S/L 5
25.11.2026
Court. No. 25
Sourav

WPA 32531 of 2026

Ratan Agarwal & Ors.
Vs.
State Bank of India & Ors.

Mr. Mainak Bose, Sr. Adv.
Mr. Kanishk Kejriwal
Mr. Pranav Sharma

... for the petitioners.

Mr. Debasish Saha
Ms. Barsha Paul

... for the respondent no. 1.

Mr. Rachit Lakhmani
Ms. Bhawna Das

... for the respondent nos. 2 to 4.

1. The petitioners have filed the present writ application praying for a direction upon the respondent no. 1, namely, the State Bank of India, SME Branch, Durgapur to permit the banking operation of the accounts of M/s. Veer Wheels Private Limited by reviewing the debit freeze. The petitioners also prayed for an order for setting aside the emails dated November 12, 2026, November 16, 2026 and November 18, 2026.

2. The petitioners are the directors of the company namely, M/s. Veer Wheels Private Limited is having 40 per cent shares, the respondent nos. 2 to 4 are having 40 per cent shares and the respondent no.5 is having 20 per cent share in the company. The petitioners as well as the respondent no. 2 to 5 are the directors of the said company. There is a dispute amongst the directors/shareholders of the said company and accordingly, the respondent nos. 2, 3 and 4 by a letter dated September 6, 2026 requested the bank to debit

freeze the cash credit account nos. 31039340589 and 42806210705 with immediate effect.

3. On receipt of the said communication by the bank from the respondent nos. 2, 3 and 4 dated September 6, 2026, a meeting was held between all the directors and the bank on September 8, 2026. In the said meeting, it was clarified by the bank that "unless and until bank receives any Notice from Court/NCLT for debit freezing the account or any matters, Bank is not liable to act upon on any Legal Notice addressed to the bank by the High Court lawyer".

4. In the meeting, it has been decided by the parties that no internet banking facilities to be allowed by the bank at this juncture considering the present situation of the company with the further conditions which reads as follows:

*"**Key Actions Points:-***

(i) No INB (Transaction Rights) facility to be allowed by Bank at this juncture considering the present situation in the Company.

*(ii) All Directors/Promoters to resolve the Internal Management issues at Company's end and requested for submission of a **clear and mutually acceptable by all the Directors of the Company** a proper mechanism for operation of the Company's accounts and banking facilities. Authorized Board Resolution in this regard to be submitted to Bank on or before 07.10.2026.*

(iii) No correspondence/Letters or any form of communication which do not falls in the purview of Bank shall be marked to Bank by any of the Director/Shareholder of the unit. Bank is entitled to receive only such

communications related to banking operations and do not possess any responsibility/liability for correspondence received which are outside the purview of Bank.

(iv) Till amicable situation is arrived upon i.e. on or before 07.10.2026, Bank shall be abiding by the mandate passed as per Board Resolution dated 08.04.2026 i.e. jointly all payment/cheques to be signed by any three Director, i.e. one from Dalmia family, one from Agarwal family and one from Saraf family."

5. Before the meeting dated September 8, 2026, the directors of the company have submitted the extract from the minutes of the meeting of the Board of the Directors dated April 8, 2026 wherein it was informed to the bank that the accounts open in the name of the company with the State Bank of India, SME Branch, Durgapur shall be operated "jointly with signature of three directors" whether in debit or credit and to draw or endorse cheques, make endorse and accept bills, withdraw and deposit money, sign receipts and give discharges for and on behalf of the company, sign stock statements and do any or all things necessary for the conduct of the said cash credit accounts. The signatures which the parties are relying upon are endorsed in the said extract of the minutes of the meeting dated April 8, 2026.

6. Subsequently, on November 12, 2026, the bank has informed the directors of company that the bank is temporarily debit freezing all accounts of the petitioners from November 12, 2026 to avoid any diversion of funds/fraudulent transaction in the unit's account. On

November 6, 2026 the respondent no. 2 has issued a letter to all the suppliers and the vendors with the notice that certain serious internal disputes have arisen amongst the management of the company which have affected the smooth functioning and decision making process of the company but the respondent no. 2 submits that he has not issued such letter. Subsequently, the bank has issued a notice through the learned advocate to the company along with all directors informing that in terms of the meeting dated September 8, 2026 in the event, the management of the borrower company fails to find an amicable solution to the internal disputes and provide a Board Resolution in that respect, the bank shall refrain from taking any further exposure in the said borrower company and requires all directors/stakeholders to immediately liquidate all outstanding dues.

7. The bank has again sent a email wherein it was informed that the bank shall henceforth process all payments mandate for company only upon re-verification of signatories in the cheque/debit mandate, which shall be sent via email to the signatories who shall once again confirm their signatures post thereafter the payment shall be processed. The bank requested the signatories to adhere to the above, to avoid any fraudulent transaction/diversion of funds.

8. Mr. Bose, learned senior advocate representing the petitioners submits that the company has taken its decision in its meeting held on April 8, 2026, wherein it is categorically resolved that the accounts open in the name of the company with the State Bank of India, SME

Branch, Durgapur shall be operated jointly with signature of the three directors and thus, now the bank cannot freeze the account of the petitioners or put any further condition for re-verification of the signatories in the cheque.

9. He submits that in the resolution dated April 8, 2026, all the directors/shareholders have signed the said resolution which the bank is treating as the signatures of the parties and if the bank finds that in the cheque if the signature is different, the bank can take appropriate steps without clearing the cheque or debit mandate but the bank cannot put any condition for further re-verification from the signatories of the said cheque.

10. The petitioner has relied upon the unreported judgment in the case of ***Rina Habiba Vs. the Bank of India & Ors.*** passed in ***FMA 74 of 2020 dated January 7, 2020*** wherein the Hon'ble Division Bench of this Court held that in the absence of any lien being exercised by the bank over the relevant account or the funds lying to the credit of a constituent, the bank cannot stop or freeze the operation of any account. Mr. Bose, further relied upon the judgment in the case of ***Cardiological Society of India & Anr. Vs. Dr. Sunip Banerjee*** reported in ***2024 SCC OnLine Cal 6314*** and submits that the Hon'ble Division Bench of this Court relied upon the judgment passed by the earlier Division Bench in the case of ***Rina Habiba (supra)***.

11. By relying upon the said judgment, Mr. Bose submits that firstly, the bank has categorically informed earlier that the bank will not freeze the accounts without any

order of the Court or from the order of the NCLT but now the bank has freezed the accounts and intending that the signature has to be re-verified from the signatories of the cheques though the resolution by which it has been decided by the directors of the company that the cheque should be issued jointly by the signatures of the directors and the bank can verify the signatures from the said resolution instead of further re-verifying the same for delaying the matter for payment.

12. Per contra, learned advocate appearing for the bank submits that though for the time being the bank has freezed the account but now that has been defreezed and at present there is no freezing of the account of the petitioners' company. The bank has issued the impugned email dated November 16, 2026 only on receipt of the complaint of the respondent no. 2 on the allegation that he came to know that the signature has been forged in the cheques and as such, the bank intending to re-verify the signature appearing in the cheque if so issued by any of the three directors of the company.

13. Mr. Lakhmani, learned advocate appearing for the respondent nos. 2, 3 and 4 submits that the respondent no. 2 came to know that his signature has been forged in the cheque and he is apprehensive that if the bank passes the cheque with the forged signature, the respondent no. 2 and the company will be in difficulty and as such, the respondent no. 2 has informed the bank with regard to the forgery of his signature in the cheques. He further submits that the complaint dated November 6, 2026 is not submitted or written by the respondent no. 2.

14. Heard the learned counsel for the respective parties. Perused the materials on record and the judgment relied by the petitioners.

15. Admittedly, there is a dispute between the directors of the company. Altogether there are seven directors. The petitioners are having 40 per cent of the share, the respondent nos. 2, 3 and 4 are having 40 per cent of the share and the respondent no. 5 is having 20 per cent of the share. As there was a dispute, accordingly, a meeting was held initially on April 8, 2026 and in the meeting, it was resolved that:

> *"**FURTHER RESOLVED** that the accounts opened in the name of the company with the State Bank of India, SME Durgapur Branch shall be operated "jointly with signature of Three Directors" whether in debit or credit and to draw or endorse cheques, make endorse and accept bills, withdraw and deposit money, sign receipts and give discharges for and on behalf of the company, sign stock statements and do any or all things necessary for the conduct of the said cash credit accounts."*

16. The said extract of the meeting of the Board dated April 8, 2026 was submitted to the bank for further action. On September 8, 2026 a further meeting was held wherein the bank has clarified that unless and until the bank received any notice from the Court or NCLT for debit freezing the account or any matter, the bank is not liable to act upon any legal notice addressed to the bank by the High Court's lawyer. It was amicable settled between the parties that no internet banking transaction will be allowed only the transaction should be done through the cheque or debit mandate. The cheque or debit mandate

has to be signed by one director of each three branches of the company i.e., Branch 1 is petitioners, Branch 2 is the respondent nos. 2 to 4 and Branch 3 is the respondent no. 5.

17. Now, the respondent no. 2 is alleging that his signature is being forged but the bank has not produced any cheque or debit mandate with regard to any forged signature of the respondent no. 2. It is also admitted by the learned advocate appearing for the respondent no. 2 that the respondent no. 2 is apprehending that his signature will be forged in cheques or debit mandate.

18. This Court fails to appreciate that once the directors have taken a resolution and extract of the meeting with the signature of all the directors have been submitted to the bank by which the bank has to act upon if any cheque or debit mandate is received by the bank, the bank has to verify the signature from the said minutes of the meeting dated April 8, 2026, which was submitted by the directors to the bank.

19. It is settled law that if the bank finds that the cheque which is received for clearing and at the time of passing the cheque, if the bank finds that the signatures are deferring, definitely bank will not clear the cheque and the cheque has to return to the account holder or the carrier of the cheque. Mere that, the respondent no. 2 has made a complaint that he is apprehending that his signature will be forged, only on the apprehension, the bank cannot rewrite the resolution taken by directors of the company on April 8, 2026 unless and until the

company takes further resolution by amending the resolution dated April 8, 2026.

20. Learned counsel for the bank has submitted that though for the time being the accounts were freezed, but now it has defreezed and as such, this Court finds that no further order is required with regard to the defreeze of the account as it is admitted by the bank that the bank has already defreezed the account of the petitioners only they are requiring the signatures of the cheque is to be re-verified.

21. Considering the above, this Court directs the bank to act in accordance with the extract of the minutes of the meeting of the Board of Directors of the company dated April 8, 2026 unless the bank received any further resolution from the directors of the company.

22. In view of the above, **WPA 32531 of 2026** is disposed of.

23. Urgent photostat certified copies of this order, if applied for, be supplied to the parties upon compliance with all the necessary formalities.

(Krishna Rao, J.)