



CWP-31899-2024

-1-

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-31899-2024

Reserved on : 08.12.2025

Pronounced on : 12.01.2026

Uploaded on : 12.01.2026

M/s Farm Fresh Milk and another

.....Petitioners

Versus

Union of India and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJIV BERRY

Present: Mr. Anand Chhibbar, Senior Advocate, with
Mr. Shikhar Sarin, Advocate, and
Mr. Utkarsh Khatana, Advocate,
for the petitioners.

Mr. Akashdeep Singh, Special Public Prosecutor,
for respondent No.2 – CBI.

Mr. Rakesh Gupta, Advocate,
for respondents No.3 and 4.

SHEEL NAGU, CHIEF JUSTICE

1. The instant petition, filed under Article 226 read with Article 227 of Constitution of India, essentially assails the act of respondents No.3 and 4 – bank in declaring the account of petitioner No.1 firm as ‘fraud’, and seeks quashing of consequential FIR bearing No. RCCHG2022A0004 dated 16.02.2022 (Annexure P-6) for offences punishable under Sections 120-B, 406 and 420 IPC.



2. To avoid prolixity, especially in view of subsequent event of issuance of a letter by the respondent bank on 05.03.2025 (Annexure P-10), reversing the declaration of account of petitioner No.1 as ‘fraud’ and removing fraud status of its account on 22.02.2025, however, reserving the right of the bank to re-initiate the process of fraud identification, this Court deems it appropriate not to delve upon merits of the matter.

2.1 However, prayer of the petitioners for quashment of FIR No. RCCHG2022A0004 dated 16.02.2022 (Annexure P-6) alleging offences punishable under Sections 120-B, 406 and 420 IPC, cannot be allowed in view of the law laid down by Apex Court in **State Bank of India and others Vs. Rajesh Agarwal and others, (2023) 6 SCC 1.**

3. Pertinently, the aforesaid view is interim, especially when the bank has reserved its right to re-initiate the process of declaration of fraud, which may or may not happen in future.

4. Consequently, in view of aforesaid subsequent event of withdrawal of fraud status of account of petitioner No.1 firm by the respondent bank, this Court disposes of this petition as infructuous, without going into merits of the matter, reserving the right to the petitioners to assail aforesaid FIR in separate proceedings in accordance with law.

(SHEEL NAGU)
CHIEF JUSTICE

(SANJIV BERRY)
JUDGE

January 12, 2026
narotam

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No