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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**  
**ORDINARY ORIGINAL CIVIL JURISDICTION**  
**WRIT PETITION (L) NO.28355 OF 2024**

Pune Buildtech Pvt Ltd

.. Petitioner

**Versus**

Bank of India

.. Respondent

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**Mr.Cyrus Ardeshir, Senior Advocate a/w Chirag Mody, Yash Momaya, Munaf Virjee, Rushabh Parekh, Neha Shah i/b AMR Law, Advocates for the Petitioner.**

**Mr.B.Gopalkrishnan a/w Nilesh Ghadge, Advocate for Respondent.**

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**CORAM: B. P. COLABAWALLA &  
SOMASEKHAR SUNDARESAN, JJ.**  
**DATE : OCTOBER 08, 2024**

**P. C.**

**1.** Rule. The Respondent waives service. With the consent of the parties, rule made returnable forthwith and heard finally.

**2.** The above Writ Petition is filed challenging the actions of the Respondent-Bank in declaring the account of the Petitioner as a “fraud” account. According to the Petitioner, no intimation of any sort has been given to the Petitioner and they were informed only verbally that their account has been notified as a “fraud” account. This has been

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categorically stated by the Petitioner in paragraph 1 and 8.33 of the Petition.

3. The learned counsel appearing on behalf of Bank of India, on taking telephonic instructions, informed the Court that it is true that no show cause notice was issued to the Petitioner before their account was declared as a “fraud” account. He stated that the account of the Petitioner has been declared as “fraud” on 21<sup>st</sup> August 2019 but the same was also never intimated to the Petitioner.

4. Once this is the undisputed factual situation before us, we find that the entire action taken by the Respondent-Bank in declaring the Petitioner’s account as “fraud” is contrary to the law laid down by the Hon’ble Supreme Court in the case of ***State Bank of India and Ors V/S Rajesh Agarwal and Ors [(2023) 6 SCC 1]***. This apart, we find that even otherwise, in the facts of the present case, the entire dues of the Respondent-Bank have been paid pursuant to an OTS that was sanctioned by Bank of India on 21<sup>st</sup> March 2024. Pursuant to this OTS, Consent Terms have been filed between the Petitioner and Bank of India in the NCLAT. These Consent Terms are dated 22<sup>nd</sup> March 2024. Pursuant to these Consent Terms the entire payment has been made to

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Bank of India, and in fact, a No Dues Certificate has also been issued by Bank of India in favour of the Petitioner.

5. What is interesting to note is that even the Consent Terms, Clause 8 *inter alia* contemplates that upon receipt of the settlement amount, Bank of India shall withdraw any and all other proceedings instituted, and actions taken by it under any law against any party in respect of the matters which form the subject matter of the Consent Terms. Once this is the case, even otherwise we find that the action of Bank of India in declaring the account of the Petitioner a “fraud” account cannot be sustained.

6. In these circumstances, the above Writ Petition is allowed in terms of prayer clauses (a) and (c) which read thus:-

*“(a) Pass a writ, order, or direction in the nature Mandamus/Certiorari declaring the decision of Respondent Bank in Categorising the Account of Petitioner Company as ‘Fraud’, and all consequential proceedings arising therefrom, as null and void;*

*(c) Pass a writ, order, or direction in the nature Mandamus/Certiorari declaring that the inclusion of the name of the Petitioner herein in any list/communication blacklisting the Petitioner herein from availing of institutionalized credit as null and void;”*

7. Rule is made absolute in the aforesaid terms and the Writ Petition is also disposed of in terms thereof. However, there shall be no order as to costs.

8. This order will be digitally signed by the Private Secretary/ Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order.

**[SOMASEKHAR SUNDARESAN, J.]**

**[B. P. COLABAWALLA, J.]**