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IN THE HIGH COURT AT CALCUTTA
CONSTITUTIONAL WRIT JURISDICTION
ORIGINAL SIDE

WPO/467/2024
IA NO: GA/1/2025
PRAKASH CHANDRA AGARWAL
VS
STATE BANK OF INDIA AND ORS.

BEFORE:

The Hon'ble JUSTICE SABYASACHI BHATTACHARYYA

Date: 11TH JULY, 2025.

Appearance:

Ms. Noelle Banerjee, Adv.

Mr. Dipanjan Dey, Adv.

Ms. Bidisha Ghosal, Adv.

...for petitioner

Mr. Mukul Lahiri, Sr. Adv.

Mr. Anirban Prmanick, Adv.

Mr. Punarbasu Nath, Adv.

...for S.B.I.

Mr. Anirban Mitra, Adv.

Mr. Manabendra Nath Bandyopadhyay, Adv.

...for CBI

Mr. Malay Kr. Seal, Adv.

...for R.B.I.

The Court:- Learned Counsel for the petitioner appearing in WPO/467/2024, filed by one Prakash Chandra Agarwal, submits that by the said writ petition, a declaration of fraud in respect of the writ petitioner was challenged.

However, subsequent to the impugned first declaration of fraud, a fresh notice was given to the petitioner in or about April, 2024 under the concerned

Master Directions of the Reserve Bank of India pertaining to fraud and a proceeding was undertaken in pursuance thereof, although no further fraud declaration has been made against the writ petitioner.

In any event, in view of the subsequent notice under the self-same Master Directions and on the self-same allegations, the previous declaration of fraud, which was challenged in the present writ petition, has already spent its force and the writ petition has become infructuous in that sense.

Learned Senior Counsel appearing for the respondent no. 1-bank contends that subsequent to the previous fraud declaration, in April 2024, a fresh notice under the Master Directions was issued to the company as well as to all the directors, including the present petitioner, which was not challenged by the petitioner in the writ petition.

It is submitted that a “final order” declaring the petitioner to be fraud has since been passed on the basis of hearing given to the petitioner on the subsequent notice. It is submitted by learned Senior Counsel that since the grievance of the writ petitioner against the previous fraud declaration was merely that prior hearing was not given to the petitioner, the said grievance has been dealt with by subsequently giving a hearing and declaring fraud afresh.

Learned Counsel appearing for the C.B.I. submits that nothing in this order may preclude the C.B.I. from proceeding on the basis of the FIR lodged by the C.B.I.

Learned Counsel appearing for the petitioner, in reply, submits that no further declaration of fraud has been passed against the present petitioner pursuant to the subsequent notice of April, 2024.

A bunch of documents had previously been handed on behalf of the bank to the Court, on which learned Senior Counsel for the bank now relies. From the said bunch of documents, it is seen that an order declaring fraud was passed on December 13, 2024, which was intimated by a covering letter dated December 20, 2024 to several persons, including the borrower-company itself. However, contrary to the submissions made by the bank, I do not find mention of the name of present writ petitioner Prakash Chandra Agarwal in such communication.

Even if a subsequent declaration of fraud come into being against the company and its other directors/guarantor, since the name of Prakash Chandra Agarwal is not appearing in the communication which has been handed over in Court today, I am unable to accept the contention of the bank that any declaration of fraud has subsequently been made against the writ petitioner.

In any event, in view of subsequent issuance of a notice in the month of April, 2024, under the Master Directions pertaining to fraud, by the R.B.I. to the writ petitioner on the self-same allegations, which is an admitted position by both the parties, the previous declaration of fraud in respect of the writ petitioner, which was challenged in WPO/467/2024. has been rendered toothless and infructuous.

It is obvious that this Court is not in seisin of the validity or the correctness of the subsequent notice of April, 2024 and/or the procedure undertaken in pursuance thereof. However, in so far as the present writ petition is concerned, in view of the subsequent issuance of notice against the petitioner himself on the self-same allegation as the earlier fraud declaration, the earlier fraud declaration, which is challenged in the present writ petition, has been rendered infructuous and academic.

Accordingly, WPO/467/2024 is disposed of as infructuous in view of the fraud declaration challenged therein having itself spent its force by dint of the subsequent notice issued to the writ petitioner in April, 2024 under the RBI Master Directions on fraud on the same allegations.

It is, however, made clear that nothing in this order shall preclude or affect any subsequent notice, including the notice of April, 2024 and/or the proceedings taken in terms thereof. It is also made clear that the apprehension of the C.B.I. is not justified, since this Court is not sitting in judgement over whether the C.B.I. is or is not permitted to proceed on the basis of F.I.R., if any, registered against the writ petitioner as alleged by the C.B.I.

There will be no order as to costs.

The connected application, being GA/1/2025, stands consequentially disposed of as well.

(SABYASACHI BHATTACHARYYA, J.)