

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

WRIT PETITION NO. 1943 OF 2024

Rajesh G. Poddar
& Others

.. Petitioners.

Versus

Reserve Bank of India
& Another

.. Respondents.

**Adv. Kamal R. Bulchandani, Mr. Saurish Shetye, Mr. Tanmay Mehta
i/b. Mrs. Anchal M. Garg & Ms. Keertana S. Nair, for the Petitioners.**

**Adv. Ms. Ayushi Doshi a/w. Ms. Shraddha Patil and Narpat Singh i/b.
India Law LLP, for Respondent No.2.**

**CORAM: B. P. COLABAWALLA &
FIRDOSH P. POONIWALLA, JJ.**

DATE: JUNE 12, 2024

P. C.

1. In the present Petition, the Petitioners seek to lay a challenge to their declaration as “Fraud” under the RBI Circular dated 1st July, 2016.

2. It is the case of the Petitioners that the copy of such declaration has not been served on the Petitioners. One of the main grounds to challenge the said declaration is that no hearing was given before the Petitioners were declared as ‘Fraud’. Further no documents were furnished.

In such circumstances, the argument is that the entire action of the Bank in declaring the Petitioners as “Fraud”, runs in the teeth of the decision of the Hon’ble Supreme Court in the case of *State Bank of India & Others v/s. Rajesh Agarwal & Others (2023) 6 SCC page 1.*

3. The learned Counsel appearing on behalf of the State Bank of India (Respondent No.2) sought time to file an affidavit in reply to the above Petition.

4. Acceding to her request, we direct that Respondent No.2 shall filed its reply on or before 26th June, 2024 and serve a copy of the same on the Advocate for the Petitioners, failing which we will proceed on the basis that Respondent No.2 (State Bank of India) has nothing further to say in the matter.

5. The Petitioners are at liberty to file an affidavit in rejoinder on or before 3rd July, 2024 and a serve copy of the same on the Advocate for Respondent No.2.

6. In the meanwhile and until further orders, there shall be ad-interim relief in terms of prayer clause (c) which reads thus:-

“That pending the hearing and final disposal of the present Writ Petition, this Hon’ble Court be pleased to stay the effect and operation of the impugned declaration of fraud”

7. It is however further clarified that if any criminal proceedings have been initiated by State Bank of India against the Petitioners, they shall continue on their own merits, but *de-hors* the master circular or the Petitioners being declared as a “Fraud” under the Master Circular dated 1st July, 2016.

8. The parties are put to notice that the Court may hear the Petition finally at the stage of admission itself, time permitting.

9. Stand over to 4th July, 2024.

10. This order will be digitally signed by the Private Secretary/ Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order.

[FIRDOSH P. POONIWALLA, J.]

[B. P. COLABAWALLA, J.]