



WEB COPY



Crl.R.C.No.1314 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.07.2026

CORAM :

THE HONOURABLE MR.SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

Crl.R.C.No.1314 of 2026

AND

Crl.M.P.No.11136 of 2026

S.Govindaraj
Door No.257, 1st Floor
Navanithammal Street
Aminjikarai, Chennai – 600 029.

Petitioner(s)

Vs

The Assistant Director,
Directorate of Enforcement,
(The Prevention of Money
Laundering Act, 2002)
Chennai Zonal Office-I,
5th and 6th Floor, BSNL Building,
No.2, Kush Kumar Road,
Nungambakkam,
Chennai - 600 034.

Respondent(s)

PRAYER: Criminal Revision filed under Section 438 read with Section 442 BNSS, praying to set aside the order of the learned XII Additional Special Judge for CBI Cases, Chennai, dated 17.12.2025 passed in Crl.M.P.No.276 of 2025 in Spl.CC.No.10 of 2024, rejecting the



Crl.R.C.No.1314 of 2026

discharge petition.

WEB COPY

For Petitioner(s): Mr. G.Vijayanand

For Respondent(s): Mr. Cibi Vishnu
Special Public Prosecutor
(ED Cases)

ORDER

(Order of the court was made by the Hon'ble Chief Justice)

The criminal revision is filed by the petitioner/sixth accused, challenging the order dated 17.12.2025 in Crl.M.P.No.276 of 2025 in Spl.C.C.No.10 of 2024 on the file of the XII Additional Special Judge for CBI Cases, Chennai, rejecting the petition filed under Section 250 of BNSS, 2023, for discharge.

2. The respondent/Enforcement Directorate filed a complaint under Section 44(1)(b) and 45 of the Prevention of Money Laundering Act, 2002 (hereinafter referred to as "the PML Act"), as against six accused, including the petitioner, who was arrayed as sixth accused for the offence under Sections 3 and 4 of the PML Act.

3. The complaint was taken cognizance by the Special Court in



Crl.R.C.No.1314 of 2026

Spl.C.C.No.10 of 2024. On receipt of summons and receiving the copies, the petitioner filed a petition seeking discharge. The Special Court, considering the claim, by order dated 17.12.2025, rejected the petition, holding that there are *prima facie* materials for framing charges for the offence under the PML Act, which is put to challenge in the above criminal revision.

4. Learned counsel for the petitioner/sixth accused, contended that there is no specific role implicating the petitioner either in the predicate case or in the money laundering complaint and that he has been unnecessarily roped in the complaint and as such is to be discharged. He further submitted that though the partnership firm may have availed a loan from the bank and committed default, the same can only result in civil suit or proceedings under the SARFAESI Act for recovery, but the same cannot constitute an offence of money laundering under the PML Act. Further, though the petitioner is a partner, he had no mala fide intention to avail the loan by fabricating documents.

5. He further contended that since no *prima facie* material is available either in the complaint or in the documents filed to connect



Crl.R.C.No.1314 of 2026

the petitioner with the alleged offences, the essential ingredients of the offence are not met. Therefore, the petitioner need not undergo the irony of a full-fledged trial and the Special Court failed to see that there is no *prima facie* material available to proceed against the petitioner by framing charge.

6. Contending contra, Mr.Cibi Vishnu, learned Special Public Prosecutor for the respondent/Enforcement Directorate, submitted that the petitioner being a partner of the third accused, M/s.VIP Exports, colluded with other two partners, who hvae acquainted with the Branch Manager/second accused and Assistant General Manager/first accused, hatched a conspiracy, created and submitted fabricated sale deeds and has availed loan in the name of the partnership concern and the loan amount so obtained and utilized by the petitioner constitutes the proceeds of crime and, therefore, ample materials are available against the petitioner to prove the charges under Section 3 of the PML Act.

7. The learned Special Public Prosecutor further submitted that the material evidence in respect of the creation and submission of forged documents to the bank, availing of a loan of around Rs.5 crores



Crl.R.C.No.1314 of 2026

and the diversion of those funds under the guise of procuring materials, coupled with the statements recorded under Section 50 of the PML Act, *prima facie* establishes the active involvement of the petitioner in the offence of money laundering. Further, he argued that the Special Court rightly by taking note of the materials available, dismissed the petition seeking discharge in line with the decisions of the Supreme Court.

8. Heard the rival submissions and considered the materials available on record.

9. Predicate case in crime No.CBI/ACB/Chennai/2017/RCMA1-2017-A-0036 came to be registered by the CBI for the offences under Sections 120-B, 420, 467, 468, and 471 IPC and Section 13(2) read with 13(1)(d) of the Prevention of Corruption Act, 1988 against one M/s.VIP Exports, which is managed by three partners, including the petitioner and two others from the UCO Bank, Chennai Main Branch, for procuring a loan of Rs.4.93 crores by manipulation, creating fabricated and forged documents. Based on the predicate case, the respondent/Enforcement Directorate registered ECIR/CEZO-1/03/2023 and after completion of the investigation, the complaint was filed



Crl.R.C.No.1314 of 2026

before the Special Court against the accused for the offences under Sections 3 and 4 of PML Act.

WEB COPY

10. The third accused, M/s. VIP Exports, is a partnership firm registered under the Indian Partnership Act, 1932. The sixth accused/ the petitioner herein, is also one of the partners of the 3rd accused partnership firm. The partner of the petitioner having acquainted with the first accused, who was working as Assistant General Manager in UCO Bank, Chennai Main Branch, and the second accused as the Branch Manager of UCO Bank, influenced them to process and sanction a loan to the tune of Rs.5 crores in favor of the partnership firm.

11. As per the plan and conspiracy, the partners of the firm/accused 4 to 6, had offered to give three items of properties as mortgage for securing the loan. The loan application was processed by the Branch Manager/second accused, which was approved by the Assistant General Manager/first accused, without any verification of the property and securities. Further, the fifth accused/partner has executed a power of attorney in respect of one item of the property mortgaged to the bank to one SK Holdings, who, knowing well that the bank is having the property as collateral security, obtained non-



Crl.R.C.No.1314 of 2026

traceable certificates from the police authorities and got the property registered in its name.

WEB COPY

12. In view of the fabricated documents available with the bank, the loan was not repaid and the account was classified as Non-Performing Asset. The documents fabricated and created by the petitioner along with the other partner and submitted to the bank for availing the loan to a tune of around Rs.5 crores are filed. Further, the documents created by the other partner in favour of SK Holdings, who got the property registered in its name, even when the property was given as collateral security to the bank with the help of the non-traceable certificate obtained are available. The details regarding the money to a tune of Rs.3.93 crores that have been received by the petitioner and other partners in the firm account, which has been taken out in the name of procurement of materials and including a sum of around USD 7,024 that has been sent out of the country under the guise of purchase of machineries, are all available in the complaint and the relevant materials have been annexed.

13. The petitioner, having colluded with the other partners and bank officials in fabricating documents, to illegally procure loan



Crl.R.C.No.1314 of 2026

amounts, for which the predicate offence has been registered by the CBI and the loan amounts so obtained were laundered in the name of purchase of machineries, which itself is the proceeds of crime, coming within the purview of Section 2(1)(u) of the PML Act. When there are ample materials available, the contention of the petitioners that there is no iota of material implicating the petitioner in the case for the offence under the PML Act, is totally misconceived and baseless. The petitioner, as a partner, has signed the loan application and availed the loan amount generating proceeds of crime.

14. At the stage of considering discharge/framing of the charges, the Court is not expected to conduct a roving enquiry weighing evidence like trial, but it is the duty of the Court only to see as to whether from the materials available *prima facie* case against the accused is made out. The trial court must be satisfied that with the documents and materials available on record, a strong suspicion arises making out a case against the accused for conviction. In this regard it is useful to refer to the decision of the Hon'ble Supreme Court in the case of ***Tarun Jit Tejpal v. State of Goa and another [2020 (17) SCC 556]***.



Crl.R.C.No.1314 of 2026

15. In view of the above deliberations, when there are *prima facie* materials available against the petitioner/sixth accused, the Special Court rightly dismissed the petition seeking discharge. We find no infirmity or perversity in the findings arrived at by the Special Court.

Accordingly, this criminal revision stands dismissed. Connected Crl.M.P. is closed.

(SUSHRUT ARVIND DHARMADHIKARI, CJ) (G.ARUL MURUGAN, J)
03.07.2026

Index : Yes/No
Neutral Citation : Yes/No
sasi

To

1. The Assistant Director,
Directorate of Enforcement,
(The Prevention of Money
Laundering Act, 2002)
Chennai Zonal Office-I,
5th and 6th Floor, BSNL Building,
No.2, Kush Kumar Road,
Nungambakkam,
Chennai - 600 034.

2.The XII Additional Special Judge for CBI Cases,
Chennai.

3.The Public Prosecutor,
Madras High Court, Chennai 600 104.



WEB COPY



Crl.R.C.No.1314 of 2026

THE HON'BLE CHIEF JUSTICE
AND
G.ARUL MURUGAN,J.

(sasi)

Crl.R.C.No.1314 of 2026

03.07.2026