$~99

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **W.P.(C) 14962/2024 & CM APPL. 62771-62772/2024**

AVANTHA HOLDINGS LIMITED .....Petitioner

Through: Ms. Shruti Kanodia, Ms. Ishita Jain and Mr. Ravi Nair, Advocates.

versus

RESERVE BANK OF INDIA & ANR. .....Respondents

Through: Mr. Ramesh Babu, with Ms. Manisha Singh, Ms. Tanya Chouhdary and Mr. Rohan Srivastava, Advocates for RBI. Mr. L R Goyal with Mr. Hritik Goyal, Advocates for R-2.

CORAM:
HON'BLE MR. JUSTICE MANOJ JAIN

O R D E R

% **20.02.2025**

1. Petitioner is having three current accounts and one escrow account with the respondent Bank i.e. Axis Bank. However, at the moment, the petitioner is concerned with her two current accounts bearing account Nos. 917020031026599, 540010200001533 and an escrow account bearing no. 914020003736410.

2. According to petitioner, it never received any kind of communication or notice from the respondent Bank suggesting that they were contemplating classifying the above said accounts as '*fraud*' but to their surprise, it was so reflected on the internal portal of Fraud Montering.

3. Petitioner, accordingly, sought information under *Right to Information Act, 2005* and as per the response received pursuant to their such request, RBI replied as under:-

1	*Whether Avantha Holdings Limited has been reported as fraud under the Fraud Circular?*	*As per the records, Axis Bank Ltd. has reported fraud in the account of M/s Avantha Holdings Limited vide FMR No. UTIB1304-0012. Copy of FMR is attached after redacting information exempt from disclosure under Section 8(1) (h) and 8(1) (j) of RTI Act, 2005.*
2	*Who has reported Avantha Holdings Limited as fraud? Kindly supply supporting documents and the name of the concerned person/corporation/bank*	
3	*When has Avantha Holdings Limited been reported as fraud? Kindly supply supporting documents*	
4	*Has the reporting bank or financial institution reporting Avantha Holdings Limited as fraud shared any document/ information in support thereof? If yes, kindly provide s copy of the same*	

4. Petitioner was also aggrieved by the fact that it had not received any *Fraud Monitoring Report* (FMR) with said reply and, therefore, it sent another communication through RTI seeking copy of such *Fraud Monitoring Report* (FMR) but it never received any reply to the above said request.

5. It is in the above said factual background that the present writ petition has been filed by the petitioner seeking quashing of any such declaration classifying their account as '*fraud'* on the ground that no notice or intimation was ever issued to the petitioner, before classifying their account as '*fraud'*.

6. Interestingly, as per the short affidavit filed by respondent No.2-Axis Bank, while contending that the entire petition was wholly misconceived, it was also submitted that the above said account were neither marked '*red flag'* nor classified as '*fraud'* by their bank at any point of time. Para 9 of their short affidavit reads as under:-

"9. I say that the 4 nos. (Four) current account bearing nos. 917020031026599, 540010200001533, 540010200001563 and an existing escrow account bearing no. 914020003736410 were neither marked "red flag" and/or "fraud" account by the Respondent No.2 at any point of time."

7. Learned counsel for respondent No.1 –Reserve Bank of India submits that on the portal of FMR, there is no such entry now as such the same has already been deleted by Axis Bank.

8. Learned counsel for respondent- Axis Bank reiterates that as on date, the petitioner, with respect to the above said four accounts, has neither been marked *'red flag'* nor has been classified as '*fraud'*. It is also undertaken that every precaution shall be taken in future while reporting.

9. Needless to say, a wrong reporting can, naturally, have serious repercussions with respect to not only the credibility but also respecting reputation of any such account holder.

10. Be that as it may, learned counsel for the petitioner, in view of the above said clarification, does not press for any further relief in the present petition.

11. The petition stands disposed of as not pressed.

MANOJ JAIN, J

FEBRUARY 20, 2025/*sw*