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WPA 26208 of 2017
With
IA No. CAN/1/2018(Old No. CAN/1757/2018)
With
CAN 2 of 2022

Aditya Sikdar & Ors.
-Vs-
Allahabad Bank & Ors.

Mr. Abhrajit Mitra,
Ms. Rajshree Kajaria,
Mr. Satadeep Bhattacharyya
... for the petitioners

Mr. Om Narayan Rai
... for the Indian Bank/respondent Bank

The petitioners seek quashing of a declaration of the petitioners as wilful defaulters by the Identification Committee of the Allahabad Bank (now Indian Bank).

The reason for seeking the same is a letter placed before the Court and issued by the respondent Indian Bank on 28th March, 2023 recording that the petitioners have paid the compromise amount of Rs. 17.99 crores in full and there are no dues outstanding to the Bank in the subject account of M/s. Kaaiser Oil Pvt. Ltd. The letter further states that the NOC has been issued subject to withdrawal of pending proceedings filed by the petitioners in any Court against the Bank.

The parties are represented.

The settlement of the compromise amount is directly relatable to Explanation (ii) to Clause 2.9 of the Master Circular on Wilful Defaulters issued by the Reserve Bank of India dated 1st July, 2014. Explanation (ii) provides that the Banks need not report cases where the Banks have agreed to a compromise settlement and the borrower has paid the compromise amount in full.

This is precisely the case before the Court. Since the petitioners have paid the compromise amount in full as recorded by the Bank's letter dated 28th March, 2023, the petitioners' name classified as wilful defaulters and any connected declaration cannot remain in the records of the Bank. The communication of 17th February, 2017 declaring the petitioners as wilful defaulters is, therefore, quashed. The letter issued by the Bank on 28th March, 2023 is kept on record. The respondent Bank shall take due steps in accordance with law.

WPA 26208 of 2017 and all connected applications are disposed of in terms of the above.

(Moushumi Bhattacharya, J.)