



W.P.No.10680 of 2024

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.10680 of 2024
and
W.M.P.No.11773 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. Axis Bank Limited,



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W.P.No.10680 of 2024

7th Floor Axis House, C2 Wadia International Center,
Pandurang Budhkar Marg, Mumbai,
Maharashtra – 400 025.

... Respondents

Prayer: Writ Petition is filed under Article 226 of Constitution of India, for issuance of writ of declaration, commencing from the issuance of the Show Cause Notice dated 16.02.2024 to the communication of Notice dated 20.03.2024 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 1, 2016.

For Petitioners : Mr.Srinath Sridevan
Senior Counsel
for Mr.Pawan Jhabakh

For R1 : Mr.S.Makesh
CGSC

For R3 : Mr.V.V.Sivakumar

ORDER

The writ of declaration has been instituted to declare that the entire proceedings of the 3rd respondent, commencing from the issuance of the Show Cause Notice dated 16.02.2024 to the communication of Notice dated 20.03.2024 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 1, 2016.

2. It is needless to state that the writ petition was instituted at the



W.P.No.10680 of 2024

stage of show cause notice. However, the 3rd respondent/Bank filed a counter stating that the account of the 1st petitioner has been classified as “fraud” under the Master Directions on Frauds. A complaint dated 05.04.2024 has already been filed/lodged by the 3rd respondent before the Economic Offences Wing, Chennai against the petitioners.

3. Mr.Srinath Sridevan, learned Senior Counsel for Mr.Pawan Jhabakh appearing on behalf of the petitioners would contend that the Rules of natural justice has been violated and the procedures as enumerated by the Hon'ble Supreme Court in the case of *State Bank of India and Ors v. Rajesh Agarwal and Ors.*, reported in (2023) 6 SCC 1 has not been followed. Therefore, the entire proceeding is to be declared as null and void.

4. Since the process has already been concluded and the account of the petitioners has been classified as “fraud” by the 3rd respondent/Bank, the petitioners are at liberty to raise all such grounds before the appropriate forum in the manner known to law. Since the cause did not exist with reference to the show cause notice, which is under challenge in the present writ proceedings, this Court is not inclined to adjudicate the other grounds.



W.P.No.10680 of 2024

WEB COPY

5. Accordingly, the Writ Petition stands **disposed of as infructuous**. No costs. Consequently, connected miscellaneous petition is closed.

30.04.2024

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

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,
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S.M.SUBRAMANIAM,J.

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W.P.No.10680 of 2024

W.P. No.10680 of 2024

30.04.2024
(2/2)