



WEB COPY

1

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 19.03.2020

CORAM

THE HONOURABLE MR. JUSTICE M.DHANDAPANI

Cr1.R.C. (MD) .No.216 of 2020

The Lakshmi Vilas Bank Ltd.,
Rep. By Mr.B.Saravanan,
Vice President - MSME
Rural & Commercial Corporate Office,
"LVB House", New #4,
Sardar Patel Road,
Guindy,
Chennai - 32.

...Petitioner / Petitioner

Vs.

The Inspector of Police,
Central Bureau of Investigation,
Economic Offence Wing,
Rajaji Bhavan, 3rd Floor,
Besant Nagar,
Chennai.

(In Cr.No.9(E)/2017-CBI/EOW/Chennai)... Respondent / Respondent

Prayer:- Criminal Revision is filed under Sections 397 r/w 401 of Criminal Procedure Code, to set aside the order dated 30.12.2019 passed in Cr.M.P.No.1611/2019, on the file of Chief Judicial Magistrate, Madurai and permit the petitioner bank to withdraw the amount of Rs.8,34,11,269/- which is now in deposit in Cr.No.9(E)/2017-CBI/EOW/Chennai and to give credit into the loan account of the defaulted borrowers in equal proportion.

For Petitioner : Mr.C.Jawahar Ravindran

For Respondent : Mr.N.Nagendran

Spl. Public Prosecutor for CBI

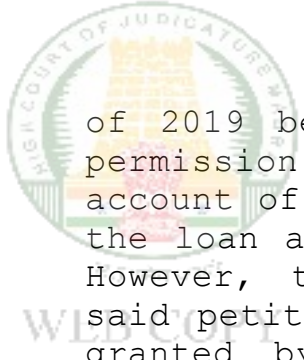
ORDER

The petitioner/Lakshmi Vilas Bank Ltd., filed this petition challenging the order dated 30.12.2019 passed in Cr.M.P.No.1611/2019, on the file of Chief Judicial Magistrate, Madurai and permit the petitioner bank to withdraw the amount of Rs.8,34,11,269/- which is now in deposit in Cr.No.9(E)/2017-CBI/EOW/Chennai and to give credit into the loan account of the defaulted borrowers in equal proportion.



2. The case of the petitioner is that the petitioner disbursed the loan to the commodity financing and entered into an agreement with M/s Star Agri Warehousing and Collateral Management Limited. As per the agreement, the said M/s Star Agri has to provide warehouse management services to the bank. The safety and security of the goods and the quality and quantity of the goods stored in the godown will be taken care of by M/s Star Agri and based on the storage receipt and test certificate issued by the said M/s Star Agri, the bank will sanction the loan to the borrowers. The borrowers, who borrowed the money from the bank, have fraudulently stored the husk and falsely declared that Dhal was stored in the godowns and availed the credit facilities, thereby mala fide cheated the bank. The said act was done by hand in gloves with the officials of M/s Star Agri. Hence, the petitioner bank has lodged four complaints to the Superintendent of Police, DCB, Virudhunagar on 14.09.2017 pertaining to the accounts of Virudhunagar Branch and against 27 borrowers with the Commissioner of Police, Madurai pertaining to the accounts of Madurai Main Branch against the borrowers and guarantors and the officials of the Collateral Manager namely, M/s Star Agri. Thereafter, the petitioner bank filed petitions before this Court in CrI.O.P(MD)Nos.1443 and 14437 of 2017 to transfer the investigation to CBCID for further investigation. Accordingly, this Court, by its order dated 15.11.2017 transferred the investigation to the CBI. Thereafter, the respondent CBI registered First Information Report in F.I.R.No.RC9C/2017-CBI/EOW/Chennai under Section 120(b), r/w 420, 478 and 471 IPC. While so, the petitioner bank filed a petition in CrI.M.P.No.987 of 2018 before the Chief Judicial Magistrate, Madurai seeking permission to conduct a public auction and to sell the Dhal and husk seized from the godowns. However, the said petition was dismissed. Challenging the same, the petitioner bank filed the revision petitions before this Court in CrI.RC(MD)Nos.657 and 658 of 2018. After hearing the cases, this Court, by its order dated 30.01.2019 directed the respondent to take effective steps to dispose of the goods which were lying in the godowns and to deposit the sale proceeds in the bank account to the credit of Cr.No.9(E)/2017-CBI/EOW/Chennai. As per the directions of this Court, the petitioner bank has also extended their cooperation to the respondent and the respondent made a public auction notice in Indian Express an English newspaper and Daily Thanthi a Tamil paper. Thereafter, auction was conducted on 28.06.2019 and goods seized by the respondent were sold in the open auction for appropriate amount of Rs.8,34,11,269/- to the successful bidder viz., M/s Unicorn Agro Foods and the said amount was deposited in the said crime number as per the direction of this Court.

<https://hccasecourts.org/hccases/> petitioner bank filed a petition in Cr.M.P.No.1611



of 2019 before the Chief Judicial Magistrate, Madurai seeking permission to withdraw the amount of Rs.8,34,11,269/- from the account of Cr.No.9(E)/2017-CBI/EOW/Chennai and to give credit into the loan account of the respective borrowers in equal proportion. However, the Chief Judicial Magistrate, Madurai, dismissed the said petition on 30.12.2019 on the ground that no permission was granted by this Court in CrI.RC(MD)Nos.657 and 658 of 2018. Challenging the same, this present criminal revision petition is filed.

3.When the matter is taken up for hearing, Mr.N.Nagendran, learned Special Public Prosecutor for CBI Cases has no objection to the said prayer filed before the trial Court.

4.In the light of the above submission, the learned Chief Judicial Magistrate, Madurai, is directed to release the amount in favour of the Bank, in turn, the Bank proportionately to give credit into the loan account of the respective defaulted borrowers and to file an affidavit of undertaking to the effect that the said withdrawal amount is subject to the result of the criminal case.

5.With the above directions, this Criminal Revision Petition is allowed.

Sd/-

Assistant Registrar(CS-II)

// True Copy //

/ /2020

Sub Assistant Registrar(CS)

skn

To

1.The Chief Judicial Magistrate, Madurai.

2.The Inspector of Police,
Central Bureau of Investigation,
Economic Offence Wing,
Rajaji Bhavan, 3rd Floor,
Besant Nagar,
Chennai.

3.The Spl. Public Prosecutor for CBI,
Madurai Bench of Madras High Court,
Madurai.



4.The Record Keeper,
Criminal Section (Records),
Madurai Bench of Madras High Court,
Madurai.(2 COPIES)

+1 CC to M/s.C.JAWAHAR RAVINDRAN, Advocate (SR-12786[F] dated
23/03/2020)

Cr1.R.C. (MD) .No.216 of 2020
19.03.2020

AL(CO)
TR(08.06.2020)4P 7C