GAHC010073652018

2026:GAU-AS:12667

THE GAUHATI HIGH COURT
(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

Case No. : WP(C)/2328/2018

M/S W. K. INDUSTRIES AND ANR.
A REGD. PROPRIETORSHIP FIRM/INDSTRIAL UNIT HAVING ITS REGD. OFFICE AT 10TH MILES, KHANAPARA, DIST. RI BHOI, MEGHALAYA, REP. BY ITS CONSTITUENT AND LAWFUL ATTORNEY SRI GAURAV AGARWAL.

2: SRI GAURAV AGARWAL

S/O. LT. O.P. AGARWAL
A CONSTITUENT AND LAWFUL ATTORNEY OF M/S. W.K. INDUSTRIES
R/O. FLAT NO. 203
MAINAKUNJ APARTMENT
SIKRIA COMPOUND
CHRISTIAN BASTI
GUWAHATI
P.S. DISPUR
KAMRUP (M)
ASSA

VERSUS

THE STATE BANK OF INDIA AND 2 ORS.
REP. BY THE CHIEF GENERAL MANAGER, HEAD OFFICE, DISPUR, GUWAHATI, KAMRUP (M) DISTRICT, ASSAM

2:THE CHIEF MANAGER

STATE BANK OF INDIA
S.M.E. BRANCH
G.S. ROAD
GUWAHATI
KAMRUP (M) DIST.
ASSAM

3:THE OFFICER IN CHARGE

DISPUR POLICE STATION
DISPUR
GUWAHATI
KAMRUP (M) DIST.
ASSA

Advocate for the Petitioner : MR. H DAS, MR. A. KAUSHIK,B SARMA,MR P K BORA,MR. N N DUTTA,MR P BARUAH,DR. ASHOK SARAF,MR. V A CHOWDHURY,MR. N J CHOUDHURY,MR B BORA,MR. P K MUNIR,MR. M MAHANTA,MR M CHOUDHURY,P BHAGAT

Advocate for the Respondent : GA, ASSAM, SC, SBI,MR S S SHARMA,MS. L SHARMA,MR. B J MUKHERJEE,MR A CHAKRABORTY

BEFORE
HONOURABLE MR. JUSTICE ARUN DEV CHOUDHURY

ORDER

Date : 03.11.2026

1. Heard Mr. A Kaushik, learned counsel for the petitioners. Also heard Mr. H. Buragohain, learned standing counsel, State Bank of India appearing for respondent Nos.1 & 2, and H.K. Hazarika, learned counsel for respondent No.3.

2. The present writ petition is directed against the action of the respondent bank in putting on hold / freezing the operation of the petitioner's bank account bearing No. 34375150457, maintained with the State Bank of India, SME Branch, GS Road, Guwahati.

3. The action was initiated on the ground that cheque No. 144495, which was presented through the account of M/S Meghalaya Trading Company, was suspected to be fraudulent, as the alleged drawer of the cheque, namely M/s Vishnu Sugar Mills Limited, Kolkata, had reportedly denied issuing the same.

4. It is the case of the petitioner that the aforesaid cheque was handed over by one Smt. Sudipa Goon, who represented herself to be a commission agent of M/s Vishnu Sugar Mills Limited, Kolkata, towards an advance payment against an order for supply of 12.5 MT of paraffin wax. The cheque was deposited through the petitioner's sister concern, M/s Meghalaya Trading Company. Upon being informed that the cheque was allegedly forged, the petitioner lodged an FIR before the Officer-in-Charge, Dispur Police Station.

5. At the outset, it is relevant to notice that neither M/s Vishnu Sugar Mills Limited, Kolkata, the entity alleged to have issued the cheque, has not been impleaded as a party respondent in the present proceeding. In their absence, this Court would necessarily be circumspect in expressing any opinion on the genuineness of the cheque or the underlying transactions.

6. The common affidavit filed by the State Bank of India further discloses that an amount of Rs.30 lakhs received through a cheque bearing No. 960596, was drawn on the personal account of Suresh Prasad Gupta and Usha Gupta. The said cheque was also alleged by Punjab National Bank to be fraudulent, and a claim was raised by the latter bank seeking the return of the amount from the State Bank of India.

7. The learned counsel appearing for the parties have submitted that the dispute between the two banks in relation to the aforesaid transaction is presently pending consideration before the Reserve Bank of India. In the meantime, the respondent bank has created a lien over the aforesaid amount of Rs.30 lakhs lying in the

petitioner's account.

8. Though the learned counsel for the petitioner questions the legality of such action, the creation of the lien, is a distinct act from freezing of the entire account, has not been specifically challenged in the present writ petition. It is submitted that the petitioner came to know of the lien only upon receipt of the affidavit filed by the respondent bank. Said Gupta Commercial is also not a party respondent in the present writ proceeding.

9. There can be no dispute that where a transaction is suspected to be fraudulent, the bank would be justified in taking appropriate steps in accordance with law to safeguard its interest and to ensure that the amount involved in such transaction is not dissipated. Equally, the competent investigating agency is not precluded from taking appropriate steps in respect of the account in accordance with the powers conferred upon it by law.

10. However, the exercise of such power must bear a reasonable nexus with the object sought to be achieved and cannot be permitted to operate in a manner that is disproportionate to the requirement of securing the disputed amount. In the present case, the respondent bank has itself quantified the amount in dispute at Rs.30 lakhs and has created a lien over the said amount.

11. Once the disputed amount has been identified and secured, the continuation of a complete restraint on the operation of the entire bank account would require justification beyond the mere existence of allegations of fraudulent transactions. The fact that

certain transactions in the account are under scrutiny cannot by itself justify an indefinite prohibition on all banking operations of the petitioner, particularly when the amount presently in dispute has been secured by the respondent bank.

12. This Court is also conscious of the stand taken by the respondent bank that the transactions in the account require scrutiny and that the petitioner has not furnished all the documents sought by the bank to establish the nature of its business activities. However, such matters may appropriately be examined by the competent investigating agency in the course of its investigation, as well as by the bank in terms of the SOP laid down in this regard by the Reserve Bank of India. The requirement of scrutiny of the transactions, in the absence of any further justification, cannot be treated as a sufficient ground for continuing an unrestricted restraint on the operation of the entire account.

13. This Court is also conscious of the submissions made on behalf of the petitioner that despite the passage of nearly eight years since the lodging of the FIR, there has been no meaningful progress in the investigation. It is stated that FIRs have been lodged by the State bank of India and by M/S Meghalaya Trading, in connection with the transactions in question. The prolonged pendency of the investigation, coupled with continued restraint on the operation of the entire bank account, is a relevant circumstance in examining the reasonableness and proportionality of the action impugned in the present proceedings.

14. A restraint of this nature cannot be permitted to continue

indefinitely merely on the ground that an investigation is pending, without the investigating agency taking the matter to its logical conclusion in accordance with law.

15. At the same time, this Court cannot determine whether the amount of Rs.30 lakhs was legitimately payable to the petitioner or whether the transactions in question were genuine. Such determination would necessarily involve an examination of underlying transactions and the rival claims of the concerned entities. However, none of them, except the petitioner and the respondent bank, are before this Court. The dispute between the banks is also stated to be pending before the Reserve Bank of India. Therefore, this Court refrains from expressing any opinion on the genuineness of the cheques, the entitlement of the petitioner to the amount in question, or the alleged fraud.

16. In the aforesaid circumstances, this Court is of the considered opinion that the interest of all concerned would be adequately protected if the petitioner is permitted to operate the bank account subject to the continuation of the lien over the disputed amount of Rs.30 lakhs until such dispute is resolved. Such an arrangement would secure the amount presently in dispute without continuing a blanket restraint on the petitioner's entire banking operations. The continuation of the lien would ensure that the amount remains protected, pending an appropriate decision by the competent authority in accordance with law.

17. Accordingly, the respondent bank is directed to permit the petitioner to operate its bank account bearing No. 34375150457

maintained at the State Bank of India, SME Branch, GS Road, Guwahati, subject to continuation of the lien over the amount of Rs.30 lakhs. The said lien shall continue until an appropriate order is passed by the competent authority in accordance with law, or the lien is otherwise lawfully discharged.

18. The petitioner shall furnish an appropriate undertaking/bond to the respondent bank indemnifying it against any loss or liability that may lawfully arise on account of any fraudulent or unlawful transaction attributable to the petitioner in connection with the aforesaid bank account, before it being permitted to operate the account. The terms of such undertaking/bond shall, however, remain confined to the aforesaid transactions and shall not operate as an admission of the allegations of fraud.

19. Having regard to the submission of the learned counsel for the petitioner that the investigation arising out of the FIRs has remained pending for nearly eight years, this Court is of the opinion that the matter cannot be allowed to remain pending indefinitely. Accordingly, the Commissioner of Police, Kamrup (Metro), shall call for a status report from the concerned investigating officers and take appropriate supervisory steps to ensure that the investigation is brought to its logical conclusion in accordance with law, preferably within a period of three months from the date of receipt of a certified copy of this order. In the event the investigation has already been completed, the competent authority shall take appropriate consequential steps in accordance with law.

20. The Commissioner of Police, Kamrup (Metro), shall ensure that the petitioner is duly intimated in writing of the present status of the investigation and, upon its completion, of the outcome thereof and the consequential steps taken in accordance with law. In the event the investigation remains incomplete, the petitioner shall be informed of the steps taken in the investigation and reasons for its continued pendency. Such intimation shall, however, be subject to permissible limitations under law relating to disclosure of information concerning an ongoing investigation.

21. It is made clear that the aforesaid direction shall not be construed as requiring the investigating agency to arrive at any particular conclusion or submit a chargesheet in preference to a final report. The nature and outcome of the investigation shall remain within the domain of the investigating agency, subject to the provisions of law. The direction is intended only to ensure that the investigation is not kept pending indefinitely and that the petitioner is not left without information regarding its progress.

22. It is further clarified that the petitioner shall be at liberty to approach the competent forum in accordance with law in respect of any grievance relating to the progress or manner of investigation, its continued pendency, or any action or omission on the part of the investigating agency. The present order shall not be construed as restricting the petitioner's right to avail such remedy as available to him under law to claim the amount of Rs.30 lakhs deposited in its account under a cheque.

23. It is made clear that the observations made herein are

confined to the limited issue of continued freezing of the petitioner's entire bank account. This Court has not expressed any opinion on the genuineness of the cheques, the legality of the underlying transactions, the petitioner's entitlement to the disputed amount, or culpability, if any, of any person in relation to the allegations of fraud. All such issues shall remain open for consideration by the competent forum in accordance with law.

24. With the aforesaid observations and directions, the writ petition stands disposed of

JUDGE

Comparing Assistant