News

The Delhi High Court permits Canada to retrieve ?66 crore from the convicted person's Indian bank accounts.

Sanjay Madan and co-defendant Vidhan Madan's Indian bank accounts have been essentially frozen by the court, preventing them from carrying out any activities until further directives are issued.

In relation to a well-known embezzlement and kickback case pending in Canadian courts, the Delhi High Court has allowed the Canadian government to retrieve ?65.9 crore from bank accounts in India owned by Sanjay Madan and his friends.

Sanjay Madan and co-defendant Vidhan Madan's Indian bank accounts have been essentially blocked by the Delhi High Court, preventing them from carrying out any transactions until further directives are issued. However, there are two small exceptions to the freeze: sending ?65.9 crore to the Canadian government and paying legal fees based on legitimate bills.

On June 23, 2025, **Justice Manmeet Pritam Singh Arora** issued an order instructing RBL Bank and IndusInd Bank to transfer the monies upon the completion of the necessary compliance processes.

"After the above said KYC compliance is done, Defendant No. 5 (IndusInd Bank) and Defendant No. 10 (RBL Bank) are further directed to remit an amount to the tune of Rs. 65.9 Crores in the bank account of the Crown/Plaintiff in accordance with applicable law/rules," the court ruling stated.

Section 84 of the Code of Civil Procedure, 1908 (CPC), which permits a foreign government to file a lawsuit in Indian courts with prior consent from the Indian government, has been used by the Canadian government. The lawsuit is a part of ongoing efforts by Canadian authorities to recoup money that Madan is accused of diverting to India as part of a multi-year fraud totaling 47.4 million Canadian dollars (CAD) (about ?290 crore).

Former IT Director of Ontario's Ministry of Education, Sanjay Madan, is an Indian technocrat who was found guilty in Canada of embezzling public funds through two significant schemes.

He organized a consultant kickback scheme from 2011 to 2020, transferring CAD 36.6 million into fictitious companies under his and his family's control. Using fictitious identities and several bank accounts, he submitted hundreds of fraudulent claims to embezzle CAD 10.8 million in 2020, further abusing Ontario's Support for Families COVID-19 assistance program.

He admitted to several charges of fraud, breach of trust, and money laundering in April 2023 and was given a 10-year prison sentence. Madan committed to repaying the full amount of the deception as part of a plea deal, paying back CAD 30 million up front and the remaining money over a period of 15 years. An extra six years in jail could result from noncompliance.

Sanjay Madan, who appeared via video conference during Delhi High Court proceedings, stated that he had no issues with the money transfer.

According to his lawyer, Madan had no problem sending the money in his bank accounts at IndusInd Bank and RBL Bank to the Canadian government because there were enough funds in them (about ?38 crores and ?29 crores, respectively).

After accepting this submission, Justice Arora gave IndusInd Bank and RBL Bank instructions to work with Madan to finish the KYC procedures in two weeks. After then, the banks had to transfer ?65.9 crore to the Canadian government's account.

Madan was only permitted to use the accounts "to the limited extent" of sending this sum and paying legal fees determined by "legitimate invoices."

Axis Bank, Punjab National Bank, ICICI Bank, IDBI Bank, YES Bank, Kotak Mahindra Bank, and other banks were also ordered by the court to provide affidavits revealing account and transaction details within six weeks. Additionally, Sanjay Madan and Vidhan Madan, defendants 1 and 2, are required to disclose all of their assets in India.

The Court ruled that Defendant Nos. 1 and 2 are prohibited from conducting business from their Indian bank accounts until the application's final resolution, in light of Defendant No. 1's statement and Defendant No. 2's email response.

Advocates Sooraj Sharma, Vipul Agrawal, Jatin Kochhar, Indresh Upadhyay, Arjun Kant, Aditya Vijaykumar, Gaurav Singh, Anuj Dave, and Siddharth Sijoria from Clavius Legal defended the Canadian government, which was represented by **Senior Advocates Arvind Nayar and Shashank Verma.**