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IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: **13-11-2026**	**Delivered on: -11-2026**

CORAM

THE HON'BLE MR JUSTICE N.ANAND VENKATESH

Review Application No.141 of 2026
& WMP.No.33298 of 2026

CNR:{HCMA010884012026}

Case QR

Axis Bank Limited
Having Its Branch Office
At No.113, G.N. Chetty Road,
T.Nagar, Chennai-17.

...Applicant

Vs

1. M/s.Dadha Pharma LLP
   (formerly Known As M/s.Dadha
   Pharma Private Limited)
   Rep By Its Authorised Signatory
   Mr.D.Rahul Bafna Having
   Its Registered Office At
   New No.187/ Old No.121,
   St.Marys Road, Alwarpet,
   Chennai-18.

2. Reserve Bank Of India
   Rep. By the Governor,
   No.6, Sansad Marg,

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New Delhi- 100 001.

3. The State rep. by the
Commissioner of Police,
Team XI, Central Crime Branch,
Egmore, Chennai- 600 008.

...Respondents

REVIEW APPLICATION under Order XLVII Rule 1 read with Section 114 of the Civil Procedure Code praying to review the order dated 12.6.2025 as clarified on 03.7.2025 passed in WP.No.413 of 2024.

For Applicant: Mr.Rahul Balaji

For Respondents: Mr.D.Ferdinand for
M/s.Bfs Legal for R1

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The third respondent bank in the said writ petition filed the above review application seeking to review the order passed by this Court dated 12.6.2025 as clarified on 03.7.2025 in W.P.No.413 of 2024.

2. Heard the learned counsel for the applicant bank and the

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learned counsel appearing on behalf of the first respondent/writ petitioner.

3. This Court has carefully considered the submissions of the learned counsel on either side and perused the materials available on record and more particularly the order under review.

4. The said writ petition was filed by the first respondent in this review application seeking for the relief of a Writ of Mandamus directing the applicant bank to re-credit the amount of Rs.16,15,000/-, which was illegally siphoned from the current account of the writ petitioner.

5. It is relevant to point out that the applicant bank was served with notice in the said writ petition. However, there was no appearance on behalf of the applicant bank either through a representative or through counsel. Therefore, this Court heard the learned counsel for the writ petitioner and the learned Government Advocate (Crl.Side) appearing for the second respondent in the writ petition and by order dated 12.6.2025, directed the applicant bank to act upon the circular issued by the Reserve Bank of India (RBI)

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and restore/re-credit the amount of Rs.16,15,000/-, which was siphoned from the current account of the writ petitioner to the account of the writ petitioner within a period of four weeks from the date of receipt of a copy of the said order.

6. The applicant bank filed the above review application with a delay of 272 days. In the meantime, a contempt petition in Cont.P. No.586 of 2026 was filed by the writ petitioner for non compliance of the order dated 12.6.2025 as corrected on 03.7.2025 passed in the said writ petition. After notice was issued to the applicant bank in the said contempt petition, they expressed their willingness to deposit the said sum of Rs.16,15,000/-. In view of the same, the said contempt petition was closed on 10.4.2026 and the applicant bank was directed to deposit the said amount within two weeks from the date of receipt of a copy of the said order 10.4.2026. Further, the said amount was also deposited.

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7. Later, the delay was condoned by this Court vide order dated 22.7.2026. Thereafter, the review application was listed for final hearing.

8. The main ground that was urged on the side of the applicant bank is that the RBI circular did not apply to the private sector banks, that the applicant bank was not given sufficient opportunity to contest the said writ petition and that at the best, the writ petitioner would only be entitled to the relief under the Notification of the RBI dated 08.4.2002 and not under the subsequent circular issued by the RBI on 06.7.2017 since the alleged siphoning of the amount was said to have taken place in the year 2011.

9. In so far as the first ground that was urged on the side of the applicant bank is concerned, the same is liable to be rejected for the simple reason that the RBI Notification will equally apply to all the banks since they are dealing with the deposits made by depositors, whose interest is safeguarded by the RBI. Hence, the first ground is rejected.

10. In so far as the second ground that has been raised is concerned, a notice was issued to the applicant bank in the said writ

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petition and in spite of it, they had chosen not to contest the said writ petition and therefore, the applicant bank cannot turn around and take a stand that no opportunity was given to them to contest the said writ petition. Thus, the second ground raised is also rejected.

11. The last ground raised by the learned counsel for the applicant bank is the only material ground that has to be considered by this Court and test if the order dated 12.6.2025 as clarified on 03.7.2025 passed in the said writ petition would suffer from an error apparent on the face of the records.

12. The alleged incident of siphoning had taken place in the year 2011 and at that point of time, the RBI Notification dated 08.4.2002 was in force. The relevant portion in the said RBI Notification dated 08.4.2002 reads as follows:

> *"With a view to redressing the grievances of the customers in this regard, we have reviewed the position and advise that (i) in cases where banks are at fault, the banks should compensate customers without demur, and (ii) in cases where neither the bank is at fault nor the*

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customer at fault, but the fault lies elsewhere in the system, then also the banks should compensate the customers (upto a limit) as part of a Board approved customer relations policy."

13. It was contended on the side of the applicant bank that pursuant to the said Notification, the revised compensation policy was issued and Clause 11.3 provided that the applicant bank would be liable to compensate the customer subject to the upper limit of Rs.25,000/-; that the writ petitioner would only be entitled to this amount since the transaction pertained to the year 2011 when the circular dated 08.4.2002 was in force; that this Court had issued directions to the applicant bank to pay the said sum of Rs.16,15,000/- based on the RBI circular dated 06.7.2017; that this circular does not apply to the transaction of the year 2011; that it only has a prospective effect; and that to that extent, the relief granted suffers from an error apparent on the face of the records.

14. Per contra, it was submitted on the side of the writ petitioner that the Notification of the year 2002 issued by the RBI was withdrawn in the year 2017; that the writ petitioner was prosecuting the criminal complaint filed before the concerned Police Station, which reached the fruition only on 04.10.2023 when the

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final closure report was filed; and that only thereafter, the writ petitioner would be entitled to make a claim and at that point of time, the policy of the year 2017 came into force.

15. The circular of the year 2002 had fixed an upper cap and accordingly, the applicant bank issued a compensation policy restricting the upper limit of Rs.25,000/-. Subsequently, the RBI issued the circular of the year 2017 withdrawing the earlier circular. This circular rectified the patent error in the earlier circular, which restricted the total amount payable by the applicant bank at Rs.25,000/- irrespective of the amount that has been siphoned from the accounts of the depositors.

16. In the case in hand, the writ petitioner was running from pillar to post to somehow expose the fraud committed by initiating the criminal proceedings. However, the Investigation Officer was not able to solve the case and a closure report was filed on 04.10.2023. Only thereafter, the writ petitioner commenced the proceedings for getting back the said amount that was siphoned from his current account. At that point of time, the RBI circular dated 06.7.2017 was in force. It was a circular, which was issued for the benefit of

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customers, who lose their hard earned money by means of siphoning of funds from the bank accounts of the customers.

17. Such beneficial circular issued in the year 2017 was taken into consideration by this Court while granting the relief to the writ petitioner. This was due to the fact that a beneficial circular like the one which was issued in the year 2017 has to be given a retrospective effect to ensure that the customers, who lose their hard earned money, are treated with fairness uniformly.

18. In the light of the above discussions, this Court does not find any error apparent on the face of the records warranting the review of the order passed in the said writ petition.

19. Accordingly, the above review application is dismissed. The writ petitioner is permitted to withdraw the said sum of Rs.16,15,000/-, which has already been deposited by the applicant bank together with accrued interest, if any. Consequently, the connected WMP is closed.

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