



WEB COPY



W.P.Nos.29248 & 29249 of 2023

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 09.10.2023

CORAM :

THE HONOURABLE DR.JUSTICE ANITA SUMANTH

W.P.Nos.29248 & 29249 of 2023

and

W.M.P.Nos. 28852, 28853, 28854, 28857, 28855, 28858, 28859,
28861 of 2023

Dumpala Madhu Sudhana Reddy

.. Petitioner
in WP 29248/23

Dr.Ambedkar Rajkumar Ganta (IAS) (Retd)

.. Petitioner
in WP 29249/23

VS

- 1.Reserve Bank of India
Mumbai Regional Office,
Shahid Bhagat Singh Marg,
Kala Ghoda, Fort, Mumbai,
Maharashtra 400001.
- 2.Central Bureau of Investigation
Banking Securities Fraud Branch,
Represented by Inspector of Police,
Having office at:
Plot No.5-B, CGO Complex,
Lodhi Road, New Delhi-110003
- 3.State Bank of India
Represented by S.Ravichandran
Deputy General Manager,
Stressed Assets Management Branch
No.32, Red Cross Building,
Indian Red Cross Society,
Egmore, Chennai-600 008
Also at:
12th Floor, State Bank Bhavan,



W.P.Nos.29248 & 29249 of 2023

Madame Cama Road, Nariman Point,
Mumbai-400021.

WEB COPY

- 4.Axis Bank,
Corporate Banking Branch,
Karumuthu Nilayam,
Ground Floor, No.192, Anna Salai,
Chennai-600 002.
- 5.IL & FS Financial Services Ltd.,
The IL&FS Financial Centre,
Plot C – 22, G Block, Bandra Kurla Complex Bandra East,
Mumbai 400 051.
- 6.UCO Bank,
Flagship Corporate Branch,
6-3-1108, Ground Floor,
Navabarath Chambers, Raj Bhavan Road,
Somajiguda, Hyderabad-500 082.
Also at
Head Office at No.10, BTM
Sarani Kolkatta-700 001.
- 7.Syndicate Bank,
(Currently merged with Canara Bank)
SAMG Branch,
16/38, SIC Building, 1st Floor, Anna Salai,
Chennai-600 002
- 8.Bank of India,
Khairtabad Branch, PTI Building, Ground Floor,
10-01-1199/2, AC Guards, Hyderabad-500 004.
Head Office at:
Star House C-5, G-Block, 3rd floor,
Bandra Kurla Complex, Bandra (E),
Mumbai-400 051.
- 9.Punjab National Bank,
Large Corporate Branch, Centenary Building,
28, MG Road, Bangalore-560 001.
Head Office at:
Plot No.4, Sector 10, Dwarka, New Delhi-110 066.
- 10.Indian Overseas Bank,



W.P.Nos.29248 & 29249 of 2023

RP Road Branch, Kasuva Complex,
RP Road, Secunderabad-500 003
Head Office at:
No.762, Anna Salai, Chennai-600 002.

.. Respondents
in WP 29248/23

Petitions filed under Article 226 of the Constitution of India praying to issue a writ of certiorarified mandamus to call for record and quash the Resolution passed by the Fraud Identification Committee, Stressed Assets Resolution Group of the 3rd respondent herein in its meeting held on 14.09.2020 as arbitrary and untenable in law.

(In both WPs)
For Petitioners : Mr.Anirudh Krishnan

COMMON ORDER

A similar issue has been dealt with by this Court in W.P.Nos.15964 of 2023 & 10454, 11669 & 11671 of 2022 dated 04.10.2023 and following order was passed:-

Only the miscellaneous petitions seeking injunction and fixation of early date are listed today. However, bearing in mind Memo dated 04.10.2023 filed by Mr.M.L.Ganesh, learned counsel appearing for the State Bank of India, the detailed submissions made by all learned Senior Counsel for the petitioners and respondents, this Court finds that the writ petitions may themselves be disposed. Hence, Registry has been directed to list the main writ



WEB COPY



W.P.Nos.29248 & 29249 of 2023

petitions as well, and they are so listed under a special list.

2.A common order is passed in these cases since all writ petitioners have sought writs declaring a resolution passed by the Fraud Identification Committee, Stressed Assets Resolution Group of the Respondent in its meeting held on 14.09.2020, (a copy of which has not been served upon the petitioners) as 'fraud'. Based on the aforesaid Resolution, proceedings have been initiated as against the petitioners.

3.That a copy of the resolution has not been made available to the petitioners is admitted seeing that the respondent/State Bank of India have themselves stated in counter dated 15.06.2022 that the declaration of the borrower as 'fraud' is as per the extant guidelines of the Reserve Bank of India and the said guidelines do not provide for sharing of a copy of the said resolution to the borrower.

4.Be that as it may, Mr.Ganesh, learned counsel appearing for the State Bank of India, has filed a memo dated 04.10.2023 common to all writ petitions, which reads as follows:

'It is respectfully submitted that fraud cases declared prior to Hon'ble Supreme Court Judgement dated 27.03.2023, SBI has reported to RBI and accordingly SBI has decided to "reverse" classify the fraud decision and further decided to issue show cause notice to the Borrower's/ Guarantor's.

It is further submitted that if no response from Borrower's/ Guarantor's, pursuant to the issuance of show cause notice, the Lender institution will declare fraud in accordance with law. The reclassified fraud will be intimated to the RBI as per prevailing guidelines.

It is therefore respectfully prayed that in the light of Hon'ble Apex Court Judgment and RBI guidelines, SBI has decided to follow reverse classification process and intends to conduct fresh fraud proceedings in accordance with law.



WEB COPY



W.P.Nos.29248 & 29249 of 2023

It is therefore prayed that the aforesaid statement may be recorded with regard to fraud declaration alone and thus render justice.'

5.He would confirm the position that the impugned resolution is being reversed and with it, the decision to classify the petitioners as 'fraud'. The State Bank of India will issue show cause notice if at all they intend to proceed with fresh proceedings proposing to classify the petitioners as 'fraud'. In light of memo dated 04.10.2023 filed now, the challenge to the Resolution no longer survives as the Resolution itself does not survive any further. Recording the same, these writ petitions are closed.

6.Parties also bring to the Court's notice that proceedings have been initiated by the Central Bureau of Investigation that are proceeding parallelly.

7.All parties confirm that they do not pursue any prayer as against the Central Bureau of Investigation in these writ petitions, and at this stage. No costs. Consequently, connected miscellaneous petitions are also closed.

2. In light of the above, the present writ petitions stand decided in terms of order dated 04.10.2023 extracted above. No costs. Connected miscellaneous petitions are closed.

09.10.2023

Index:Yes/No
Neutral Citation:Yes/No
ssm



W.P.Nos.29248 & 29249 of 2023

To

WEB COPY

1. Reserve Bank of India
Mumbai Regional Office,
Shahid Bhagat Singh Marg,
Kala Ghoda, Fort, Mumbai,
Maharashtra 400001.
2. Central Bureau of Investigation
Banking Securities Fraud Branch,
Represented by Inspector of Police,
Having office at:
Plot No.5-B, CGO Complex,
Lodhi Road, New Delhi-110003
3. State Bank of India
Represented by S.Ravichandran
Deputy General Manager,
Stressed Assets Management Branch
No.32, Red Cross Building,
Indian Red Cross Society,
Egmore, Chennai-600 008
Also at:
12th Floor, State Bank Bhavan,
Madame Cama Road, Nariman Point,
Mumbai-400021.
4. Axis Bank,
Corporate Banking Branch,
Karumuthu Nilayam,
Ground Floor, No.192, Anna Salai,
Chennai-600 002.
5. IL & FS Financial Services Ltd.,
The IL&FS Financial Centre,
Plot C – 22, G Block, Bandra Kurla Complex Bandra East,
Mumbai 400 051.
6. UCO Bank,
Flagship Corporate Branch,
6-3-1108, Ground Floor,
Navabarath Chambers, Raj Bhavan Road,
Somajiguda, Hyderabad-500 082.



W.P.Nos.29248 & 29249 of 2023

Also at
Head Office at No.10, BTM
Sarani Kolkatta-700 001.

WEB COPY

- 7.Syndicate Bank,
(Currently merged with Canara Bank)
SAMG Branch,
16/38, SIC Building, 1st Floor, Anna Salai,
Chennai-600 002
- 8.Bank of India,
Khairtabad Branch, PTI Building, Ground Floor,
10-01-1199/2, AC Guards, Hyderabad-500 004.
Head Office at:
Star House C-5, G-Block, 3rd floor,
Bandra Kurla Complex, Bandra (E),
Mumbai-400 051.
- 9.Punjab National Bank,
Large Corporate Branch, Centenary Building,
28, MG Road, Bangalore-560 001.
Head Office at:
Plot No.4, Sector 10, Dwarka, New Delhi-110 066.
- 10.Indian Overseas Bank,
RP Road Branch, Kasuva Complex,
RP Road, Secunderabad-500 003
Head Office at:
No.762, Anna Salai, Chennai-600 002.



WEB COPY



W.P.Nos.29248 & 29249 of 2023

DR. ANITA SUMANTH,J.

ssm

W.P.Nos.29248 & 29249 of 2023

09.10.2023