IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 06.07.2026

PRONOUNCED ON : 07.08.2026

CORAM:

THE HONOURABLE MR. JUSTICE **G.K.ILANTHIRAIYAN**

Crl.O.P.Nos.19206, 19324, 19525, 19544 & 20906 of 2025
and Crl.M.P.Nos.13152, 13287, 13424, 13468 & 14431 of 2025

Crl.O.P.No.19206 of 2025 :-

1. M.V.Ganesan
   S/o.Mayuram Viswanathan,
   Flat No.G6, Arihant Flats,
   No.29/16, Mahadevan Street,
   West Mambalam,
   Chennai-600 033.

2. V.Sriram
   S/o.J.Venkataramanan,
   Plot No.40/02, Door No.9,
   Brindavan Nagar Main Road,
   Madambakkam,
   Chennai - 73.

3. Govindaraju Kanniyappan
   S/o.Kanniappan,
   No.114, Flat - D, First Floor,
   Adithya Sankalp, Sadasivam Nagar,
   1st Cross Street, Kamarajapuram,
   Chennai-600 073.

4. Santhan Kumar Rajendran
   S/o.N.Rajendran,
   No.109/3, CPWD Quarters
   K.K.Nagar, Chennai – 600 078.

5. Mohan
   S/o.Rangaswamy,
   No.1, New Street,
   West Mambalam,
   Chennai-600 033.

..Petitioner(s)

Vs

1. The State Rep by,
   The Inspector of Police,
   CBI/BS&FC/Bangalore.
   R.C.No.3(E)/2017.

2. Sudharsan Venkatraman
   S/o.Late Mr.S.Venkatraman,
   CMD & CEO/Promoter Director,
   M/s.Zylog Systems (India) Limited,
   Chennai.

3. Ramanujam Sesharathnam
   S/o.Late Shri Ammor Venkatraman,
   Sesharathnam, Aged 58 Years,
   MD and COO, Promoter Director,
   M/s.Zylog Systems (India) Limited,
   Chennai.

..Respondent(s)

Prayer: Criminal Original Petitions filed under Section 482 of Code of Criminal Procedure, to set aside the order passed in Crl.M.P.No.1260 of 2025 in CC.No.2 of 2018 dated 15.04.2025 on the file of the Learned XI Additional Special Judge for CBI Cases (CBI Cases Relating to Banking and Financial Institutions), Chennai.

Crl.O.P.Nos. 19206, 19324, 19525 & 19544 of 2025

For Petitioner(s): Mr.N.R.Elango, Senior Counsel
For Mr.M.Govindarajulu

For Respondent(s) in Crl.O.P.Nos. 19206, 19525 & 19544 of 2025 :	Mr.K.Srinivasan, Special Public Prosecutor for CBI for R1
For Respondent(s) in Crl.O.P.Nos.19324 of 2025:	Mr.K.Srinivasan, Special Public Prosecutor for CBI for R1 Mr.P.Sidharth, Retainer Counsel Special Public Prosecutor ED Cases for R4 Mr.R.Sanjay, Central Government Standing Counsel for Mr.R.Rajesh Vivekananthan, Deputy Solicitor General of India for R5

Crl.O.P.No.20906 of 2025

For Petitioner(s) :	Mr.K.P.Annantha Krishna For M/s. VIVRTI law
For Respondent(s) :	Mr.B.Mohan, Special Public Prosecutor for R1

COMMON ORDER

These petitions have been filed challenging the order passed by the Trial Courts, thereby allowing the petitions filed by the first respondent/CBI, to split up the cases as against the accused 1 & 2.

2. The case of the prosecution is that on the complaint lodged by the defacto complainant viz., Assistant General Manager, Union Bank of India, the first respondent registered a case in Crime No.14(E)/2016-

CBI/ B&FC/BLR, as against the first and second accused, who are the Chief Managing Director cum Chief Executive Officer and the Managing Director cum Chief Operating Officer of M/s. Zylog Systems Limited (hereinafter referred to as "the Company") and also others for the offences punishable under Sections 120-B r/w. 420 of IPC, alleging that the Company availed various credit facilities such as packing credit, term loan and corporate loan, working capital credit facilities from Union Bank of India under consortium with Syndicate Bank and majority of the proceeds of those facilities were diverted and transferred to the branch office of the Company thereby caused loss to the defacto complainant bank to the tune of Rs.466.38 crores as on 30.06.2016.

3. Thereafter, another complaint was lodged by the Syndicate Bank dated 16.12.2016 for the fraud committed by the Company for the loans/credit facilities availed out of consortium. The said credit facilities were availed outside the consortium, the Company availed corporate loan from the Syndicate Bank, Corporate Finance Branch, for the purpose of expansion related developments and marketing in foreign countries, thereby caused loss to the bank to the tune of Rs.296.01 crores as on 30.09.2016. After completion of investigation, the first respondent/CBI

filed final report and the same has been taken cognizance by the Trial Courts. While pending the trial, the first respondent/CBI herein filed petitions under Section 317(2) of Cr.P.C., r/w Section 355(2) of BNSS, for splitting up of the cases as against the first and second accused for the reasons that the first and second accused being the Chief Managing Director cum Chief Executive Officer and the Managing Director cum Chief Operating Officer of the third accused Company and they flew to the USA and have not returned to India, in order to delay the proceedings pending before the Trial Courts. Though the Trial Courts issued a Non Bailable Warrant and the first respondent had taken all steps to bring A1 and A2 to India, all its efforts ended in vain. Therefore, the prosecution filed petitions to split A1 & A2 from the cases. It was allowed and aggrieved by the same, the present petitions.

4. The learned Senior Counsel appearing for the petitioners submitted that the charges against the petitioners and other co-accused are inextricably linked to the acts of A1 and A2. The role of the petitioners is merely consequential or accessory to the decisions of A1 and A2. Therefore, their absence would render it impossible for the other accused persons to cross-examine the witnesses on the core aspects concerning

intent, knowledge, and decision-making, which are pivotal to the defence. However, the Trial Court has now ordered a separate trial while the proceedings against the principal conspirators are kept in abeyance. This not only causes serious procedural prejudice but would also result in the multiplicity of proceedings, duplication of evidence, and the possibility of inconsistent findings. The split-up was ordered without exhausting extradition remedies or fully complying with Section 88 of the Cr.P.C.

4.1. He further submitted that the delay was not caused by the petitioners. The prosecution only delayed the trial by failing to secure the presence of the first and second accused through diplomatic or legal channels. Further, if the Trial Court is permitted to proceed with the trial in the absence of the principal accused, A1 and A2, it would amount to depriving the other accused of a fair opportunity to defend themselves fully. It would violate the principles of natural justice and the fairness of the trial would become doubtful. Therefore he prayed to allow all petitions.

5. Heard the learned counsel appearing on either side and perused the materials placed before this Court.

6. On perusal of the records and also on the hearing of the learned counsel appearing on either side, it is revealed that all the accused were hand in gloves and acted in criminal conspiracy with A1 & A2. Further the role played by the petitioners is as follows :-

(a) The role played by the petitioner viz., M.V.Ganesan is that, in pursuance of the criminal conspiracy with A1, A2 and other accused persons operated the transactions of the Company with regard to credit facilities availed. He had submitted the execution of forged work order of Infoblox and submitted same to the Union Bank of India for discounting a sum of USD 883604. Subsequently the amount was used for off setting the PCFC due loans. He was constantly communicating with the banks either directly or through employees for diversion of funds. He had submitted the invoices of shell companies Effica System floated by A1 and A2, to IBM for purchasing and leasing of IT equipment from vendors based on which payment were done by IBM to the Company, which ultimately resulted in invocation of Bank Guarantee of Rs.9.50 Crores to Union Bank of India. A sum of Rs.16,47,800/- diverted to him from Packing Credit Funds of the Company sanctioned by Syndicate Bank.

(b) The role played by the petitioner viz., Santhanakumar Rajendran is that, in pursuance of the criminal conspiracy with A-1, A-2 and A-4 and other accused persons, enabled receipt of Rs 4,52,46,400/- in the Axis Bank account of Effica Systems Pvt Ltd., and further sent a fax message of RTGS Transaction on 13.01.2011 to transfer funds to the Company. Thus aiding in the diversion of Funds of the proceeds of PCL Loan of Syndicate Bank. Further he also signed in the proforma invoices to the tune of Rs.4,84,96,350/- of Effica Systems Limited knowing fully that no work as per the invoice was carried out by Effica Systems limited and those invoice was submitted by the Company to IBM to receive, loan advances and subsequently, resulted in invocation of Bank Guarantee by IBM. He also facilitated the diversion of Rs.1.43 crores from PCL loan of Rs.24.78 Crores of loan of Syndicate bank diverted in India through the bank account of M/s. Effica Systems Pvt Ltd.

(c) The role played by the petitioner viz., Rangaswamy Mohan is that, in pursuance of the criminal conspiracy with A-1, A-2 & A-4 and others, he assisted in diversion of Rs.1.26 Crores from PCL loan Rs.24.78 crores of loan of Syndicate bank diverted in India through the bank account of M/s.Aditicon Service (India) Pvt Ltd.

(d) The petitioner viz., GovindrajuKaniappan was one of the directors of the shell company M/s. Woodbridge Technologies Pvt Ltd floated by A1 and A2. He was full time employee of the Company, working in their accounts department during the period, and was reporting to M.V.Ganesan. He facilitated the diversion of funds through his Company viz., M/s Woodbridge Technologies Pvt Ltd. He was authorized signatory to operate the account of M/s Woodbridge Technologies Pvt. Ltd., in HDFC Bank Ltd., Chennai. M/s. Woodbridge Technologies Pvt Ltd., was utilized for diversion of Rs.5,00,53,500/- despite no work as per the invoice was carried out. These invoices were submitted by the Company to IBM to receive, loan advances and subsequently, resulted in invocation of Bank Guarantee by IBM. The Company has received Rs.5,53,01,400/- in its HDFC Bank Account without any genuine business transaction. The amount received is out of the Loan sanctioned to the Company by Syndicate Bank and the above transaction is not for any sanctioned purpose and transferred back to the Company.

(e) The petitioner viz., V Sriram was one of the directors of the shell company M/s Woodbridge Technologies Pvt Ltd floated by A1 &A2. He was a full-time employee of the Company, working in their accounts department during the period, and was reporting to M.V. Ganesan. He facilitated the diversion of funds through his company M/s Woodbridge Technologies Pvt Ltd. He was authorized signatory to operate the account of M/s Woodbridge Technologies Pvt Ltd., in HDFC Bank Ltd., Chennai. M/s Woodbridge Technologies Pvt Ltd., was utilized for diversion of Rs.5,00,53,500/- despite no work as per the invoice was carried out. These invoices were signed by him and submitted by the Company to IBM to receive, loan advances and subsequently, resulted in invocation of Bank Guarantee by IBM. The Company has received Rs.5,53,01,400/- in its HDFC Bank Account from its account without any genuine business transaction. The amount received is out of the Loan sanctioned to the Company by Syndicate Bank and the above transaction is not for any sanctioned purpose and transferred back to the Company.

(f) The role played by the petitioner viz., K.Ramachandran is that, in pursuance of the criminal conspiracy with other accused persons, he use to submit the bogus invoice as genuine to the bank and assisted in diversion of loan proceeds.

(g) Insofar as the petitioners viz., Saravanan & Srinivasan are concerned, they operated the accounts of M/s. Effica Systems Pvt. Ltd., and M/s.Aditicon Services (India) Pvt. Ltd., without any authorization being given to them by these companies. They also transferred the loan amount and supervised the further movements of funds.

(h) As far as the petitioner viz., Srikanth is concerned, he is a Chartered Accountant by profession and he was inducted in the Company as Director and subsequently became whole-time Director. He availed loan of Rs.5 crores under margin funding category from M/s. NSIPL by pledging the share of the Company. Further the proceeds of the loan was utilized by his wife viz., Sripriya, to increase her stake in the Company by purchasing more shares from the stock market.

7. That apart, the first and second accused were granted permission to travel abroad with specific directions to return to India. However, they have disregarded the orders passed by the Trial Court by not returning to India. The first accused was permitted to travel abroad to the USA for a period of three months, from 30.09.2017 to 20.12.2017, by the learned Additional Chief Metropolitan Magistrate, Allikulam,

Chennai, by an order dated 25.09.2017 in Crl.M.P.No.2392 of 2017 in R.C.No.8/E/2016 (C.C.No.8754/2017). Thereafter, the first accused filed a petition for extension of stay for a period of six months, and the same was allowed by granting an extension of three months, by an order dated 22.06.2018 in Crl.M.P.No.965 of 2018 in R.C.No.8/E/2016 (C.C.No.8754/2017). Thereafter, he filed another petition for further extension, which was allowed in Crl.M.P.No.1534 of 2018 for three months. Thereafter, he filed another petition for further extension, which was allowed in Crl.M.P.No.2060 of 2018 for three months with effect from 23.12.2018. Further, for the fourth time, he filed a petition for extension of stay for a period of six months, and the same was dismissed by the Trial Court by an order dated 09.04.2019 in Crl.M.P.No.520 of 2019 in R.C.No.8/E/2016 (C.C.No.8754/2017).

8. Further, while the first accused was under the period of extension granted by the Additional Chief Metropolitan Magistrate, Allikulam, Chennai, he filed petitions under Section 205 Cr.P.C. in Crl.M.P.Nos.5042 and 5043 of 2018 to dispense with his personal appearance before the learned XI Special Judge for CBI Cases, Chennai, in C.C.Nos.41 of 2015 and 2 of 2018, and the same were dismissed by an order dated 05.01.2019 with a direction to appear before the Trial Court.

Aggrieved by the said order of the Trial Court, the first accused filed petitions before this Court in Crl.O.P.Nos.4428 and 4471 of 2019. This Court, after perusing the report of the Trial Court and considering the affidavit of undertaking dated 27.06.2019 filed by the first accused, closed the petitions by directing the first accused to appear before the Trial Court on 06.08.2019 and to file a fresh application before the Trial Court.

9. Likewise, the second accused was permitted to travel abroad to the USA for a period of six months, from 27.12.2017 to 25.06.2018, by the learned Additional Chief Metropolitan Magistrate, Allikulam, Chennai, by an order dated 21.12.2017 in Crl.M.P.No.3221 of 2017 in R.C.No.8/E/2016 (C.C.No.8754 of 2017). Thereafter, he filed a petition for further extension of six months from 25.06.2018, which was allowed by an order in Crl.M.P.No.964 of 2018 dated 22.06.2018, granting an extension of three months. Thereafter, he filed petition for further extension, which was allowed in Crl.M.P.No.1535 of 2018 for three months with effect from 25.09.2018. Thereafter, he filed another petition for further extension, which was allowed by an order in Crl.M.P.No.2059 of 2018 dated 19.12.2018 for three months with effect from 26.12.2018. Further, for the fourth time, the second accused filed a petition for

extension of stay for a period of six months from 26.03.2019, and the same was dismissed by the learned Additional Chief Metropolitan Magistrate, Allikulam, Chennai, by an order dated 09.04.2019 in Crl.M.P.No.521 of 2019 in R.C.No.8/E/2016.

10. Further, while the second accused was under the period of extension granted by the learned Additional Chief Metropolitan Magistrate, Allikulam, Chennai, he filed petitions under Section 205 Cr.P.C. in Crl.M.P.Nos.5044 and 5045 of 2018 to dispense with his personal appearance before the learned XI Special Judge for CBI Cases, Chennai, in C.C.Nos.41 of 2015 and 2 of 2018, and the same were dismissed by an order dated 05.01.2019 with a direction to appear before the Trial Court. Aggrieved by the said order, the second accused filed petitions before this Court in Crl.O.P.Nos.4468 and 4478 of 2019. This Court, after perusing the report of the Trial Court and considering the affidavit of undertaking dated 27.06.2019 filed by the second accused, closed the petitions with a direction to the petitioner to appear before the Trial Court on 06.08.2019 and to file a fresh application before the Trial Court. Though Non-Bailable Warrants were issued against A1 and A2 and extradition proceedings are being proposed against A1 and A2, the same

are getting delayed. Therefore, the other accused persons cannot be made to suffer due to the prolonged pendency of the trial.

11. Further, Rule 17 of the Criminal Rules of Practice and Circular Orders, 1958, provides that where there are several accused persons in a case and only some of them have appeared or have been produced before the Trial Court, and the Court is satisfied that the presence of the remaining accused cannot be secured within a reasonable time, having due regard to the right of the accused who have appeared to have the case against them enquired into and disposed of without undue delay, the Trial Court shall split up the case and assign a separate number to the split-up proceedings.The Rule further contemplates that, where the split-up case remains pending for a considerable period despite earnest efforts to secure the presence of the absconding accused, and the case against the accused who have appeared has already been concluded, the Trial Court shall submit an appropriate report to the higher forum in accordance with the Rules. It also empowers the Trial Court to split up the case and proceed with the trial against the available accused, provided that such a course would not cause prejudice either to the prosecution or to the accused facing trial.In the present case, no prejudice would be

caused to the petitioners if the Trial Court splits up the proceedings in accordance with Rule 17 and proceeds with the trial against the petitioners and such a course would advance the cause of expeditious disposal of the case and uphold the right of the petitioners to a speedy trial.

12. That apart, in order to execute the non bailable warrant, extradition was proposed as against A1 & A2. Hence, an open dated non bailable warrant was obtained in RC8/E/2016 in the year 2023 in order to extradite both the accused. However, on verification of extradition guidelines an assurance to follow the rule of specialityie., if the accused is extradited to India, he would be tried in India only for those offences for which extradition is sought. Therefore, open dated non bailable warrant was obtained in the remaining cases as follows :-

Sl. No.	RC No.	CC No.	Court	Date of open dated non bailable warrant
1	RC 03(E)/2017	02/2018	XI Special Judge for CBI Cases, Chennai.	30.04.2024
2	RC07(E)/2014	41/2015	XI Special Judge for CBI Cases, Chennai.	30.04.2024
3	RC08(E)/2016	8754/2017	Additional Chief Metropolitan Magistrate	05.08.2023
4	RC14(E)/2016	927/2021	Additional Chief Metropolitan Magistrate	29.05.2024

13. Since the extradition process was time-consuming, the respondent police filed petitions to split up the cases as against A1 and A2, and the Trial Court allowed the said petitions. Accordingly, the cases were split up as follows :-

Sl. No.	RC No.	CC No.	Court	Split up C.C No for A1 & A2
1	RC 03(E)/2017	02/2018	XI Special Judge for CBI Cases, Chennai.	11/2025
2	RC07(E)/2014	41/2015	XI Special Judge for CBI Cases, Chennai.	10/2025
3	RC08(E)/2016	8754/2017	Additional Chief Metropolitan Magistrate	870/2025
4	RC14(E)/2016	927/2021	Additional Chief Metropolitan Magistrate	869/2025

14. Therefore, the Trial Court rightly allowed the petitions filed by the first respondent/CBI to split up A1 & A2 from the main case. Hence, this Court finds no infirmity or illegality, in the order passed by the Trial Court. The relief sought by the petitioners is, therefore, devoid of merits and the petitions are liable to be dismissed. However, in the interest of justice and to ensure the expeditious conclusion of the criminal proceedings, this Court directs the competent authority concerned to take all necessary steps to expedite the extradition process for securing the

presence of Accused Nos. 1 and 2 in India and, upon securing their presence, the Trial Court is directed to proceed against them in accordance with law within a period of twelve weeks from the date of receipt of a copy of this order.

15. Accordingly, all the Criminal Original Petitions stand dismissed. Consequently, connected miscellaneous petitions are also closed.

07.08.2026
(2/3)

Index : Yes/No
Neutral citation : Yes/No
Speaking/non-speaking order

Note : Registry is directed to
incorporate cause title for all
the cases and issue order copy.
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To

1. Additional Chief Metropolitan Magistrate
Allikulam, Egmore, Chennai.

2. XI Additional Special Judge for CBI Cases
(CBI Cases Relating to Banking and Financial Institutions),
Chennai.

3. The Inspector of Police,
CBI/BS&FC/Bangalore.

4. The Public Prosecutor,
Madras High Court,
Chennai.

G.K.ILANTHIRAIYAN. J,

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Common Order in
Crl.O.P.Nos.19206, 19324, 19525, 19544 & 20906 of 2025
and Crl.M.P.Nos.13152, 13287, 13424, 13468 & 14431 of 2025

07.08.2026
(2/3)