IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23.03.2026

CORAM:

THE HON'BLE MR. JUSTICE A.D.JAGADISH CHANDIRA

W.P.(Crl.)No.496 of 2026

Indian Bank,
A banking corporation constituted under Banking Companies
Acquisition and Transfer of Undertaking Act (Act 18 of 1970),
Having its Head Office at Chennai and
one of its branches being the Stressed Asset Management Branch,
At 5-1-679, Surabhi Arcade, Bank Street,
Koti Hyderabad – 500 001,
Rep. by its Authorised Signatory. ...Petitioner

Vs.

1. The Deputy Inspector General of Police,
Central Bureau of Investigation, Economic Offences Branch,
3rd Floor, A Wing, Rajaji Bhavan,
Besant Nagar, Chennai – 600 090.

2. Central Bureau of Investigation,
Economic Offences Branch,
3rd Floor, A Wing, Rajaji Bhavan,
Besant Nagar, Chennai – 600 090. ...Respondents

Writ Petition (Criminal) filed under Article 226 of the Constitution of India seeking issuance of a Writ of Mandamus to direct the respondents to consider and pass appropriate orders on the petitioner's representation dated 26.05.2025 (Ref.No.IB/SAMB/HYD/21/2025-26) submitted in continuation of the detailed fraud complaint dated 25.08.2023

(Ref.No.SAM/HYD/SONAC/2022-23/52) and the subsequent correspondence and consequently, to take appropriate action in accordance with law, within a time frame to be fixed by this Hon'ble Court.

For Petitioner : Mr.T.Ravichandran

For Respondents : Mr.B.Mohan, Special Public Prosecutor (CBI)

O R D E R

This writ petition (criminal) has been filed seeking to direct the respondents to consider and pass appropriate orders on the petitioner's representation dated 26.05.2025 (Ref.No.IB/SAMB/HYD/21/2025-26) submitted in continuation of the detailed fraud complaint dated 25.08.2023 (Ref.No.SAM/HYD/SONAC/2022-23/52) and the subsequent correspondence and consequently, to take appropriate action in accordance with law, within a time frame to be fixed by this Court.

2. The case of the petitioner is that the petitioner-bank, being a public sector bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act 18 of 1970, had sanctioned multiple credit facilities aggregating to a sum of Rs.29.95 crores in favour of one M/s. SONAC, originally a partnership firm, engaged in shrimp feed manufacturing. However, the said firm was subsequently converted into a Limited liability partnership firm without obtaining the petitioner's prior

written consent, which is a clear breach of sanction terms. Therefore, the loan account was classified as a Non Performing Asset (in short 'NPA') on 28.03.2019 and upon detecting a grave financial misconduct following an internal forensic audit and staff accountability study report dated 27.09.2019, the petitioner declared the account as fraud on 28.10.2021. Thereafter, the petitioner lodged a complaint with the CBI on 07.03.2022 and a comprehensive complaint was also made by the petitioner-bank on 25.08.2023 by enclosing all the relevant documents. However, the same evoked no response and the respondents repeatedly returned the complaints. Hence, this petition seeking the relief as stated in the opening paragraph.

3. Learned counsel for the petitioner submitted that the total amount defrauded by the accused runs to around Rs.50 crores and by relying on Clause 5.1 of Chapter V of the Master Circular dated 15.07.2024 bearing No.RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/ 2024-25, the learned counsel for the petitioner submitted that whenever the allegations involve a fraud played by the borrowers which comes to around Rs.6 crores and above, the Central Bureau of Investigation has to necessarily register the case and investigate the matter. Despite this being the position, the CBI has failed to registered a case on the complaint made by the petitioner, which is wholly unsustainable.

4. Learned Special Public Prosecutor for CBI cases appearing on behalf of the respondents fairly submitted that as per the Master circular dated 15.07.2024, the respondents are bound to register the case on the complaint made by the petitioner and proceed with the investigation. He further submitted that the case will be registered at the earliest.

5. For better appreciation, the relevant portion of the circular dated 15.07.2024 is extracted hereunder:-

5. Reporting of Frauds to Law Enforcement Agencies (LEAs)

5.1 Banks shall immediately report the incidents of fraud to LEAs, subject to applicable laws, as indicated below:

Category of bank	Amount involved in the fraud	LEA to whom complaint should be lodged	Remarks
Private Sector / Foreign Banks	Below ₹1 crore	State / Union Territory (UT) Police	
	₹1 crore and above	In addition to State/UT Police, Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs, Government of India	Details of fraud are to be reported to SFIO in Fraud Monitoring Return (FMR) format.
Public Sector Banks / Regional Rural Banks	(a) Below ₹6 crore	State / UT Police	
	(b) ₹6 crore and above	Central Bureau of Investigation (CBI)	

6. From the above, it is evident that as the alleged amount defrauded by the accused comes to around Rs.50 crores, the CBI is the competent authority to investigate into the matter.

7. In view of the above and also the fair submission made by the learned Special Public Prosecutor, this Court, without going into the merits of the case, directs the 2nd respondent to register a case based on the petitioner's representation dated 26.05.2025 within a period of two (2) weeks from the date of receipt of a copy of this order and proceed with the investigation in the manner known to law.

8. With the above directions and observation, this writ petition (criminal) stands allowed. No costs.

23.03.2026

skt

Neutral Citation: Yes/No

A.D.JAGADISH CHANDIRA, J.

skt

To:

1. The Deputy Inspector General of Police,
   Central Bureau of Investigation,
   Economic Offences Branch,
   3rd Floor, A Wing, Rajaji Bhavan,
   Besant Nagar, Chennai – 600 090.

2. Central Bureau of Investigation,
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