IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13.03.2026

CORAM:

THE HONOURABLE MR. JUSTICE **G.K.ILANTHIRAIYAN**

Crl.O.P.No.5621 of 2023
and
Crl.M.P.Nos.3526 & 3527 of 2023

M.D.Thangavel .... Petitioner

Vs

M/s.Mahindra & Mahindra Financial
Services Limited,
Having Office at
Gateway Building, Apollo Bunder,
Mumbai – 400 001
with its Corporate Office at
Sadhana House, II Floor, 570 P.B.Marg,
Behind Mahindra Towers, Worli,
Mumbai – 400 018
and one of its branches at
No.1201, Avinashi Road,
Pappanaikenpalayam Post,
Coimbatore – 641 037
Represented by its Power of Attorney Holder
S.Karthi
Sonof Subramaniam
Assistant Legal Manager .... Respondent

PRAYER: Criminal Original Petition is filed under Section 482 of the Code of Criminal Procedure, to call for the records and quash the complaint filed in STC No.2532 of 2022 on the file of the Fast Track Judicial Magistrate, Tiruppur under Section 200 of Cr.P.C. r/w 138 & 142 of Negotiable Instruments Act.

For Petitioner : Mr.M.Vignesh

For Respondent : Mr.M.Arunachalam

ORDER

This Criminal Original Petition has been filed to quash the proceedings in S.T.C.No.2532 of 2022 on the file of the Fast Track Judicial Magistrate, Tiruppur.

2. The petitioner is the accused in the complaint lodged by the respondent for the offence punishable under Section 138 of the Negotiable Instruments Act. The case of the respondent is that the petitioner had borrowed a sum of Rs.7,11,070/- for the purchase of four wheeler, on condition that the petitioner shall pay monthly instalments of Rs.20,340/- for a period of 47 months. However, the petitioner committed default in payment of monthly instalments and as such, the loan account was classified as 'Non-Performing Account'. Therefore, the vehicle was seized by the respondent as per the terms of the loan agreement and sold out for a sum of Rs.6,77,727/-. In respect of the remaining amount, the petitioner agreed to pay the same and issued a cheque for a sum of Rs.6,70,000/-. When the said cheque was presented for collection, the same was returned with the endorsement “Account Blocked”. After causing a statutory notice, the respondent initiated

proceedings under Section 138 of the Negotiable Instruments Act and the same has been taken cognizance by the Trial Court and issued summons to the petitioner.

3. The learned counsel appearing for the petitioner submitted that, on receipt of the statutory notice, the petitioner sent a reply notice dated 29.04.2022, wherein it was categorically stated that the entire loan amount had already been paid and the respondent had issued no objection certificate to deal with the vehicle. Therefore, the cheque in question was issued only as a security purpose at the time of availing the loan and the same has been misused by the respondent to initiate proceedings under Section 138 of the Negotiable Instruments Act.

4. Per contra, the learned counsel appearing for the respondent submitted that the No Objection Certificate was not issued in favour of the Regional Transport Office/Insurance Company to sell the vehicle, which was seized from the petitioner. After committing default in payment of monthly instalment, the loan account became a 'Non-performing Account' and the vehicle was also seized from the petitioner. The said seized vehicle was sold and for the remaining amount, the

petitioner issued the cheque. The No objection certificate was issued only to facilitate the subsequent purchaser in clearing the Registration Certificate by removing the endorsement of hypothecation. Therefore, The grounds raised by the petitioner are matters to be considered only during letting in evidence before the Trial Court.

5. Heard the learned counsel appearing on either side and perused the materials available on record.

6. Admittedly, the petitioner borrowed a loan from the respondent for the purpose of purchasing a vehicle. The vehicle was purchased with the financial assistance of the respondent and as such, there was hypothecation endorsement in the Registration Certificate. Subsequently, the petitioner committed default in payment of the loan and as such, the vehicle was seized by the respondent by declaring the petitioner's account as a 'Non-performing Account'. Thereafter, the vehicle was sold to a third party and for the remaining amount, the petitioner issued a cheque for a sum of Rs.6,70,000/-. Further, the Form-35 was also submitted before the Regional Transport Officer for effecting change of ownership and for removal of the hypothecation endorsement in the Registration Certificate. Though the petitioner has

issued a reply notice and relied certain documents before this Court, such documents and contentions can be properly appreciated only upon letting evidence before the Trial Court. Therefore, the disputed questions of fact involved in the present case cannot be adjudicated by this Court in a petition seeking quashing of the proceedings.

7. In view of the above, this Court finds no infirmity or illegality in the proceedings in S.T.C.No.2532 of 2022 on the file of the Fast Track Judicial Magistrate, Tiruppur. Accordingly, this Criminal Original Petition stands dismissed. The Trial Court is directed to proceed with the trial and complete the same within a period of three months from the date of receipt of a copy of this order. Consequently, connected miscellaneous petitions are closed.

13.03.2026

Index : Yes/No
Neutral citation : Yes/No
Speaking/non-speaking order
Lpp

To

The Fast Track Judicial Magistrate,
Tiruppur.

G.K.ILANTHIRAIYAN, J.

Lpp

Crl.O.P.No.5621 of 2023

13.03.2026