IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 22-06-2026

CORAM

THE HON'BLE MR JUSTICE G.K. ILANTHIRAIYAN

CRL RC Nos. 61, 71, 72, 87, 89, 91, 92, 93 & 94 of 2026
AND
Crl MP Nos.441, 473, 476, 546, 547, 553, 554, 557, 559, 569 & 572 of 2026

Ashwin C.Muthiah
S/o.Shri AC Muthiah,
26B, Gandhi Mandapam Road,
Kotturpuram, Chennai 600 085.

..Petitioner in all
CRL RCs

Vs.

The State Rep. by
The Deputy Superintendent of Police
Central Bureau of Investigation,
Bank Security and Frauds Cells,
Bengalure.
(Crime No. RC-02 (E)/2016-CBI/BS & FC/BLR)

..Respondent in Crl RC
No.61 of 2026

The State Rep. by
The Deputy Superintendent of Police
Central Bureau of Investigation,
Bank Security and Frauds Cells,
Bengalure.
(Crime No. RC-10 (E)/2016-CBI/BS & FC/BLR)

..Respondent in Crl RC
No.71 of 2026

The State Rep. by
The Deputy Superintendent of Police
Central Bureau of Investigation,
Bank Security and Frauds Cells,
Bengalure. (Crime No. RC-09 (E)/2016-CBI/BS &
FC/BLR)

..Respondent in Crl RC No.72 of 2026

The State Rep. by
The Deputy Superintendent of Police
Central Bureau of Investigation,
Bank Security and Frauds Cells,
Bengalure.
(Crime No. RC-07 (E)/2016-CBI/BS & FC/BLR)

..Respondent in Crl RC No.87 of 2026

The State Rep. by
The Deputy Superintendent of Police
Central Bureau of Investigation,
Bank Security and Frauds Cells,
Bengalure.
(Crime No. RC-11 (E)/2016-CBI/BS & FC/BLR)

..Respondent in Crl RC No.89 of 2026

The State Rep. by
The Deputy Superintendent of Police
Central Bureau of Investigation,
Bank Security and Frauds Cells,
Bengalure.
(Crime No. RC-13 (E)/2016-CBI/BS & FC/BLR)

..Respondent in Crl RC No.91 of 2026

The State Rep. by
The Deputy Superintendent of Police
Central Bureau of Investigation,
Bank Security and Frauds Cells,
Bengalure.
(Crime No. RC-03 (E)/2016-CBI/BS & FC/BLR)

..Respondent in Crl RC No.92 of 2026

The State Rep. by
The Deputy Superintendent of Police
Central Bureau of Investigation,
Bank Security and Frauds Cells,
Bengalure.
(Crime No. RC-06 (E)/2015-CBI/BS & FC/BLR)

..Respondent in Crl RC No.93 of 2026

The State Rep. by
The Deputy Superintendent of Police
Central Bureau of Investigation,
Bank Security and Frauds Cells,
Bengalure. (Crime No. RC-8 (E)/2016-CBI/BS & FC/BLR)

..Respondent in Crl RC No.94 of 2026

PRAYER IN CRL RC NO.61 OF 2026 : Criminal Revision Case filed under Section 438 of BNSS, 2023 to set aside the order dated 18.12.2025 in Crl.M.P.No. 54336 of 2024 in C.C.No. 8030 of 2018 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai.

PRAYER IN CRL RC NO.71 OF 2026 : Criminal Revision Case filed under Section 438 r/w. 442 of BNSS, 2023 to set aside the order 18-12-2025 in Crl.MP.No.54333 of 2024 in CC.No.8408 of 2018 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai.

PRAYER IN CRL RC NO.72 OF 2026 : Criminal Revision Case filed under Section 438 r/w. 442 of BNSS, 2023 to set aside the order 04.12.2025 in Crl.MP.No.54338 of 2024 in CC.No.8031 of 2018 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai.

PRAYER IN CRL RC NO.87 OF 2026 : Criminal Revision Case filed under Section 438 r/w. 442 of BNSS, 2023 to set aside the order 18.12.2025 in Crl.MP.No.54340 of 2024 in CC.No.4239 of 2019 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai.

PRAYER IN CRL RC NO.89 OF 2026 : Criminal Revision Case filed under Section 438 r/w. 442 of BNSS, 2023 to set aside the order 18.12.2025 in Crl.MP.No.54325 of 2024 in CC.No.4238 of 2019 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai.

PRAYER IN CRL RC NO.91 OF 2026 : Criminal Revision Case filed under Section 438 r/w. 442 of BNSS, 2023 to set aside the order 18.12.2025 in Crl.M.P.No.54331 of 2024 in CC.No.279 of 2019 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai and quash the same.

PRAYER IN CRL RC NO.92 OF 2026 : Criminal Revision Case filed under Section 438 r/w. 442 of BNSS, 2023 to set aside the order dated 18.12.2025 in Crl.MP.No.54334 of 2024 in CC.No.4237 of 2019 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai.

PRAYER IN CRL RC NO.93 OF 2026 : Criminal Revision Case filed under Section 438 r/w. 442 of BNSS, 2023 to set aside the order dated 18.12.2025 in Crl.M.P.No. 54327 of 2024 in C.C.No. 7756 of 2018 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai.

PRAYER IN CRL RC NO.94 OF 2026 : Criminal Revision Case filed under Section 438 r/w. 442 of BNSS, 2023 to set aside the order dated 18.12.2025 in Crl.M.P.No. 54329/2024 in C.C.No. 8409/2018 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai.

In all CRL RCs :

For Petitioner(s):	Mr.V.Karthic, Senior Advocate & Ms.A.L.Gandhimathi, Senior Counsel
For Respondent(s):	Mr.K.Srinivasan Special Public Prosecutor For CBI Cases

COMMON ORDER

The Criminal Revision Case No.61 of 2026 is directed as against the order dated 18.12.2025 passed in Crl.M.P.No.54336 of 2024 in C.C.No.8030 of 2018 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai, thereby dismissing the petition filed for discharge.

2. The prosecution registered separate FIRs based on separate complaints from several bankers who had given financial facilities to the accused, in which the petitioner is arrayed as one of the accused. The financial assistance provided and the bankers, namely, the complainants vary in all these cases. The allegations in all the complaints are one and the same as against the petitioner, who has been arrayed as A13. Therefore, this Court passes common order in all these Criminal Revision Cases. All the accused were alleged to have been

charged for the offences under Sections 120-B r/w. 201, 409, 420, 468, 471 & 477-A IPC.

3. The case of the prosecution on the complaint lodged by the Bank is with regard to fraud committed by the accused to the tune of Rs.248.46 Crores as on 29.12.2013, thereby they committed the offence punishable under Section 120B r/w. 201, 409, 420, 468, 471 and 477A IPC. The petitioner had conspired with his father, who is also arrayed as accused and other accused persons and acquired shares of M/s. First Leasing Company of India Limited (hereinafter called as M/s.FLCIL) and obtained wrongful gain in the form of dividends at very high rates of the false profits in his name and in the name of the company promoted by him, which is also arrayed as accused, fraudulently by way of manipulating the books of M/s.FLCIL showing false profits with dishonest intention to divert and misuse the funds obtained from the consortium bank. The fraudulent acts of the accused caused wrongful loss to the tune of over Rs.248 Crores to the complainant banks. The accused also have fraudulently obtained donation on annual basis aggregating to crores of rupees from M/s.FLCIL by manipulating its books of accounts inspite of the fact that M/s.FLCIL was running in loss. Pending for framing charges, the petitioner filed a discharge petition on several grounds, however it was dismissed by the trial court. Aggrieved by the same, the present Revision has been filed.

4. Mr.V.Karthic, learned Senior Advocate appearing for the petitioner submits that the petitioner is neither a Director nor is connected to M/s.FLCIL. Even according to the case of the prosecution, the petitioner is one of the shareholders having shares to the tune of Rs.0.48% in M/s.FLCIL. The documentary and oral evidences produced by the prosecution do not establish any charge as against the petitioner. He has been arrayed as accused based on surmises and presumptions without any supporting evidence. The petitioner had become a shareholder at the age of 7 years on the strength of investment which was made by his grandfather. Merely because the petitioner is the son of the Chairman of M/s.FLCIL, criminality cannot be attributed in any manner to the petitioner. Even according to the case of the prosecution, no person had earned benefit by the petitioner directly or through any other company to attribute any criminal intent or motive against the petitioner. Further the petitioner is neither a borrower nor a guarantor for working capital limits and enhancements thereof said to have been sanctioned to M/s.FLCIL by the complainants. Whereas, the prosecution alleges that the petitioner holds 25% of shares of M/s.FLCIL, and the same is false and misleading. The alleged 25% of shares of M/s.FLCIL mainly comprises of the shares held by another accused company holding 9.08% and another accused holding 9.23% both aggregating to 18.31%. Further the other accused company holds 1.36% and another accused company holds 1%, both being charitable undertakings registered under Section 25 of the Companies Act. Thus, the prosecution wrongly arrived at a conclusion that the

petitioner is holding 25% of shareholding. Therefore the petitioner was one of the beneficiaries of dividends only in respect of 0.48% of shares. He cannot be called as a beneficiary in respect of dividends received by other accused persons. As per the charge, the petitioner is alleged to be the Director of M/s.Ernst & Young, the vendor who had carried out due diligence exercise only on the advice of the petitioner. It was further stated that, from the statement of LW157 to 159, it can be seen that, the petitioner was not informed about the profitability or inflation of assets or losses incurred by M/s.FLCIL or that M/s.FLCIL is declaring dividends without adequate profit. Further the petitioner was not in-charge of the day to day affairs of M/s.FLCIL since he was not the Director of M/s.FLCIL at any point of time. Therefore, no charge is made out by the petitioner and as such, the petitioner is liable to be discharged from all the charges.

5. On perusal of the counter filed by the respondent, the petitioner was holding a large chunk of promoters shares in M/s.FLCIL with criminal intent to cheat the banks by keeping mum about about the internal disturbances that was happening in M/s.FLCIL and continued to earn wrongful gains in the form of dividends in his name and in the name of various companies promoted by him and other entities on false profits of M/s.FLCIL at the cost of public sector banks. The petitioner's father and another accused were holding most of the promoter shares in M/s.FLCIL. Further the petitioner, along with his father,

held approximately 25% promoter shares directly or indirectly through various companies promoted by them. One of the Trust formed by them have obtained donations on annual basis aggregating to crores of rupees from M/s.FLCIL. The petitioner and his father along with another accused wanted to sell their promoters' shares in M/s.FLCIL during the month of August, 2011. Further as per the advice of the petitioner, the vendor due diligence work carried out by M/s.Ernst & Young along with other accused did not provide relevant file to the officials even after repeated request. After submissions of files from M/s.Ernst & Young, it revealed that the files pertaining to several assets did not exist. Therefore, there are specific allegations to attract the charges against the petitioner and as such, the trial court dismissed the petition to discharge the petitioner from all the charges. Hence, it does not warrant any interference of this Court.

6. Heard Mr.V.Karthic, learned Senior Advocate and Mr.AL.Gandhimath, learned Senior Counsel appearing for the petitioner and Mr.K.Srinivasan, learned Special Public Prosecutor for CBI Cases appearing for the respondent.

7. The petitioner is arrayed as one of the accused. The petitioner is charged for the offences punishable under Sections 120B r/w. 201, 409, 420, 468, 471 and 477A of IPC. The petitioner, who is arrayed as A13, is one of the

shareholders of M/s.FLCIL and holds shares to the tune of 0.048%. The other accused and his relatives are holding shares to the tune of 13.84%. The petitioner's father and his other relatives are holding 2.09% of shares. M.A.Chidambaram Group is holding 22% of shares and the public holds 41.37% of shares of M/s.FLCIL. When M/s.FLCIL itself was running at a huge loss, it declared dividends and accrued huge financial benefits. Thereafter, all the accused were paid dividends without actual profit. Further, one of the accused trusts, where the petitioner is one of the Trustees, obtained donations on annual basis aggregating to crores of rupees from M/s.FLCIL. These are all the crux of the allegations as against the petitioner.

8. On perusal of the statements recorded under Section 161 Cr.P.C. and the documentary evidence produced against the petitioner, it is revealed that the petitioner was neither a Director of M/s.FLCIL nor was involved in the day to day affairs of M/s.FLCIL. Even according to the case of prosecution, he is one of the shareholders, that too only to the tune of 0.48%. In fact, he subscribed to M/s.FLCIL with the said shares when he was at the age of 7 years. But the prosecution had shown that the petitioner was having 25% of shares in M/s.FLCIL by calculating the shares held by other accused companies in M/s.FLCIL, as the petitioner is one of the Directors in the said accused companies. Even assuming that the petitioner was having 25% of shares of M/s.FLCIL, there are others, who were also shareholders of M/s.FLCIL and

mainly the general public also had 41.37% of share in M/s.FLCIL. Therefore, dividends were paid only in proportion to the shares held by the shareholders. The petitioner had never been a Director or a person responsible or involved in the day-to-day affairs of M/s.FLCIL. Therefore, he has no moral or statutory obligations in the conduct of the affairs of M/s.FLCIL. There is absolutely no records to show that the petitioner is a non-executive Chairman of M/s.FLCIL and that he actively participated in the day-to-day affairs of M/s.FLCIL. Therefore, he had no role in the declaration of dividends by M/s.FLCIL as he is just one of the shareholders. Further the finalizations of accounts, declaration of dividends by the Board etc. are matters which are beyond the knowledge or control of the petitioner herein. Further the dividend received by the shareholders, cannot, at any stretch of imagination, be treated as their wrongful gain and it is simply not right to hold the petitioner accountable for the same. All the companies wherein the petitioner is alleged to be one of the Directors, are arrayed as accused.

9. On perusal of the records, it is revealed that the only witnesses, who have spoken about the petitioner are LW157, LW158 and LW159, and they are partners of M/s.Ernst & Young. They have stated that at the request of M/s.FLCIL, in the middle of August 2011, for the purpose of investment by third parties in M/s.FLCIL, the vendor due diligence work was commenced. Thereafter, their officials were told that many files were missing. Therefore, the

inspection team headed to Mumbai and in the meantime, the petitioner is said to have contacted LW158 and had informed the team to look into the unsecured loans of M/s.FLCIL. The same was communicated to LW157 by LW158 and in turn it was communicated to the team at Chennai. However, they did not even whisper that M/s.FLCIL was incurring losses or that they are declaring dividends without adequate profits. Therefore, their statements are not useful to add the petitioner as an accused for the offence of falsification of accounts and fabrication of documents that were committed by other accused persons.

10. In order to attract Section 420 IPC, it is settled law that there should be an inducement with dishonest intention at the inception, knowing it to be false and making the person to whom the inducement is made to believe the statement as correct and act upon the same and part with valuable security and ultimately, the statement being false and thereby, the person who has parted with valuable security sustains a loss. Even according to the prosecution, the petitioner herein was not a party to the request made by M/s.FLCIL for working capital limit or for enhancement thereof. In the instant case, the petitioner was also not a party to the preparation of balance sheets and the financial statements boosting the value of the assets and profits of M/s.FLCIL. Therefore, no offence is made out under Section 420 of IPC.

11. Next in order to attract the charge under Section 468 IPC, it is necessary that offence of forgery is committed with intent that the documents forged shall be used for purpose of cheating. In the case on hand, the persons who are allegedly involved in the making of all the false documents are Chief Financial Officer, Chartered Accountants and Statutory Auditors and the Managing Director of the Company who had prepared the accounts and had placed the same before the Board of M/s.FLCIL. Likewise no other materials are available to attract the offence under Section 471, 477A IPC.

12. There is no material to show that the petitioner screened the evidence in order to attract the charge under Section 201 of IPC. Further, none of the witnesses or evidences had spoken about the meeting of minds between the petitioner and other accused persons or any arrangement between them to do an illegal act or to do a legal act by illegal means so as to attract the charge under Section 120B IPC.

13. However the trial court failed to consider the above aspects and had mechanically dismissed the petition to discharge. That apart, the offence under Section 409 and 420 cannot co-exist. The Hon'ble Supreme Court in the case of ***Delhi Race Club (1940) Limited & Others Vs State of Uttar Pradesh & Another*** reported in ***(2024) 10 SCC 690*** held that, there is a distinction between criminal breach of trust and cheating. For cheating, criminal intention is necessary at the time of making a false or misleading representation i.e., since

inception. In criminal breach of trust, mere proof of entrustment is sufficient. Thus, in case of criminal breach of trust, the offender is lawfully entrusted with the property, and he dishonestly misappropriates the same. However, in case of cheating, the offender fraudulently or dishonestly induces a person by deceiving him to deliver any property. Therefore, both the offences cannot co-exist simultaneously.

14. In view of the above reasoning,

i. The orders dated 18.12.2025 passed in Crl.M.P.No. 54336 of 2024 in C.C.No. 8030 of 2018; Crl.MP.No.54333 of 2024 in CC.No.8408 of 2018; Crl.MP.No.54338 of 2024 in CC.No.8031 of 2018; Crl.MP.No.54340 of 2024 in CC.No.4239 of 2019; Crl.MP.No.54325 of 2024 in CC.No.4238 of 2019; Crl.M.P.No.54331 of 2024 in CC.No.279 of 2019; Crl.MP.No.54334 of 2024 in CC.No.4237 of 2019; Crl.M.P.No. 54327 of 2024 in C.C.No. 7756 of 2018 and in Crl.M.P.No. 54329/2024 in C.C.No. 8409/2018 on the file of the Additional Chief Metropolitan Magistrate, Egmore, Chennai, are set aside.

ii. Accordingly, Crl R.C. Nos.61, 71, 72, 87, 89, 91 92, 93 and 94 of 2026 are allowed.

iii. No costs. Consequently, the connected Criminal Miscellaneous Petitions are closed.

22-06-2026

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

To

1. Additional Chief Metropolitan Magistrate,
   Egmore, Chennai.

2. The State Rep. by
   The Deputy Superintendent of Police
   Central Bureau of Investigation,
   Bank Security and Frauds Cells,
   Bengalure.

3. The Public Prosecutor,
   High Court, Madras.

G.K.ILANTHIRAIYAN J.

MTL

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