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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-33525-2024
Date of decision : 08.12.2025

Naresh Kumar …….Petitioner

Versus

Reserve Bank of India and others ...….Respondents

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

Present: Mr. Kanwar Pal Singh, Advocate, for the petitioner.
Mr. Gaurav Goel, Advocate, for respondent No.2.

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SHEEL NAGU, CHIEF JUSTICE (Oral)

1. The petitioner is seeking quashing of decision of respondent No.2 – bank declaring him 'fraud'; and quashing of FIR No. RC0592020A0003 dated 28.04.2020 (Annexure P-2).

1.1 However, learned counsel for the petitioner, at the very outset, submits that he does not press ground(s) of challenge to aforesaid FIR (Annexure P-2) and restricts his challenge to the declaration of 'fraud'.

2. Learned counsel for respondent – bank has produced copy of a communication dated 26.11.2025 re-calling the decision of fraud, received by him from the respondent – bank, which is taken on record as Mark 'X'.

2.1 Learned counsel for respondent No.2 – bank submits that he has instructions to say that the bank is ready and willing to afford reasonable and sufficient opportunity of being heard to the petitioner before re-considering the matter as to whether the petitioner deserves to be declared 'fraud' or not.

2.1 Learned counsel for respondent No.2 – bank does not dispute the law laid down by Apex Court in ***State Bank of India and others Vs. Rajesh Agarwal and others, (2023) 6 SCC 1***.

3. It is not disputed at the Bar that in the present case, no opportunity of being heard was afforded to the petitioner before declaring him as 'fraud' by Fraud Identification Committee in its meeting held on 07.09.2018 at SARG, Mumbai.

4. We are conscious of the fact that the earlier guidelines issued by Reserve Bank of India (RBI) in respect of the procedure to be adopted before declaring a particular individual or institution as 'fraud' have undergone a change by issuance of fresh guidelines on 15.07.2024, after taking a cue from the verdict of Apex Court in ***Rajesh Agarwal's case*** (supra). In the fresh guidelines issued by the RBI, procedure of following due process of law by affording reasonable opportunity of being heard has been adopted.

5. In view of above, decision of the respondent No.2 – bank to declare the petitioner as 'fraud' is set aside, affording liberty to respondent No.2 – bank to proceed ahead in accordance with fresh circular issued by RBI on 15.07.2024, after following due process of law.

6. Accordingly, the petition stands disposed of.

(SHEEL NAGU)
CHIEF JUSTICE

(SANJIV BERRY)
JUDGE

December 08, 2025
narotam

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

NAROTAM DASS
2025.12.09 13:32
I attest to the accuracy and authenticity of this order/judgment