



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10-07-2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

**CRL OP No. 17816 of 2026
and Crl MP Nos.11901 & 11902 of 2026**

K.Anandh
S/o. N.Kamalakaran,
Proprietor,
M/s, Sri Vinayaga Plastics,
No.18, Coromandel Town,
Ambattur Industrial Estate,
Ambattur, Chennai-600053

..Petitioner(s)

Vs

1. The State Represented by the Inspector of Police, Central Crime Branch -1, Chennai. Crime No.343 of 2018
2. G.Niramala
W/o. A.Gopalakrishnan,
no.9/6, Alwarpettai Street,
Alwarpet, Chennai.-600018

..Respondent(s)

Prayer: This petition is filed under Section 528 of BNSS Act, seeking to call for the records relating in C.C.No.2779 of 2023 on the file of Learned Metropolitan Magistrate for Exclusive trial of CCB Cases relating to cheating cases in Chennai and CBCID Metro cases, Egmore, Chennai and quash the same in respect of these petitioners by allowing this Criminal Original Petition.

For Petitioner(s):

Mr.R.RagaRathinam, Senior Counsel
for Mr.C.Ramaraj

For Respondent(s):

Mr.M.Mohamed Riyaz
Government Advocate, for R1

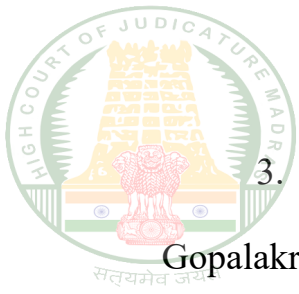


ORDER

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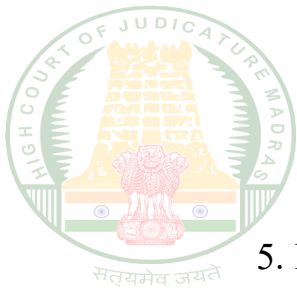
This Criminal Original Petition has been filed challenging the final report filed in C.C. No. 2279 of 2023 on the file of the learned Metropolitan Magistrate for Exclusive Trial of CCB Cases, Egmore, Chennai.

2. Upon a perusal of the FIR, the statements recorded, the material annexed along with the final report, and the final report itself, it can be seen that the crux of the allegations made by the defacto complainant is that her husband was lured by the petitioner to become a partner in his business. By promising higher returns, the petitioner sought investment from them. When the defacto complainant and her husband stated that they did not have any money, they were cajoled into offering their property as security before Lakshmi Vilas Bank, by mortgaging it to realise the required amount. Consequently, a deed of mortgage was executed in respect of the property belonging to the defacto complainant and her husband, and a sum of ₹3,50,00,000/- was borrowed. The reason cited in the mortgage deed is that the said Mr.Gopalakrishnan, husband of the defacto complainant, was going to further lend the money to the petitioner, Anand, as a loan, in view of which the amount was disbursed to the petitioner.



3. It is the case of the defacto complainant, as well as L.W. 2-Gopalakrishnan, that subsequently, even though a partnership deed had been entered into, no business was conducted and no returns were received. In a staggered manner, only a sum of about Rs.1 Crore was returned, while the balance remains unpaid, prompting the bank to take further recovery action. On the strength of these allegations, the final report was filed for the alleged offences under Sections 120B, 406, and 420 read with Section 34 of the IPC.

4. The learned Senior Counsel appearing on behalf of the petitioner submits that this is a case of pure and simple lending. He contends that since the petitioner borrowed a sum of ₹3.5 Crores and repaid a total sum of Rs.1,17,22,750/- through banking channels, the mere non-payment of the balance amount cannot attract an offence under Section 420 of the IPC. He further argues that the nature of the transaction as pure and simple lending can be gauged from the mortgage deed executed before Lakshmi Vilas Bank. The petitioner is still ready and willing to deposit the balance amount and settle the bank's dues; however, since L.W. 2-Gopalakrishnan is no more, L.W. 1-the de facto complainant is unwilling to agree to any such settlement. It is contended that the petitioner cannot be made to face trial as there is absolutely no material to establish any dishonest intention. Furthermore, there is no question of criminal misappropriation, as the amount itself was entrusted to the petitioner directly as a loan.



5. I have considered the submissions made by the learned Senior Counsel and also heard the learned Government Advocate (Criminal Side).

6. It is brought to the notice of this Court that even though the transaction is termed as pure and simple lending in the mortgage deed, the parties had also entered into a deed of partnership. Therefore, the version of the defacto complainant that her husband was lured into a partnership stands as *prima facie* material. Secondly, while the sum of ₹3,50,00,000/- was entrusted to the petitioner as a loan to be utilised as the capital of the de facto complainant's husband in the partnership business, there is no material to show that the business actually commenced. Therefore, the question of whether there was any misappropriation or not must be determined only during the trial.

7. The learned counsel for the petitioner submits that there was no dishonest intention, which can be gauged from the petitioner's conduct in returning a sum of ₹1,17,22,750/- and expressing a willingness to deposit a sum of ₹50,00,000/- in the SARFAESI proceedings, alongside overall efforts to clear the entire loan. However, such subsequent conduct and developments must be taken into account as a whole only after recording the prosecution evidence and the cross-examination of witnesses. I am of the view that the case projected by



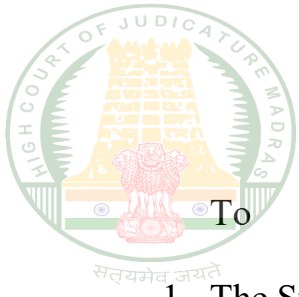
the learned Senior Counsel must be considered by the trial Court only upon a wholesome appreciation of evidence. It cannot be accepted as an incontrovertible fact on the face of it to quash the proceedings at this stage.

8. Needless to mention, the disposal of this Criminal Original Petition will not stand in the way of the petitioner settling the entire amount with the bank or resolving the issue with the second respondent. If a case is made out for a compromise quash or a quashing based on a subsequent settlement, an appropriate application may be moved. With the above observations, and finding that the materials projected by the petitioner before this Court are insufficient to be accepted as incontrovertible and unimpeachable so as to quash the case, this Criminal Original Petition stands disposed of.

9. Considering the hardship pleaded and the nature of the case, I am of the view that the personal appearance of the petitioner before the trial Court is dispensed with, except for the necessary hearings insisted upon by the trial Court.

10-07-2026

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



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Crime No.343 of 2018
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3. The Public Prosecutor, High Court of Madras.



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D.BHARATHA CHAKRAVARTHY, J.

GBI

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