



CrI.O.P.(MD) No.10049 of 2023 &

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

RESERVED ON: 24.06.2026

PRONOUNCED ON : 14.07.2026

CORAM

THE HON'BLE MR.JUSTICE P. DHANABAL

**CrI.O.P.(MD) No.10049 of 2023 &
CrI.M.P.(MD) No.8014 of 2023**

M.Kanthakumar

..Petitioner / A.18

Vs

1. The State rep by
Inspector of Police
Commercial Crime Investigation Wing
Kaja Nagar, Trichirappalli ..1st Respondent/complainant

2. The Deputy Registrar of Co-operative
Societies, 218/4, College Road,
Elango Nagar, Mela Vadugapatti,
Musiri, Tirichirappalli District ...2nd respondent / defacto complainant

Prayer: Criminal Original Petition filed under Section 482 of Cr.P.C., to call for the records pertaining to the First Information Report in Crime No.2 of 2020 dated 08.10.2020 on the file of the 1st respondent and quash the same as illegal as against the petitioner alone.

For Petitioner:

Mr.M.Karunanithi

For Respondent(s):

Mr.N.Balasubramanian
Counsel for State of Tamilnadu
(CrI.Side)



ORDER

This Petition has been filed by the petitioner to quash the First Information Report / Proceedings in Crime No.2 of 2020 dated 08.10.2010 on the file of the 1st respondent for offences punishable under Sections 120(B), 467, 468, 471, 477(A), 408, 409 and 420 of IPC.

2. The prosecution case is that a criminal misappropriation took place between the period 03.02.2015 and 14.10.2016 to the tune of Rs. 9,07,31,632/- in the Varadharajapuram Agricultural Credit Society. Thereafter, enquiry was conducted and as per the findings of the enquiry report dated 01.07.2019 under Section 81 of the Co-operative Societies Act, recommended for taking criminal action and the complaint has been lodged to that effect, thereby a case in Crime No.2 of 2020 has been registered as against 20 persons. Now, the petitioner, who has been arrayed as 18th accused, has filed the present petition to quash the proceedings pending against him.

3. The learned counsel appearing for the petitioner would submit that based on the recommendation and the enquiry report under Section 81 of the Co-operative Societies Act, case has been registered under Sections 120(B), 467, 468, 471, 477(A), 408, 409 and 420 of IPC in Crime No.2 of 2020. The petitioner has been arrayed as 18th accused and the petitioner



Crl.O.P.(MD) No.10049 of 2023 &

was selected as Executive Member of Trichirappalli District Central Co-operative Credit Society in R1618 Varadarajapuram Agricultural Credit Society, while so, forgery, cheating and criminal misappropriation took place to the tune of Rs.2,10,10,000/- from the year 2013 itself while sanctioning Central Cooperative loan to 218 persons of 33 self-employed committees. An enquiry under Section 81 of the Tamilnadu Co-operative Societies Act have been initiated and no explanation was called for from the petitioner.

3.1. The management of the Society was vested with elected board and day today administration was made by the Secretary of the Society, who is the Chief Executive defined under Section 84 of the Tamil Nadu Co-operative Societies Act, 1983. The departmental officers have an overall control and the Joint Registrar, Co-operative Societies, Tiruchirapalli gave permission for criminal prosecution against the petitioner without giving reasonable opportunity as envisaged under Section 164(3) of Tamilnadu Co-operative Societies Act. There are no ingredients to attract offence as against the petitioner. In the surcharge proceedings under Section 87 of the Tamilnadu Co-operative Societies Act, the petitioner was relieved through proceedings dated 30.11.2022. There is no specific allegation as against this petitioner. Further, mere negligence in the duty may create only civil liability and there cannot be any criminal liability, therefore,



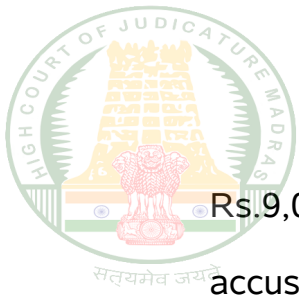
Crl.O.P.(MD) No.10049 of 2023 &

pending proceedings against the petitioner is an abuse of process of Law and the same is liable to be quashed. Already, this Court quashed the proceedings as against the accused 6 and 10, who are similarly placed persons as that of the petitioner, thereby pleaded to allow the present petition.

4. The learned counsel for State of Tamil Nadu (Crl.Side) appearing for the respondent would submit that the petitioner and others were involved in the misappropriation of society funds and the amount involved in this case is huge amount, based on the complaint lodged by the defacto complainant, a case in Crime No.2 of 2020 has been registered as against the 20 persons, now the case is under investigation, therefore, at this stage, the petition is liable to be dismissed.

5. Heard the submissions made on both sides and perused the entire documents placed on record.

6. In this case, based on the complaint lodged by the 2nd respondent, the 1st respondent, registered a case in Crime No. 2 of 2020 for the offences punishable under Sections 120(B), 467, 468, 471, 477A, 408, 409 and 420 IPC and this petitioner is arrayed as 18th accused. The allegation against the accused are that they misappropriated the money to the tune of



CrI.O.P.(MD) No.10049 of 2023 &

Rs.9,07,31,632/-. There are so many allegations levelled as against the accused and as far as this petitioner is concerned, he is only an Executive Member of the Society and there is no specific overt act attributed as against this petitioner. There is no specific allegation as against this petitioner about his role in the said misappropriation.

7. Admittedly, the surcharge proceedings also issued under Section 87 of the Tamilnadu Co-operative Societies Act, but no proceedings has been initiated under Section 87 of the Co-operative Societies Act against this petitioner. The petitioner has not participated in the day today affairs of the management of the society. Based on the recommendation by the report of the Enquiry Officer under Section 81 of the Tamilnadu Co-operative Societies Act, FIR has been registered, later under Section 87 of Tamilnadu Co-operative Societies Act, the petitioner was exonerated from the surcharge proceedings, and thereby there is no offence made out as against the petitioner. Already this Court also quashed the proceedings as against the accused 6 and 10 in CrI.O.P.(MD) Nos.859 and 983 of 2021 dated 22.07.2021. The main allegations are as against the officials, who are responsible for the day today affairs of the society, namely, Secretary, Cashier, Clerk and Chairman and thereby quashed the proceedings as against the persons, who held the supervisory post. This petitioner is neither an officer of the society nor holding supervisory post and the



Crl.O.P.(MD) No.10049 of 2023 &

petitioner is only an executive member and thereby pending proceedings as against the petitioner is abuse of process of law and the same is liable to be quashed.

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Accordingly, the present Petition is allowed and the proceedings pending as against the petitioner in Crime No.2 of 2020 for offences under Sections 120B, 467, 468, 471, 477A, 408, 409 and 420 IPC on the file of the 1st respondent is quashed. Consequently, connected miscellaneous petition is closed.

14-07-2026

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

To

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Inspector of Police
Commercial Crime Investigation Wing
Kaja Nagar, Trichirappalli
2. The Deputy Registrar of Co-operative
Societies, 218/4, College Road,
Elango Nagar, Mela Vadugapatti,
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P.DHANABAL J.



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Crl.O.P.(MD) No.10049 of 2023 &

ssd

**Pre-delivery order in
Crl.O.P.(MD) No.10049 of 2023**

14-07-2026