

Order QR

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29.10.2026

WEB COPY

CORAM

THE HON'BLE MR.JUSTICE N.RAMESH

CRL.O.P.Nos.30883 & 30868 of 2026

CNR: {HCMA012567412026}



CRL.O.P.No.30883 of 2026

Annapoorani

..Petitioner

Vs

The State Rep. by, The Inspector of Police,
Bank Fraud Investigation Wing,
Central Crime Branch,
Vepery, Chennai.
Crime No.118 of 2026.

..Respondent

PRAYER: To enlarge the Petitioners on bail in Cr.No.118 of 2026 on the file of Respondent Police and thus render justice.

For Petitioner : Mr.R.C.Paul Kanagaraj

For Respondent : Mr.M.M.I.Khaleel,
Government Advocate (Crl.side)

CRL OP No. 30868 of 2026

CNR: {HCMA012567402026}

Saira Banu

..Petitioner

Vs

State rep by, The Inspector of Police
Bank Fraud Investigation Wing,



Central Crime Branch,
Vepery, Chennai.



Order QR

..Respondent(s)

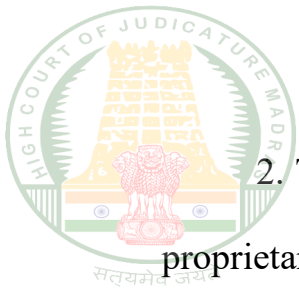
PRAYER: To enlarge the Petitioners on bail in Cr.No.118 of 2026 on the file of respondent police, and thus render justice.

For Petitioner : Mr.R.C.Paul Kanagaraj

For Respondent : Mr.M.M.I.Khaleel,
Government Advocate (Crl.side)

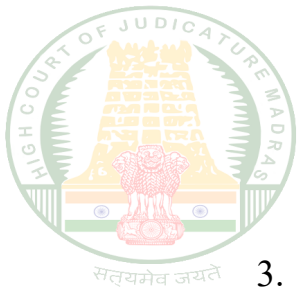
COMMON ORDER

These are two petitions for regular bail under Section 483 of the BNSS. The petitioner in Crl.O.P.No.30868 of 2026 is the first accused, and the petitioner in Crl.O.P.No.30883 of 2026 is the fourth accused, in Crime No.118 of 2026 on the file of the Inspector of Police, Bank Fraud Investigation Wing, Central Crime Branch-I, Chennai, registered on 10.09.2026 for offences under Sections 61(2) and 318(4) of the BNS, to which Section 3(5) was added in the course of the investigation. Both petitioners were arrested on **07.10.2026** and have been in judicial custody since. As they arise out of the same crime and the same transaction, they were heard together and are disposed of by this common order.



Order QR

2. The case of the prosecution, briefly stated, is this. M/s. Atlas Fitness, a proprietary concern of the first accused, obtained from UCO Bank, Chennai Main Branch, a term loan of **Rs.167.20 lakhs** under the NEEDS scheme of the Government of Tamil Nadu, for the purchase of gym equipment and the setting up of a fitness centre at leased premises on the second floor of a building at Vinayagapuram, Kolathur. The loan was sanctioned on 25.09.2024 and disbursed on 30.09.2024. On the strength of a quotation for Rs.176 lakhs issued by M/s. Energy Fitness & Sports, represented by its partner, the second accused, the Bank paid the entire sum of Rs.1,76,00,000/- by a demand draft drawn in favour of the supplier, which was credited through clearing on 11.10.2024. On an inspection on 18.07.2025, the Bank found no fitness centre functioning on the second floor. The first accused informed the Bank by letter dated 19.07.2025 that the centre had been shifted to the first floor of the same building; but, according to the Bank, neither she nor the supplier produced the revised rental agreement or the GST invoices for the equipment, despite letters dated 28.08.2025, 30.08.2025 and 19.09.2025 and a show cause notice dated 04.11.2025. The Bank declared the account a fraud on 26.12.2025, reported it to the Reserve Bank of India on 05.01.2026, and lodged the complaint on which the case was registered, putting its loss at Rs.145.98 lakhs. The first information report names the first and second accused, the third accused, who is the husband of the fourth accused, and the fourth accused.

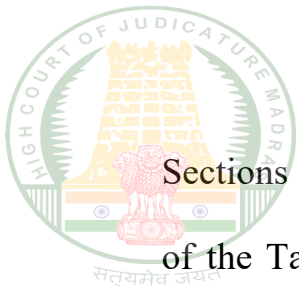


Order QR

WEB COPY

3. What the respondent attributes to each petitioner must be noticed separately, for the two counter affidavits, both sworn by the Investigating Officer, do not say the same thing. The counter affidavit in Crl.O.P.No.30868 of 2026 states that the first accused obtained the loan as the proprietor of the borrowing concern; that her husband is stated to be an employee of M/s.Skale Fitness, *the fitness centre associated with A4*; and that *the investigation has revealed allegations that A1 to A6 acted in collusion with one another* and diverted the loan proceeds to their personal purposes. It does not say where the proceeds went.

4. The counter affidavit in Crl.O.P.No.30883 of 2026 goes further. It states that the third accused, the husband of the fourth accused, in collusion with the other accused, opened an account with ICICI Bank in the name of M/s.Energy Fitness & Sports; that this account was represented as the account of the supplier and was used to receive the loan proceeds; and that, out of the sum of Rs.1.76 crores so received, Rs.46,94,078/- was transferred in eight instalments between 12.10.2024 and 02.11.2024 to a current account of F-One Health Care maintained in the name of the fourth accused at Karnataka Bank, Ambattur Branch. It further states that the fourth accused is an accused in Crime No.383 of 2025 on the file of the D-3 Ice House Police Station, registered under



Order QR

Sections 329(3), 296(b), 115(2), 351(2) and 79 of the BNS read with Section 4 of the Tamil Nadu Prohibition of Harassment of Woman Act, 1998, in which she and her husband are alleged to have obtained a loan of Rs.1.75 crores in the name of an employee for establishing a gym which was never set up, and to have threatened the complainant when steps were taken to lodge a police complaint. The stage of that case is not stated.

5. Learned counsel for the petitioners, who appears in both petitions, made these submissions:

[a] the loan was sanctioned and disbursed by the Bank itself, and the Bank paid the entire amount directly to the supplier by demand draft; the borrower received none of it;

[b] the equipment was purchased and installed; a tripartite agreement was entered into on 14.05.2025 between the Regional Joint Director of Industries and Commerce, the Bank and the borrower, and the Regional Joint Director and the Branch Manager of the Bank jointly inspected the unit and recorded that the equipment had been purchased and erected and was in operation, after which alone the subsidy was processed; the centre functioned on the second floor and was later shifted to the first floor of the same building, which was intimated to the Bank; and the rental agreement and the GST invoices were in fact produced;



Order QR

WEB COPY

[c] the first accused paid the instalments until December 2025, and the account became a non-performing asset only because of losses in the business; the equipment remains in her custody and can be verified, and by her letter dated 12.08.2026 she informed the Bank that she was vacating the premises and was keeping the hypothecated assets in safe custody at a temporary location at Oragadam, open to inspection by the Bank;

[d] the fourth accused had nothing to do with the loan; her only connection with it is the franchise agreement between the borrowing concern and her concern; and

[e] the dispute is one of an unpaid loan, for which the Bank has its civil remedies; the petitioners are women and young entrepreneurs, have no antecedents, are permanent residents of Chennai, and will abide by any condition.

6. The respondent has filed a counter affidavit in each petition, and the petitions are opposed on their lines. The learned Government Advocate (Criminal Side) submitted that the case concerns a serious fraud on a public sector bank involving a loss of Rs.145.98 lakhs; that the roles of the accused, the movement of the funds and their ultimate utilisation are under investigation; that the amount has not been recovered; and that the petitioners, if released, may influence witnesses, coordinate with the other accused and interfere with the



Order QR

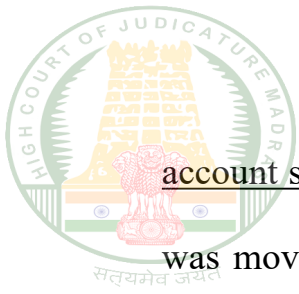
evidence. In the case of the fourth accused, reliance was placed on the account trail and the previous case set out in paragraph 4 above.

WEB COPY

7. I have considered the rival submissions and perused the material placed before me.

8. The seriousness of the charge is one of the relevant considerations, but it is not the only one; the punishment that may be imposed on conviction must also be weighed, and the object of bail is neither punitive nor preventive, as held in **Sanjay Chandra v. Central Bureau of Investigation**, (2012) 1 SCC 40. The question, therefore, is what the material shows against each petitioner, and what purpose her continued detention will serve at the present stage of the investigation.

9. The two petitioners do not stand on the same footing, and I take the **fourth accused** first. Her case is that her only connection with the transaction is a franchise agreement. That does not accord with the record as it stands. The counter affidavit sets out, with dates and amounts, that the loan proceeds were received in an account opened by her husband in the name of the supplier, and that, beginning on the day after the credit and ending on 02.11.2024, Rs.46,94,078/- out of them was moved in eight instalments into a current



Order QR

account standing in her own name. Whose account it truly was, why the money was moved, and whether it has any connection with the alleged diversion, are matters under investigation, and I record no finding on them. It is enough to say that an asserted financial trail into an account in the name of the petitioner is material of a different character from an allegation of association, and it cannot be put out of consideration at this stage.

10. The previous case set out against her is particularised by crime number, police station and sections, and the allegation in it is of a similar method: a loan raised in another person's name for a gym that was not set up, followed by a threat to the complainant. But her petition avers that there are no antecedents against her. The respondent states, in paragraph 19 of the counter affidavit, that it *does not rely merely on a general apprehension*, and on this record the apprehension of interference in her case rests on a stated circumstance. The case was registered on 10.09.2026 and she was arrested on 07.10.2026. Tracing the funds received into her account, following them onward and identifying the beneficiaries are legitimate objects of the investigation, and they bear on the reach of the offence itself. The stage of the investigation weighs heavily. The circumstances urged on the personal side, that she is a woman, that her roots are in Chennai and that her custody is still short, have all been weighed. At this stage of this pending investigation, they do not



turn the scale.

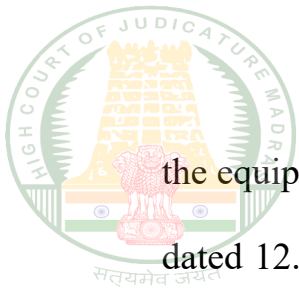


Order QR

WEB COPY

11. The case of the **first accused** is different. She is the borrower, and the representations to the Bank were made in the name of her concern; whether there was deception at the inception of the transaction is a matter for the trial. But the counter affidavit filed in her petition does not say that any part of the loan proceeds reached her. The demand draft was drawn by the Bank in favour of the supplier, and, on the respondent's own case in the connected petition, it was credited to an account opened by the third accused and moved onward from there into an account in the name of the fourth accused. Against her, the counter affidavit offers her position as proprietor, her husband's employment with a concern associated with the fourth accused, and a general statement that the accused acted in collusion. It does not point to anything that remains to be recovered from her or through her, and it does not seek her custody for any stated purpose.

12. On the equipment, the parties are at issue. The Bank says that neither the revised rental agreement nor the GST invoices were produced, and that the end use of the funds cannot be ascertained. The first accused relies on the joint inspection report of the Regional Joint Director of Industries and Commerce and the Branch Manager of the Bank, filed in her typed set, which records that



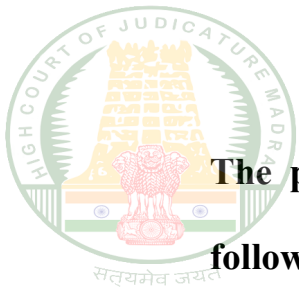
Order QR

the equipment was purchased and erected and was in operation, and on her letter dated 12.08.2026 stating that the equipment is kept in safe custody and is open to inspection. Which of the two is true is a matter for the investigation, and it cannot be resolved on affidavits. The verification which the respondent says it must undertake, of the bank records, the supplier's records, the invoices and the equipment, rests on documents held by the banks and the supplier and on equipment whose location she has disclosed. It does not require her detention.

13. In the case of the first accused, the recovery of the loan proceeds is not advanced by the detention of a person to whom no part of them is shown to have gone. No antecedent is set up against her. She has been in custody since 07.10.2026.

14. In the result, **Crl.O.P.No.30868 of 2026 is allowed and Crl.O.P.No.30883 of 2026 is dismissed.**

The petitioner in Crl.O.P.No.30868 of 2026 is ordered to be released on bail on her executing a bond for a sum of Rs.25,000/- (Rupees twenty five thousand only) with two sureties each for a like sum to the satisfaction of the learned XXXI Metropolitan Magistrate, Court for Exclusive Trial of CCB Cases, Egmore, Chennai, and on the usual conditions.



Order QR

The petitioner in Crl.O.P.No.30868 of 2026 shall comply with the following conditions.

WEB COPY

[a] the sureties shall affix her photographs and Left Thumb Impression in the Application for Surety ship [Judicial Form No.46 annexed to 'The Criminal Rules of Practice, 2019']. The learned Magistrate shall obtain a copy of any one of the identity proofs to ensure his identity;

[b] the petitioner in Crl.O.P.No.30868 of 2026 shall report before the respondent police daily at 10.30 a.m. until further orders;

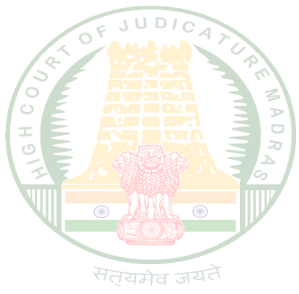
[c] the petitioner in Crl.O.P.No.30868 of 2026 shall not leave India without the prior permission of the learned XXXI Metropolitan Magistrate, Egmore;

[d] the petitioner in Crl.O.P.No.30868 of 2026 shall, within one week of her release, inform the respondent in writing of the present location of the gym equipment referred to in her letter dated 12.08.2026; she shall not remove, alienate, encumber or part with that equipment, save with the leave of the learned XXXI Metropolitan Magistrate, Egmore; and she shall permit the respondent to inspect and verify it on written notice.

[e] the petitioner in Crl.O.P.No.30868 of 2026 shall not abscond either during investigation or trial;

[f] the petitioner in Crl.O.P.No.30868 of 2026 shall not tamper with the evidence or witness either during investigation or trial;

[g] On breach of any of the aforementioned conditions, the



WEB COPY



Order QR

learned Magistrate/Trial Court is entitled to pass appropriate orders against the petitioner in accordance with law as if the aforementioned conditions have been imposed and the petitioner released on bail by the learned Magistrate/Trial Court himself as laid down by the Hon'ble Supreme Court in **P.K.Shaji vs. State of Kerala [(2005)13 SCC 283];**

[h] If the accused thereafter absconds, a fresh FIR can be registered under Section 269 of B.N.S.

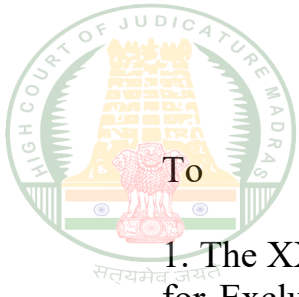
29.10.2026

kmm

Note:

1. Registry is directed to forthwith upload this order in the Official Website of this Court.

2. All concerned to act on this order being uploaded in Official Website of this Court without insisting on certified hard copies. To be noted, this order when uploaded in the official website of this Court will be watermarked and will also have a QR code.



Order QR

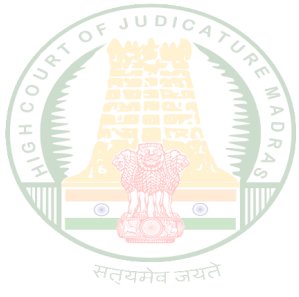
To

1. The XXXI Metropolitan Magistrate, Court
for Exclusive Trial of CCB Cases, Egmore,
Chennai.

2. The Superintendent,
Central Prison, Women Puzhal.

3. The Inspector of Police,
Bank Fraud Investigation Wing,
Central Crime Branch,
Vepery, Chennai.

4. The Public Prosecutor, High Court of Madras.



WEB COPY



Order QR

N.RAMESH, J.

kmm

CRL.O.P.Nos.30883 & 30868 of 2026

29.10.2026