



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 30.04.2024

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CORAM :
THE HONOURABLE MR. JUSTICE S.M.SUBRAMANIAM

W.P. No.7521 of 2024
and
W.M.P.Nos.8433 & 8435 of 2024

1. Right Health Platter Private Limited,
Represented by its authorized signatory,
Mr.Yekulu Venkata Subbiah Murali Babu,
No.115/63, Dr.Radhakrishnan Salai,
3rd Floor, North Flat, Mylapore, Chennai – 600 004.
2. Ramnath Arumugham
3. Yekulu Venkata Subbiah Murali Babu ... Petitioners

Vs.

1. Ministry of Finance,
Represented by its Secretary,
Department of Financial Services,
Jeevan Deep Building, Parliament Street,
New Delhi – 110 001.
2. Reserve Bank of India,
Represented by its Chief General Manager,
Department of Banking Operations & Development,
Central Office, 13th Floor,
Central Office Building,
Shahid Bhagat Singh Road, Mumbai – 400 001.
3. HDFC Bank Limited,



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No.116, Nelson Tech Park,
Nelson Manickam Road,
Amijikarai, Chennai,
Tamil Nadu – 600 029.

... Respondents

Prayer: Writ Petition is filed under Article 226 of Constitution of India, for issuance of writ of declaration, to declare that the entire proceedings of the 1st respondent, commencing from the issuance of the show cause notice dated 05.02.2024 to the communication of Forensic Audit Report dated 14.02.2024 received by the petitioners as annexure to letter dated 23.02.2024 concluding the petitioners as a 'Fraud', as unconstitutional and ultra vires, and in total disregard to the safeguards provided under the RBI Master Circular dated July 01, 2016.

For Petitioners	: Mr.Srinath Sridevan Senior Counsel for Mr.Pawan Jhabakh
For R1	: Mr.S.Makesh, Central Government Standing Counsel
For R2	: No appearance
For R3	: Mr.B.Dhanaraj

ORDER

The writ of declaration has been instituted to declare that the entire proceedings of the 1st respondent, commencing from the issuance of the show cause notice dated 05.02.2024 to the communication of Forensic Audit Report dated 14.02.2024 received by the petitioners as annexure to letter dated



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23.02.2024 concluding the petitioners as a 'Fraud', as unconstitutional and ultra vires, and in total disregard to the safeguards provided under the RBI Master Circular dated July 01, 2016.

2. Mr.Srinath Sridevan, learned Senior Counsel for the petitioner would draw the attention of this Court with reference to the message forwarded to the petitioner on 23.02.2024, stating that the petitioner has to submit their representation on or before 26.02.2024. It is contended that 23.02.2024 was a Friday and the petitioners were asked to submit representation on 26.02.2024, which was Monday. The short span of time provided by the 3rd respondent/bank is not in compliance with the rules of natural justice.

3. With reference to the show cause notice, the respective learned Counsels appearing on behalf of the respondents 1 and 3 would submit that the process has already been concluded. Therefore, the cause does not exist. The Counter affidavit filed on behalf of the 3rd respondent/bank reveals that the 3rd respondent/bank has classified the account of the 1st petitioner as “fraud” under the Master Directions on Frauds. The complaint dated



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05.04.2024 has already been filed/lodged by the 3rd respondent/bank before the Economic Offences Wing, Chennai against the petitioners.

4. The relief claimed by the petitioners have been rendered infructuous and no longer survives for consideration.

5. Since the 3rd respondent/bank has concluded its proceedings in all respects and a criminal prosecution has been initiated, the challenge made against the show cause notice is untenable.

6. No writ against a show cause notice is entertainable in a routine manner. It is entertainable, if show cause notice has been issued by an incompetent Authority having no jurisdiction or tainted with the allegations of malafides.

7. In the present case, the show cause notice had already been acted upon by following the due process and in compliance of Rules of natural justice and the Bank issued an order of declaration. Therefore, no further adjudication needs to be undertaken in respect of the grounds raised in the



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present writ petition. However, the petitioners are at liberty to raise all these grounds before the competent forum.

8. Accordingly, the Writ Petition stands **dismissed**. No costs.

Consequently, connected miscellaneous petitions are closed.

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Index : Yes/No
Speaking Order : Yes/No
Neutral Citation : Yes/No
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To

1. Ministry of Finance,
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New Delhi – 110 001.
2. Reserve Bank of India,
Represented by its Chief General Manager,
Department of Banking Operations & Development,
Central Office, 13th Floor,
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S.M.SUBRAMANIAM,J.



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