A, Rukmani Lakshmipathy Road,
   Egmore, Chennai.

SUNDER MOHAN, J.

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Pre-delivery order in
CRL RC No. 1553 of 2023

06-02-2026