WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12-11-2026

CORAM

THE HON'BLE MR JUSTICE N. ANAND VENKATESH

REV.APPL No. 245 of 2026
and
CMP No.26410 of 2026

CNR: {HCMA012266812026}

Case QR

M.V.R. Automobiles Private Limited
Rep by its Accounts Manager,
Audi Goa, H.No.15/153/A1,
Opposite to Harley Davidson Showroom,
Caranzalem Panaji, Goa 403 002

..Petitioner

Vs

1. Canara Bank
   Mount Road Branch,
   Rep by its Senior Manager,
   781-785, Rayala Towers, Anna Salai,
   Chennai 600 002

2. Audi India
   Volks Wagen Group India Private Ltd,
   3rd and 4th Floor, Silver Utopia,
   Cardinal Gracious Road,
   Chalaka Andheri East, Mumbai 400 093

3. Mohammed Musamil,
   No.11, 2nd Street, VGT Layout, NRI Nagar,
   Panayur, Akkarai, Chennai 600 119

4. Naseem Banu
   No.11, 2nd Street, VGT Layout, NRI Nagar,
   Panayur, Akkarai, Chennai 600 119

..Respondents

https://www.mhc.tn.gov.in/judis (Uploaded on: 16/11/2026 03:36:30 pm)

Order QR

WEB COPY

Prayer: Review Application filed under Order 47 Rule 1 read with 114 of CPC to review the order dated 27.08.2026 passed in CRP.No.299 of 2024.

For Petitioner: Mr. Ashwin Shanbhag

For Respondents: Mr. Chenthoori Pugazendhi for R1

ORDER

This Review Application was filed to review the order passed by this Court in C.R.P.No.299 of 2024 dated 27.08.2026.

2. The review came up for hearing before this Court for the first time on 25.09.2026 and from then on, pursuant to various orders passed by this Court, the parties were able to reach a common ground for settlement.

3. Ultimately, when the matter came up for hearing on 29.10.2026 this Court passed the following order;

> *"When this Review Application came up for hearing on 12.10.2026, this Court passed the following order:*
>
> *"This Court heard the learned counsel appearing on either side on 07.10.2026 and directed the matter to be listed today in order to go through the records.*
>
> *2. On going through the records, this Court found that the cause of action for filing the suit arose by virtue of a car loan that was sanctioned in favour of the 3rd defendant in the suit, for which the 4th defendant stood as guarantor. The 3rd defendant produced a quotation for a total sum of Rs.1,23,72,807/- towards the purchase of a car and the plaintiff bank sanctioned a loan of Rs.98,72,000/-. The said amount was also transferred to the account of the petitioner herein, who was the 1st defendant in the suit.*

https://www.mhc.tn.gov.in/judis (Uploaded on: 16/11/2026 03:36:30 pm)

WEB COPY

Later, the plaintiff bank noticed certain serious discrepancies and therefore, decided to recall the loan that was sanctioned. It was intimated to the petitioner /1st defendant and the petitioner / 1st defendant was directed to stop the delivery of the vehicle and to recredit the amount received from the bank.

3. The petitioner /1st defendant, on 27.07.2018, transferred a sum of Rs.60,00,000/- to the plaintiff bank. The balance amount of Rs.38,72,000/- remained due and payable. For some reasons, the balance amount was not transferred to the bank.

4. The suit cam to be filed by the bank seeking for the recovery of this amount along with interest totalling a sum of Rs.42,69,651/-. The plaintiff bank has made allegations to the effect that there was some conspiracy between the 1st defendant and the defendants 3 and 4 and an attempt has been made to take loan without delivery of the vehicle. This also lead to a complaint given by the plaintiff bank to the Inspector of Police, Chintadripet Police station, which resulted in registration of an FIR in Crime No.16 of 2019.

5. The petitioner /1st defendant filed an application for rejection of plaint primarily on the ground that the suit was barred under Section 18 of the Recovery of Debts and Bankuruptacy Act, 1993. Apart from other grounds that were raised, one of the key issues involved in the present case is that the petitioner /1st defendant gives the nomenclature of a debt for the amount that is due and payable to the bank and therefore, points out to Section 18, which bars the institution of the suit and provides for agitating a dispute only before the Debt Recovery Tribunal.

6. Per contra, the plaintiff bank has taken a stand that the entire transaction was vitiated by fraud and therefore, the amount due and payable has lost its character as a debt and it has assumed the character of a liability arising out of the alleged conspiracy among the parties to defraud the bank.

7. The Court below dismissed the application filed for rejection of plaint and aggrieved by the same, CRP No.299 of 2024 was filed before this Court and Civil Revision petition came to be dismissed by this Court on 27.08.2026. Thereafter, the present review application has been filed by the petitioner/1st defendant on the ground that there is an error apparent on the face of the record pursuant to the order passed in the Civil Revision Petition.

8. When the matter was taken up for hearing today, this Court suggested that without prejudice to the rival contentions, the petitioner /1st defendant can as well settle the balance amount with interest so that the entire dispute can be closed.

9. The learned counsel for the petitioner fairly submitted that in order to balance the equities, he has also advised his client to settle the entire balance amount along with interest.

10. The learned counsel appearing on behalf of the plaintiff bank submitted that the case has now attained a criminal colour and an FIR has

https://www.mhc.tn.gov.in/judis (Uploaded on: 16/11/2026 03:36:30 pm)

WEB COPY

also been registered in this regard and therefore, even if the entire amount is settled by the petitioner /1st defendant, the criminal proceedings has to go on since it is now under investigation by the police.

11. In the case in hand, a major portion of the amount has been settled by the petitioner /1st defendant to the tune of Rs.60,00,000/- out of the total amount of Rs.98,72,000/- as early as on 27.07.2018. Subsequently, based on the application filed by the bank for furnishing security, this Court passed an order in CRP No.2181 of 2023 directing the petitioner to deposit a sum of Rs.30,00,000/- to the credit of the Court below and the said order was complied with by the petitioner /1st defendant which was recorded by this Court while disposing the Civil Revision petition on 10.08.2023. Under such circumstances, whatever is the balance amount along with interest can be directed to be paid by the petitioner so that the dispute can be brought to an end. Ultimately, if the entire amount comes into the account of the bank, the bank will not suffer any financial loss and at the same time, the parties need not spend their time in prosecuting the criminal case, which is still under investigation.

12. In the interest of both parties and in order to balance the equities, there shall be a direction to the plaintiff bank to file a memo of calculation and inform this Court the amount that is due and payable by the petitioner /1st defendant along with interest till 30.10.2026. Upon the filing of such a memo of calculation, this Court will direct the 1st respondent /1st defendant to pay the amount to the plaintiff bank. The plaintiff bank will also be permitted to withdraw the amount that has already been deposited by the petitioner /1st defendant so that the entire amount due, along with interest, can be recovered by the plaintiff bank.

13. If the above process is completed, this Court will exercise its jurisdiction under Section 528 of the BNSS and quash the criminal proceedings.

14. Post this case under the caption 'for passing final orders' on 26.10.2026."

2.When the matter came up for hearing on 26.10.2026, a memo of calculation was filed by the 1st respondent Bank and the learned counsel for the petitioner sought for some time to go through the same and to file a memo of calculation on the side of the applicant. Accordingly, the matter was adjourned for hearing today.

3.When the matter was taken up for hearing today, a memo of calculation was filed on the side of the applicant and a revised memo of calculation was filed on the side of the 1st respondent Bank. According to the applicant, the balance amount due and payable is Rs.21,09,603.40/-, whereas, according to the 1st respondent Bank, the amount is Rs.36,75,263.11/-.

https://www.mhc.tn.gov.in/judis (Uploaded on: 16/11/2026 03:36:30 pm)

WEB COPY

4.This Court made an attempt to understand the method adopted by the applicant and the 1st respondent Bank to arrive at the total balance amount payable by the applicant. After some deliberation, this Court took upon itself the task of calculating the actual amount that is due and payable by the applicant.

5.The suit was filed by the 1st respondent for recovery of a sum of Rs.49,69,651/- and out of this amount, Rs.38,72,000/- represents the principal amount and the balance represents the interest payable till the date of filing of the suit.

6.This Court also takes into consideration the fact that the applicant has deposited a sum of Rs.30,00,000/- in an interest-bearing deposit pursuant to the orders passed by this Court on 26.07.2023 and going by the current bank rate, this amount will fetch interest at the rate of 7.5% per annum.

7.Keeping the above as the basis, the total amount payable by the applicant to the 1st respondent Bank is calculated as follows:

S.No.	Particulars	Amount in Rs.
1.	The total principal amount payable on the date of filing of the suit.	38,72,000
2.	The interest payable on the principal amount from 26.06.2019 till 26.07.2023.	14,23,805
3.	The sum of Rs.30,00,000/- was deposited by the applicant on 26.07.2023. Hence, the balance principal amount payable by the applicant is:	08,72,000
4.	The interest payable on the balance principal amount of Rs.8,72,000/- at the rate of 9% per annum from 27.07.2023 to 30.10.2026.	02,56,306
5.	The balance interest amount payable by the applicant as on the date of filing of the suit (Rs.42,69,651/- – Rs.38,72,000/-).	03,97,651
6.	The sum of Rs.30,00,000/- deposited by the applicant on 26.07.2023 will carry a minimum interest of 7.5% which will accrue towards this amount. If the same is calculated from 01.08.2023 to 30.10.2026.	02,13,589
7.	If the principal amount of Rs.30,00,000/- deposited by the applicant along with the interest at the rate of 7.5% is given credit to, the balance amount payable by the applicant is	27,36,173 **which can be rounded off to Rs.27,36,000/-**

8.This Court wanted to ensure that the 1st respondent Bank is not deprived of receiving the balance amount to which it is entitled, together with reasonable

https://www.mhc.tn.gov.in/judis (Uploaded on: 16/11/2026 03:36:30 pm)

Order QR

WEB COPY

interest. This Court is of the view that a sum of Rs.27,36,000/- will be a very reasonable amount which can be settled by the applicant in favour of the 1st respondent Bank to bring a closure to the present case.

9.In view of the above, list this Review Application for further hearing on 12.11.2026 at 2.15 p.m. By then, the applicant shall pay the sum of Rs.27,36,000/- to the 1st respondent Bank. If the same is done, this Court will pass consequential orders in this review application."

4. When the review application was taken up for hearing today, the memo of compliance was filed on behalf of the applicant along with the copy of the RTGS transactions through which the petitioner has paid a sum of Rs.27,36,000/- as directed by this Court.

5. The learned counsel for the respondent also acknowledged the fact that a sum of Rs.27,36,000/- has been transferred to the respondent bank.

6. In the light of the above development, this Court is inclined to dispose of this review application in the following terms;

a) The suit filed by the respondent bank in O.S.No.837 of 2020 on the file of the XXIII Additional City Civil Court, Chennai will stand struck off and the Court below shall close this suit on receipt of a copy of this order;

b) The criminal proceedings pending against the petitioner in FIR No.16 of 2019 on the file of the Inspector of Police, Chintadripet Police Station, Chennai will stand quashed in exercise of jurisdiction under Section 528 of

https://www.mhc.tn.gov.in/judis (Uploaded on: 16/11/2026 03:36:30 pm)

Order QR

WEB COPY

BNSS, 2023. A copy of this order shall be marked to the Inspector of Police, Chintadripet Police Station, Chennai to close the FIR;

c) The respondent bank is permitted to withdraw a sum of Rs.30,00,000/- along with accrued interest that was deposited to the credit of O.S.No.837 of 2020. The payment out application filed by the respondent bank in this regard shall be ordered immediately to enable the respondent bank to withdraw the amount with accrued interest;

d) The XXIII Additional City Civil Court, Chennai shall also permit the refund of the entire court fees paid by the respondent bank while filing the suit in O.S.No.837 of 2020.

7. In the light of this order, the dispute between the parties stands entirely resolved.

8. Before drawing the curtains, this Court wants to place on record its appreciation to the counsel who appeared for the petitioner and the respondent bank who used their good offices to ensure that the teething dispute came to an end through an amicable settlement.

https://www.mhc.tn.gov.in/judis (Uploaded on: 16/11/2026 03:36:30 pm)

Order QR

WEB COPY

9. No costs. Consequently, the connected miscellaneous petition is closed.

12-11-2026

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

To
1. The XXIII Additional City Civil Court,
Chennai

2. The Inspector of Police,
Chintadripet Police Station,
Chennai

3. Canara Bank
Mount Road Branch,
Rep by its Senior Manager,
781-785, Rayala Towers, Anna Salai,
Chennai 600 002

ARL

https://www.mhc.tn.gov.in/judis (Uploaded on: 16/11/2026 03:36:30 pm)

WEB COPY

N.ANAND VENKATESH, J.

ARL

REV.APPL No. 245 of 2026
and
CMP No.26410 of 2026

12-11-2026

https://www.mhc.tn.gov.in/judis (Uploaded on: 16/11/2026 03:36:30 pm)