IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on : 11.09.2025

Pronounced on : **23.09.2025**

CORAM :

THE HONOURABLE MR. JUSTICE N. SATHISH KUMAR

W.P.No.11544 of 2022

K.S.Gita ... Petitioner

Vs.

1.The Chief General Manager,
Union Bank of India – Central Office
Vidhan Bhawan Marg, Nariman Point,
Mumbai – 400 021, Maharashtra, India.

2.The General Manager,
Union Bank of India,
Union Bank Bhavan, 2nd Floor,
139 Broadway, Chennai – 600 108
Tamil Nadu.

3.The Regional Director,
Reserve Bank of India,
Fort Glacis, No.16, Rajaji Salai,
Chennai – 600 001, Tamil Nadu.

4.The Director,
Serious Fraud Investigation Office,
2nd Floor, Antyodaya Bhavan,
CGO Complex, Lodhi Road,
New Delhi – 110 003.

5.The Deputy Commissioner of Police,
Banking Fraud Division,
Office of the Commissioner of Police – Greater Chennai
No.132, EVK Sampath Road,
Vepery, Periamet, Chennai – 600 007.

6.The Section Officer,
Vigilance-3,
Central Vigilance Commission,
Satarkta Bhavan, G.P.O. Complex, Block A,
INA New Delhi – 110 023. ... Respondents

[R6 impleaded vide Court order dated 10.08.2022 made in WMP No.19644 of 2022 in W.P.No.11544 of 2022]

Prayer : Writ Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Mandamus directing the respondents 1 and 2 to appoint a neutral Forensic Auditor to audit the banking transactions of Pioneer Alloy Castings Ltd. and to direct the respondents 3 to 5 to initiate a formal enquiry into the written complaint given on 23.02.2022.

For Petitioner	:	Mr.K.Arvind
For R1, R2 & R6	:	Mr.L.Sriram for M/s.Chennai Law Firm
For R3	:	Mr.C.Mohan assisted by Ms.A.Rexy Josephine Mary for M/s.King and Partridge
For R4	:	Mr.S.Jerome Central Government Counsel

For R5 : Mr.R.Vinothraja,
Government Advocate (Crl. Side)

ORDER

This writ petition has been filed to direct the respondents 1 and 2 to conduct a Forensic Audit in respect of the Bank transactions of M/s.Pioneer Alloy Castings Ltd. and to initiate a formal enquiry into the written complaint given by the petitioner on 23.02.2022.

2.Brief background of the case is as follows :

2.1.The petitioner was the ex-Managing Director of M/s.Pioneer Alloy Castings Ltd. The company had their main banker as Andhra Bank with its branch at Mowbrays Road, Chennai, since 1983. The petitioner's father, being the promoter of the company, is said to have done business of the firm with 2500 employees and recorded gross annual turnover of more than Rs.30 Crores. The company had been banking with Andhra Bank for almost five decades. Later, the said Andhra Bank was merged with the Union Bank of India, the respondents 1 and 2 herein.

2.2.It is the case of the petitioner that, in 2017, due to banking frauds, debts and liabilities in excess of 1000 Crores in various cases have been registered by CBI. The company, during the course of its business, had entered into loan agreements with various Banks including the Andhra Bank now merged with Union Bank of India. The Pioneer Alloy Castings Limited was doing huge business in the financial years 2008-09, 2009-10 and 2010-11, but the then Andhra Bank was not giving the promised financial support, and therefore, their business was getting affected. Therefore, the petitioner decided to shift the account and loan liabilities in 2010 to the State Bank of India, Settepalle Branch, Renigunta, Andhra Pradesh, as everything was going on haywire with Andhra Bank. Due to vengeance, the officials of the then Andhra Bank decided not to transfer two out of five collateral security documents to State Bank of India, Settepalle Branch, Andhra Pradesh. The company had to halt all its operations rendering 2500 workers jobless.

2.3.It is the further case of the petitioner that she stood as guarantor to certain securities and since the company fell into liquidation, she had done serious self-auditing of the company's accounts over a period and was shocked to note that there were various suspicious banking transactions, wherein, huge chunks of the company's monies in crores remain questionable, primarily, the realization of the company's bills through banking channels not being credited into the account, kept in suspense account for long periods, credited belatedly, charging heavy interest in the loan accounts and showing as dues. Armed with facts and figures, the petitioner conducted a meeting with various officers during the period from 2010 to 2022 and several requests were made to conduct a joint auditing of the accounting transactions to unearth the truth. However, no steps were taken by the Banks. Therefore, the petitioner has come forward with this writ petition to conduct a forensic audit on the accounting transactions of the company, as there are serious misappropriation of the funds of the company.

3.It is the contention of the 1st respondent/Union Bank of India in the counter affidavit that the allegations raised by the petitioner are frivolous and this writ petition is filed only to sort out the difference between the petitioner and her sister Mrs.Beena Kosaraju in inheriting the properties of their late father. It is their contention that the petitioner has made allegations against the 1st and 2nd respondents and filed several complaints in air without any proof or facts before the Central Vigilance Commission. On receipt of the complaint of the petitioner dated 22.02.2022, the Central Vigilance Commission, in exercise of the power conferred on it under Section 8(1)(d) and Section 8(1)(h) of the Central Vigilance Commission Act, 2003, had directed the Chief Vigilance Officer of the respondent Bank to conduct an investigation and submit an investigation report within 12 weeks. Accordingly, investigation has been conducted and parawise comments and findings were submitted to the Central Vigilance Commission on 15.07.2022 and it has been concluded that all the allegations levelled by Mrs.K.S.Gita (petitioner herein) were not substantiated by records and facts and the Chief Vigilance Officer of the respondent Bank had recommended for closure of the complaint on 01.09.2022. The same allegations as made before the Central Vigilance Commissioner have been once again pressed into service in this writ petition which are not supported by any materials.

4.The 4th respondent/Serious Fraud Investigation Officer has filed his counter affidavit to the effect that, without the order of the Central

Government appointing a Special Fraud Investigation Officer to investigate into the affairs of a company under Section 212 of the Companies Act, 2013, they cannot conduct an enquiry into the affairs of a company on its own based on representations or complaints. It is further stated that the petitioner's complaint dated 05.05.2022 has been forwarded to the Reserve Bank of India, as the matter falls under the jurisdiction of RBI.

5.The Reserve Bank of India (3rd respondent herein) has filed a counter affidavit stating that the petitioner's complaint was forwarded to the Office of the Banking Ombudsman (OBO), Chennai. The Union Bank of India, through the OBO, has clarified that the subject borrower company, Pioneer Alloy Castings Limited, was under liquidation and the petitioner is a judgment debtor in her capacity as guarantor/mortgagor of the credit facilities extended to the borrower company. It is further stated that the Debts Recovery Tribunal-II (DRT), Chennai, vide order dated 25.10.2018 in O.A.No.648 of 20215, had adjudicated the Andhra Bank's claim and allowed and claim application and ultimately, issued a Recovery Certificate for a sum of Rs.6,60,93,323.75 with further interest at 6% p.a. It is stated that the petitioner had raised several allegations at the NPA's Borrowers meeting held on 06.01.2022, including a demand for forensic audit, instead of discussion on settlement of dues. It is their contention that all the allegations were baseless and had already been considered and rejected by the DRT in its order dated 25.10.2018 stating that there was no evidentiary proof. It is also stated that the petitioner continued to make baseless allegations whenever Union Bank approached for recovery of legitimate Bank dues. The Union Bank had also sent representations to the petitioner calling upon her to enter into an OTS Scheme. Based on the reply given by the Union Bank of India, the Banking Ombudsman closed the complaint on the ground that the matter was already dealt with and adjudicated by a competent judicial forum, namely, the DRT-II, Chennai and the closure letter was communicated to the petitioner. Since the designated Ombudsman Offices had already conducted a detailed examination of the petitioner's allegations after applying due process and examining the relevant submissions and facts and the complaints were closed with detailed reasons, it is their contention that this writ petition for forensic audit once again is misconceived and infructuous and hence, the same has to be dismissed.

6.Learned counsel appearing for the petitioner would submit that, before merging the Andhra Bank with Union Bank of India, certain amounts paid by the company have not been properly given credit to and there were duplication of accounts. Further, the Andhra Bank also came under the scanner of CBI for alleged misappropriation. Despite several requests made by the petitioner before the officials of the Banks, they have not come forward to conduct a forensic audit to unearth the truth. Meanwhile, the claim application filed by the Andhra Bank before the DRT-II, Chennai, also has been allowed. However, an appeal is now pending before the Debts Recovery Appellate Authority, Chennai, in R.A.No.45 of 2019. Therefore, unless a forensic audit is conducted, the misappropriation committed in the company's account will not come to light. In support of his submissions, the learned counsel relied upon the following judgments :

i. *State Bank of India v. Rajesh Agarwal [Civil Appeal No.7300 of 2022, dated 27.03.2023]*

ii. *Canbank Factors v. Pioneer Alloy Castings Ltd. and others [Madras High Court, C.S.No.334 of 2014, dated 02.08.2024]*

iii. *Upendhra Hosdrug Sundar Kamah v. Inian [Madras High Court, Crl.O.P.No.18951 of 2017, dated 12.01.2022]*

7.Whereas, the learned counsel appearing for the respondents would submit that the petitioner is making baseless allegations only in order to avoid her liability. When the Central Vigilance Commission and the Reserve Bank of India have also found that the allegations made by the petitioner have not been established and the Debts Recovery Tribunal, while allowing the claim application filed by the Andhra Bank, has found that the allegations made by the petitioner have no evidentiary proof, the writ petitin is nothing but an attempt to delay the proceedings. Hence, they pray for dismissal of this writ petition.

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

9.The entire grievance of the petitioner is that the accounts of the company M/s.Pioneer Alloy Castings Ltd. have not been properly maintained and there is misappropriation of the company's accounts and various amounts paid by the petitioner have not been properly given credit to. It is her further allegation that, while merging the Andhra Bank with Union Bank of India, certain securities have not been handed over to the

State Bank of India, Settepalle Branch, Renigunta, Andhra Pradesh.

10.At the outset, this Court is of the view that the affidavit filed in support of the writ petition is bereft of any details. Except vague and general allegations that various amounts have not been properly credited into the company's account, there are no details, whatsoever, mentioned in the affidavit. It is relevant to note that the disputed accounts are in respect of the year 2008-09. Much water has flown under the bridge thereafter.

11.It is pertinent to note that, before the Debts Recovery Tribunal, the Andhra Bank has already filed the proceedings in O.A.No.648 of 20215 for recovery of a sum of Rs.5,55,20,555.84. In the said proceedings, a defence has been raised by the petitioner and others to the effect that the company's account has not been properly maintained and that the Bank has not helped them in getting exemption from Customs Duty from the Andhra Pradesh Government which ruined the company's business. That apart, it was the petitioner's contention that the Bank had also failed to transfer the entire securities of the company to the State Bank of India and the State Bank of India is not helpful to the company. Several allegations similar to that made in this writ petition have been made in the debts recovery proceedings, wherein, the petitioner has also been examined as one of the witnesses. The Debts Recovery Tribunal has clearly recorded a finding that, though so many allegations are raised against the Banks regarding the statements of accounts, there is no evidentiary proof for such allegations. The Tribunal has further clearly recorded that, only in order to avoid liability as guarantor to the Bank, such allegations are pressed into service. Ultimately, the Original Application in O.A.No.648 of 2015 has been allowed directing for a decree in favour of the Bank for a sum of Rs.5,55,20,555.84. Later, Recovery Certificate has also been issued for a sum of Rs.6,60,93,323.75 on 25.02.2019 by the Debts Recovery Tribunal. When the DRT proceedings has ended against the petitioner and it is particularly recorded that there is no proof for any such allegations, once again, the petitioner has filed the present writ petition seeking forensic audit.

12.It is relevant to note that the Union Bank of India has also thoroughly enquired the complaint of the petitioner and given a report on 14.07.2022, negating all the allegations of the petitioner. Pursuant thereto, the Office Memorandum dated 01.09.2022 issued by the Central Vigilance

Commission also clearly indicates that the Commission is in agreement with the Chief Vigilance Officer and has advised closure of the complaint. When a thorough enquiry has already been completed and nothing is found as alleged by the petitioner and when the entire company's account is already the subject matter of the DRT proceedings, wherein the petitioner is also a party, which has gone against the petitioner and a Recovery Certificate is also issued now, it is too late for the petitioner to once again make similar allegations and request for conduct of a forensic audit of the company's accounting transactions. The very nature of the allegations now raised in this writ petition, which are bereft of details, make it clear that, only in order to somehow or the other delay the proceedings before the DRAT, such a prayer is now sought before this Court. Hence, this Court is not inclined to entertain this writ petition.

13.Therefore, I do not find any merit in this writ petition. Accordingly, this writ petition is dismissed. No costs.

23.09.2025

mkn

Internet : Yes

Index : Yes / No
Speaking order : Yes / No
Neutral Citation : Yes / No

To

1.The Chief General Manager,
Union Bank of India – Central Office
Vidhan Bhawan Marg, Nariman Point,
Mumbai – 400 021, Maharashtra, India.

2.The General Manager,
Union Bank of India,
Union Bank Bhavan, 2nd Floor,
139 Broadway, Chennai – 600 108
Tamil Nadu.

3.The Regional Director,
Reserve Bank of India,
Fort Glacis, No.16, Rajaji Salai,
Chennai – 600 001, Tamil Nadu.

4.The Director,
Serious Fraud Investigation Office,
2nd Floor, Antyodaya Bhavan,
CGO Complex, Lodhi Road,
New Delhi – 110 003.

5.The Deputy Commissioner of Police,
Banking Fraud Division,
Office of the Commissioner of Police – Greater Chennai
No.132, EVK Sampath Road,
Vepery, Periamet, Chennai – 600 007.

6.The Section Officer,

Vigilance-3,
Central Vigilance Commission,
Satarkta Bhavan, G.P.O. Complex, Block A,
INA New Delhi – 110 023.

N. SATHISH KUMAR, J.

mkn

Order in
W.P.No.11544 of 2022

23.09.2025