



W.P.No.13056 of 2025

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.04.2025

CORAM :

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

W.P.No.13056 of 2025
and W.M.P.No.14565 of 2025

1. M/s.Sadhan Life Science Pvt. Ltd.,
Represented by its Director Karelina

2. Karelina

3. Murugalakshmi.A

4. Viswanathan.A

.. Petitioners

Versus

1. The Banking Ombudsman,
Reserve Bank of India,
Fort Glacis, Chennai - 600 001.
Tel No.044-25399170, 044-25395964,
Email:crpc@rbi.org.in

2. Vigilance Department,
Karnataka Bank Limited,
Ground Floor, Nanthoor Road,
Kankanady, Mangaluru,
Karnataka - 575 002.
Tel No.0824-2228341.
Email:vigilance@ktkbank.com



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3. The Authorised Officer,

The Asset Recovery Management Branch,

Karnataka Bank Limited,

No.324, Ground Floor, Thambu Chetty Street,

Chennai - 600 001.

Tel No.044-23463509.

Email:Chennai.arm@ktkbank.com

.. Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorarified Mandamus to call for the records of the 2nd respondent, dated 12.03.2025 in HO:VD:FRGC:OR:659:2024-25 and quash the same consequently direct 1st respondent issue necessary orders to 2nd and 3rd respondents from initiating any recovery proceedings against the petitioners.

For Petitioners : Mr.I.Arockia Selvaraj

For Respondents : Mr.R.Imayavaramban,
for M/s.Ramalingam & Associates,
for RR-2 and 3

ORDER

This Writ Petition is filed to call for the records relating to the proceedings of the second respondent, dated 12.03.2025 and quash the same and consequently, direct the first respondent to issue necessary orders to the



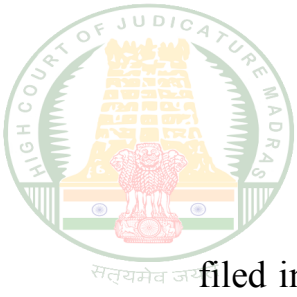
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respondent Nos.2 and 3 from initiating any recovery proceedings against the petitioners.

2. Upon hearing the learned Counsel for the petitioners and *Mr.R.Imayavaramban*, the learned Counsel for the respondent Karnataka Bank Limited and perusing the affidavit filed along with the Writ Petition and the material records of the case, it can be seen that on 12.03.2025, the impugned proceedings are issued. After making certain allegations, it states that as per the Reserve Bank of India Master direction, on fraud risk management, the bank has to give reasonable time to the borrower to respond to the show-cause notice and accordingly, the show-cause notice is given.

3. The contention of the learned Counsel for the petitioners is three-fold. The learned Counsel would submit that when the allegation of siphoning of Rs.74.69 lakhs is made, the explanation is given in the affidavit



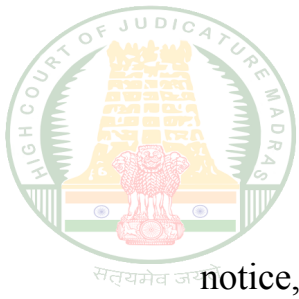
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filed in support of the Writ Petition itself by stating that the estimates were arrived for the Company for certain works and an advance payment of Rs.68,31,633/- was made and not that it was Rs.74.69 lakhs. It is further submitted that since the project work was stopped, the petitioners made a request to refund the advance amount and to cancel the contract and accordingly, the amount was received back and the same was utilised for the purpose of construction done by the other contractor namely, M/s.Shine Infra. The learned Counsel would submit that even to put forth this explanation, no proper opportunity was granted. There was only one working day left when the petitioners were informed about the impugned show-cause notice on 04.03.2025.

4. The learned Counsel for the respondent Karnataka bank would submit that final orders are yet to be passed.

5. In view thereof, when the impugned order is only a show-cause



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notice, this Writ Petition is disposed of with the following directions:-

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(i) Within one week from today, the petitioners can make their representation in writing along with all supporting documents in support of their contentions and the same will be considered by the respondent Karnataka Bank Limited and orders, in accordance with law, shall be passed;

(ii) The parties shall act upon receipt of a web-copy of this order without waiting for a certified copy of this order;

(iii) There shall be no order as to costs. Consequently, connected miscellaneous petition is closed.

07.04.2025

Neutral Citation : no
grs

To

1. The Banking Ombudsman,
Reserve Bank of India,
Fort Glacis, Chennai - 600 001.



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2. The Vigilance Department,

Karnataka Bank Limited,
Ground Floor, Nanthoor Road,
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3. The Authorised Officer,

The Asset Recovery Management Branch,
Karnataka Bank Limited,
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D.BHARATHA CHAKRAVARTHY, J.

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