



CRL MP(MD)No.4772 of 2025

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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Dated: 30.04.2025

CORAM:

THE HONOURABLE MR.JUSTICE B.PUGALENDHI

**CRL MP(MD)No.4772 of 2025
in
CRL A(MD)No.267 of 2025**

**1.K.Annasaraswathi
2.D.Mohanraj**

... Petitioners

Vs

**The Inspector of Police,
SPE:CBI:ACB:Chennai,
RC MA1 2010 (A) 0035**

... Respondent

Prayer: Petition filed under Section 430 of BNSS to suspend the sentence imposed in CC.No.4 of 2012 dated 05.02.2025 passed by the II Additional District Court for CBI Cases, Madurai till disposal of the above appeal.

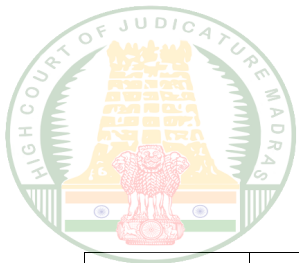
For Petitioners : Mr.A.N.Ramanathan

For Respondent : Mr.Karunanidhi,

Special Pubic Prosecutor

ORDER

The petitioners are accused Nos.5 and 6 in CC.No.4 of 2012 on the file of the II Additional District Court for CBI Cases, Madurai. They were tried along with other accused and they have been found guilty and convicted as follows:



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सत्यमेव जयते	Section	Punishment	Fine (in Rs)	default class
A5 & A6	120 B r/w 471 IPC	2 years rigorous imprisonment	20,000	6 months simple imprisonment
A5 & A6	120 B r/w 420 IPC	3 years rigorous imprisonment	30,000	6 months simple imprisonment
A5 & A6	120-B r/w 13(2) r/w 13(1)(d) of Prevention of corruption Act	3 years rigorous imprisonment	30,000	6 months simple imprisonment
A5 & A6	471 IPC	2 years rigorous imprisonment	20,000	6 months simple imprisonment
A5 & A6	420 IPC	3 years rigorous imprisonment	30,000	6 months simple imprisonment

As against the conviction and sentence, they have filed an appeal in CrI A(MD) No.267 of 2025. The earlier petitions filed by the petitioners in CrIMP(MD)No.2706 of 2025 and CrIMP(MD)No.3696 of 2025 to suspend the sentence of imprisonment were dismissed by this Court, by order dated 30.04.2025 and 25.03.2025. Now this petition is filed to suspend the sentence pending the appeal.

2. For sake of convenience the petitioners are referred to as per their ranks before the trial Court.

3.The case of the prosecution is that A6, A5 and A1 along with other accused have entered into criminal conspiracy, A6 and A5 floated fictitious partnership firm



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by name M/s.Sri Kannabiran Packing Industries, applied for a cash credit limit and availed cash credit of Rs.80,00,000/- without offering any security and obtained a sanction of Rs.80,00,000/-. Thereafter the funds were utilised for other purposes. Thus it has resulted wrongful loss to the bank to the tune of Rs.1,26,91,515 as on 31.05.2011.

4.The learned Counsel appearing for the petitioners by referring to Ex.P.32 submits that though the application for loan was made on behalf of A6, at the time of sanction of the loan they were not partners in the firm. According to the learned Counsel the petitioners / A5 and A6 did not form part of the partnership firm and therefore, they cannot be held responsible for the offence. He further submits that the sister of A6 property was not accepted as security for sanctioning of the loan and the loan was not credited to their account when they were partners and only after their retirement the loan was credited in to the partnership account of the new partners. He further submits that the petitioners to show their bonafide are prepared to deposit a sum of Rs.10 lakh/- each and they have also filed an affidavit to that effect and therefore, the learned Counsel prayed that the petitioners may be enlarged on bail. They have also surrendered before the trial Court and now they are confined at Central Prison, Madurai.



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5.The learned Special Public Prosecutor appearing for the respondent submits that A1 Chief Manager of the IOB, Palayamkottai Branch, Tirnelveli. He along with other accused have entered into criminal conspiracy, A6 and A5 floated fictitious partnership firm by name M/s.Sri Kannabiran Packing Industries, applied for a cash credit limit and availed cash credit of Rs.80,00,000/- without offering any security and obtained a sanction of Rs.80,00,000/-. A1 in pursuance of the conspiracy with A2 to A8 and other cheated the IOB, Palayamkottai Branch in the matter of sanctioning open cash credit term loan, vehicle loan by wilful violation of all bank norms, without proper credit analysis for consideration by abusing his official position and caused loss of Rs.2,42,37,431/- to the bank including interest.

6.This Court considered the rival submissions made and perused the materials placed on record.

7. A1 was the Chief Manager of IOB. A6 Mohan Raj in his capacity as partner of the firm has signed in the loan application on 15.07.2008 even before registration of the firm under the Partnership Act. Thereafter, the firm was registered only on 16.07.2008. This A1 being the Chief Manager of IOB through Ex.P23 has made



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recommendation to the Regional Office for their approval and clearance. The
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Regional Office has approved loan vide Ex.P.36 and Ex.P51 on 21.07.2008. While so
on 22.01.2008 a new partner was inducted and the petitioners / A5 and A6 had
retired from the partnership firm. The petitioners claim that they retired from
partnership firm. The petitioners have filed an affidavit of undertaking that they are
prepared to deposit a sum of Rs.10 lakh to show their bonafide.

8.The petitioners have raised certain arguable points, which can be considered
only during the final hearing of the appeal. Though the earlier petition was
dismissed on 25.03.2025, the appeal could not be taken up for final hearing so far.
Considering the points raised by the petitioners, for the reason that the appeal could
not be taken up immediately and considering the affidavits filed by the petitioners
that they are prepared to deposit Rs.10 lakh each, in the complainant bank as
security and to show their bonafide, pending the appeal, this Court is inclined to
allow this petition.

9. Accordingly this petition is allowed and the substantive sentence of
imprisonment alone is suspended pending disposal of the criminal appeal and the
petitioners are ordered to be enlarged on bail on executing a bond for Rs.25,000/-



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(Rupees Twenty Five Thousand only) with two sureties each for a like sum to the satisfaction of II Additional District Court for CBI Cases, Madurai.

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ii. The petitioners shall deposit a sum of Rs.10 lakh each as undertaken by them in the complainant bank in an interest bearing account within a period of four weeks from today.

iii. This deposit of amount - to be made by the petitioners is voluntary to show their bona fide pending the appeal. The petitioners are entitled for refund of the deposit, on disposal of the main appeal.

iv. The petitioners shall report before trial Court daily at 10.30 am.

v. If any of the above conditions is violated, the respondent shall move an application to cancel this order suspending the sentence of imprisonment.

sd/-
30/04/2025

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/05/2025
Sub-Assistant Registrar (C.S. I / II / III / IV)
Madurai Bench of Madras High Court,
Madurai - 625 023.

DSK

To

1. THE II ADDITIONAL DISTRICT JUDGE
FOR CBI CASES, MADURAI.

6/7



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2.THE SUPERINTENDENT,
CENTRAL PRISON,
MADURAI.

3.THE SUPERINTENDENT,
CENTRAL PRISON (WOMEN), MADURAI.

4.THE INSPECTOR OF POLICE,
SPE:CBI:ACB:CHENNAI.

5.THE ADDITIONAL PUBLIC PROSECUTOR,
MADURAI BENCH OF MADRAS HIGH COURT, MADURAI.

+1 CC to M/s.AN.RAMANATHAN, Advocate (SR-5238[I] dated 30/04/2025)

ORDER
IN

CRL MP(MD) No.4772 of 2025
IN CRL A(MD)No.267 of 2025
Date :30/04/2025

HPS/12.05.2025 /7P/7C

Madurai Bench of Madras High Court is issuing certified copies in this format from 17/07/2023