
IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
WRIT PETITION NO.2517 OF 2024

Nayan Thakarshi Shah & Ors.

.. Petitioners

Versus

Reserver Bank of India & Anr.

.. Respondents

Mr. Pranjit Bhattacharya (through V.C.) a/w Avdhoot Prabhu i/b Lex Services, Advocates for the Petitioners.

Mr. Harish K. Raman i/b Rathina Maravarman, Advocates for Respondent No.2.

CORAM : B. P. COLABAWALLA &
FIRDOSH P. POONIWALLA, JJ.
DATE : JUNE 13, 2024

P. C.

1. The above Writ Petition is filed seeking to quash the impugned action of Respondent No.2 Bank of declaring the account of Neptune Developers Limited/Petitioners as “Fraud” pursuant to the RBI Master Circulation dated 1st July 2016.

2. The case of the Petitioners is that the account of the Petitioners/Neptune Developers Limited is classified as a “Fraud” account in complete violation of the principles laid down by the Hon’ble

Supreme Court in the case of ***State Bank of India and Others V/S Rajesh Agarwal and Others [2023 (6) SCC 1]***.

3. The learned counsel appearing on behalf of Respondent No.2 stated that he has just been served with the above Writ Petition and sought time to file an affidavit-in-reply.

4. Acceding to his request, it is directed that the affidavit-in-reply on behalf of Respondent No.2 shall be filed within a period of 2 weeks from today and copy of the same shall be served on the advocates for the Petitioners. In the event, the Petitioners want to file any affidavit-in-rejoinder, they may do so within a period of 1 week from the date of service of the affidavit-in-reply and serve a copy of the same on the advocates for Respondent No.2.

5. In the meanwhile, and without prejudice to the rights and contentions of the parties, the implementation of the account of the Petitioners being declared as “Fraud” shall remain stayed. We clarify that if any criminal proceedings have been initiated against the Petitioners, those will not be affected by the present order and shall continue on their own merits but without any reference to the account of the Petitioners being declared as “Fraud”.

6. Stand over to 4th July 2024.

7. 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.]