IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.11.2025

CORAM:

THE HON'BLE MR.JUSTICE M.NIRMAL KUMAR

W.P.Crl.No.1361 of 2025

Canara Bank,
Circle Office, No.524,
Anna Salai, Teynampet,
Chennai – 600 018,
Rep by its Assistant General Manager,
Ms.Mridula, aged 44 years ... Petitioner

Versus

Central Bureau of Investigation,
Anti Corruption Branch,
3rd Floor, Shastri Bhavan,
Haddows Road,
Chennai – 600 006. ... Respondent

PRAYER : Writ Petition filed under Article 226 of Constitution of India praying to issue a suitable direction to the respondent to register the complaint dated 30.07.2024 lodged by the petitioner bank forthwith and register FIR/regular case on the basis of complaint dated 30.07.2024.

For Petitioner : Mr.M.L.Ganesh

For Respondent : Mr.K.Srinivasan
Special Public Prosecutor

O R D E R

The petitioner, Assistant General Manager of Canara Bank, Circle Office, No.524, Anna Salai, Teynampet, Chennai had filed this writ petition seeking suitable direction to the respondent/Central Bureau of Investigation to register the complaint dated 30.07.2024 lodged by the petitioner bank forthwith and register F.I.R. on the basis of complaint dated 30.07.2024.

2.The grievance of the petitioner is that the petitioner sent a complaint to the Head of Zone, Banking Security and Fraud (Zone), CBI, Head Quarters, New Delhi on 30.07.2024, which was forwarded to the CBI, Anti Corruption Branch, Chennai but no action has been taken despite cognizable offence committed by the persons named in the complaint.

3.The complaint of the petitioner is that M/s.Sivaji Hitek Agro Foods, a proprietorship concern represented by Mr.K.S.S.Karunakaran, Mrs.Revathy, W/o.Mr.K.S.S.Karunakaran, Satish Kumar, CFO of M/s.Sivaji Hitek Agro

Food, committed fraud by producing forged financial documents and forged letters with an intent to commit fraud. The borrower firm M/s.Sivaji Hitek Agro Food availed limits to set up a new modern rice mill with production capacity of 6 MT/Hr on the land measuring 3.06 Acres at Ariyapadi Village, Arani Taluk, Thiruvannamalai District. The borrower firm availed credit facilities with the complainant bank with a total exposure of Rs.12 Crores. Out of which, Term Loan of Rs.9,62,76,751/- was disbursed on 26.05.2022 for purchase of machinery. Since the business was not conducted as per the sanctioned terms and conditions and interest were not paid, the account slipped to NPA on 24.10.2022, i.e. within one year of disbursement, though the account was subsequently upgraded by the borrower, the account slipped to NPA on 11.07.2023. Thereafter the bank conducted enquiry and internal verification of the documents. The details of which read as follows:

1	Name of the Bank	Canara Bank
2	Name of the Branch	Teynampet Branch
3	Date of Lodging of Complaint	25.07.2024
4	Time, dated & Place of occurrence of fraud	Since the party did not conduct the account as per sanctioned terms and conditions and due to non-serving of interest the account slipped to NPA under quick mortality on 24.10.2022 and subsequently upgraded and again slipped to NPA on 11.07.2023 and later the matter was reported as fraud on 02.04.2024. Place of occurrence: Chennai.
5	Name of the Complainant	Circle Head, Canara Bank, Circle Office, Chennai
6	Brief details of fraud	1. The Proprietor of M/s.Sivaji Brick Agro foods, Mr.KSS Karunakaran having is Office at No.100, Medavakkam Main Road, Keelkattalai, Chennai approached the complainant Bank Teynampet Branch for a loan to construct a modern Rice Mill. 2. It was informed by the proprietor that his firm was established in the year of 2019 and buying paddy from the farmers/ intermediate person in and around Karnataka and other northern part of Tamil Nadu and processing at various rice mills on oral contract basis. The firm is selling the finished product/ polished rice to the wholesalers. 3. Teynampet Chennai, Branch of the complainant bank

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processed his loan application and on 20.05.2022 sanctioned fund-based loan amount of Rs.12 Crores limits to set up a new modern rice mill with production capacity of 6MT/Hr in the land admeasuring 3.06 Acres of Land at Ariyapadi Village Arani Taluk, Thiruvannamalai, with an objective production of edible rice free of husks, stones and other foreign materials with minimization of grain breakage and maximization of whole rice recovery and disbursed Rs.9.63 Crores (Rupees Nine Crores Sixty Two Lakhs Seventy Six Thousand Seven Hundred and Fifty One only) on 26.05.2022 for purchase of machinery.

Details of Security:

EMT of 3.06 acres of land in SF No:533/6, 533/9A,533/10A, 531/1A1 at Ariyapadi Village Arani taluk, Tiruvannamalai District in the name of Shri K S S Karunakaran

4. The account initially slipped to NPA under quick mortality on 21.10.2022 due to non-serving of interest and subsequently the account was upgraded by the borrower and again slipped to NPA on 11.07.2023.

5. For obtaining the loan, the borrower submitted a quotation dated 01.12.2021 from M/s. Milltec Machinery Private Limited for Rs.5,03,51,751/-(Five crores three lakhs fifty one thousand seven hundred and fifty one only) and from M/s. MVS Fabrications quotation dated 22.02.2022 for Rs.5,63,87,000/-(Five crores sixty three lakhs & eighty seven thousand only)

6. Before disbursement of the loan, the borrower submitted a letter dated 25.05.2022 of the vendors M/s. Milltec Machinery Private Limited along with Axis bank statement confirming that they have received the advance payment on various dates aggregating to Rs.1,04,62,000/- (One crore four lakhs sixty two thousand only) and 2nd letter dated 25.05.2022 of M/s. MVS Fabrication, Chennai detailing the advance payment received on various dates aggregating to Rs.1,32,50,000/- (One crore thirty two lakhs fifty thousand only).

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		7. Based on the letters of the vendors and the Axis Bank statement submitted by the borrower confirming that the margin money was paid by the customer, the Branch disbursed the balance amount as per proforma invoices directly to the suppliers on 26.05.2022 for Rs.3,98,89,751/- (Three crores ninety eight lakhs eight nine thousand seven hundred and fifty one only)to M/s.Milltec Machinery Private Limited and on 26.05.2022 for Rs.5,63,87,000/- (Five crores sixty three lakhs & eighty seven thousand only) to M/s. MVS Fabrication, Chennai. 8. The account slipped to NPA under quick mortality on 24.10.2022 and subsequently upgraded by the borrower. The account slipped to NPA on 11.07.2023. On investigation it was found that, out of advance amount of Rs.1,04,62,000/-(One crore four lakhs sixty two thousand only) paid to supplier, M/s. Milltec Machinery Pvt. Ltd has confirmed that they have received only an amount of Rs.15,00,000/- (Fifteen Lakhs Only) as advance money and out of advance amount of Rs.1,32,50,000/-(One crore thirty two lakhs fifty thousand only) paid to supplier M/s. MVS Fabrication, Chennai, they also confirmed that they have received only Rs.38,90,000/-(thirty eight lakhs ninety thousand only) as advance money. 9. On enquiry it is found that, the letter dated 25.05.2022 of the vendor submitted to the complainant bank for availing the loan by the borrower Mr.K. S. S Karunagaran and his Axis Bank Statement produced were forged and thereby cheated the bank by producing forged documents.
7	Name of accused persons	1. Mr. K S S Karunakaran (PAN DWUPK8938J) & No. 61. MMTC Colony, ,Main Road, Nanganallur Alandur, Kancheepuram - 600061 2. ,Mrs. K.Revathi (CLDPR5691K) & No. 61, MMTC Colony, ,Main Road, Nanganallur Alandur, Kancheepuram - 600061 3. Mr. Satish Kumar (Not available) 4. Unknown person(s), /Unknown public servant(s)
8	Role of accused persons including the role of public servants	The accused have defrauded the Bank and their role needs to be investigated/ enquired into. Departmental proceedings completed and punishment imposed on the concerned officials.

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9	Grave irregularities committed by public servants	Departmental proceedings completed and punishment imposed on the concerned officials..
10	Role of Common Conspirator	Not to our knowledge
11	The name and address of prosecution of witnesses	Branch in-charge Teynampet Branch Chennai.
12	Action taken by the bank against public servants including departmental proceedings initiated if so, details thereof	Departmental proceedings completed and punishment imposed on the concerned officials.
13	Whether investigation conducted by the bank. If yes, details the major findings	Yes. No major findings.
14.	Whether forensic audit was conducted. If yes, findings of the forensic audit report. Copy of the Forensic Audit report to be submitted	No
15	Availability of Original documents	The original documents pertaining to the account are in DRT - III, Chennai.
16	Whether accused persons involved in any other fraud in the bank on an earlier occasion	Not to our knowledge.
17	Whether the fraud has interstate, international if yes, give the details	Not to our knowledge.
18	Role of CA, Statutory Auditors, Stock Auditors, Empanelled Valuers etc., if any are	Not to our knowledge.

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	mentioned.	
19	Whether the registration is authorized by CVO of the bank	Yes

4.With all these details the petitioner lodged a complaint but no action has been taken. On the other hand, the respondent/CBI had sent a communication dated 24.02.2025 stating that the general consent to investigate the offences under Delhi Special Police Establishment (DSPE) Act, 1946 was withdrawn by Government of Tamil Nadu with effect from 14.06.2023. Thereafter, it is necessary to obtain permission to investigate offences by CBI on case to case basis, by issuance of notification under Section 6 of DSPE Act by Government of Tamil Nadu. Earlier proposals which was sent are pending with the Government for more than a year. Hence directed the petitioner bank to take up the issue with the Chief Secretary, Government of Tamil Nadu for issuance of appropriate orders in this regard. Hence, complaint dated 30.07.2024, in original, returned. Hence, the above petition.

5.The learned Special Public Prosecutor submitted that due to the withdrawal of general consent to investigate the offence under DSPE, CBI is handicapped, constrained and unable to entertain the complaint, even for the Public Sector undertakings. He further submitted that this Court in similar circumstances had given directions, directing the CBI to take appropriate action. Further referred to the order passed in W.P.No10852 of 2025, wherein this Court had directed the CBI to register F.I.R. based on the complaint of the Bank therein and proceed with the investigation in accordance with law. As regards the petitioner herein is concerned, the complaint is that the petitioner was informed by communication dated 24.02.2025 about the constraints. Further now it has become necessary for CBI to obtain permission to investigate the offence on case to case basis by issuing notification under Section 6 of Delhi Special Police Establishment (DSPE) Act, 1946 by Government of Tamil Nadu. Further submitted that as per Chapter VI of Master Circular on “Frauds Classification and Reporting” issued by the Reserve Bank of India, wherein the amount involved in the fraud and Agency to whom the complaint should be made are given. In this case, the fraud and misappropriation committed is around Rs.6.1 Crores and there is also an allegation of involvement of bank officials.

6. Considering the submissions made and on perusal of the materials, it is seen that with regard to active involvement of the others in siphoning out of huge amount of Rs.6.1 Crores of the Bank, the same has to be unearthed and recovered. As submitted by the learned counsel for the petitioner, there is a possibility that the offenders might flee and escape from clutches of law and issuance of the Look Out Circular might be required in this case. The Look Out Circular can be issued only on registration of criminal case.

7.In such circumstances, keeping the complaint pending for a long period without any progress is not proper. It is not in dispute that the complainant is a Public Sector Bank and huge amount of public money siphoned out by the offenders.

8.In similar situation, this Court by orders, dated 23.01.2024. 05.07.2024 and 14.10.2024 in W.P.Nos.601 of 2024, 16029 of 2024 and 28365 of 2023 directed the respondent/Central Bureau of Investigation to register FIR based on the complaint of Bank and to proceed with the investigation in accordance with law and file a final report as expeditiously as possible.

9.In view of the same, the petitioner is directed to resubmit the original complaint dated 30.07.2024, which was returned to her, along with necessary documents to the Head of Branch, ACB-CBI, Chennai, who shall consider the complaint, direct preliminary enquiry to be conducted and if cognizable offence is made out on the materials and further investigation is required, thereafter to register an F.I.R. and proceed in accordance with law.

10.With the above directions, the writ petition is disposed of.

18.11.2025

Index : Yes / No
Neutral citation : Yes / No
Speaking / Non-speaking order
rsi

To

1.Central Bureau of Investigation,
Anti Corruption Branch,
3rd Floor, Shastri Bhavan,
Haddows Road,
Chennai – 600 006.

2.The Public Prosecutor,
High Court, Madras.

M.NIRMAL KUMAR, J.

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