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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ **W.P.(C) 8255/2025**

SANJEEV NARULA

.....Petitioner

Through: Mr. Saurabh Mishra, Senior Advocate
with Mr. Ekansh Mishra and Mr.
Vaibhav Mishra, Advocates

versus

BANK OF INDIA AND ANR.

.....Respondents

Through: Mr. Chandrashekhar, Advocate

CORAM:

HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

ORDER

% **06.06.2025**

CM APPL. 36017/2025 & CM APPL. 36018/2025

1. Exemption allowed subject to all just exceptions.
2. The applications stand disposed of.

W.P.(C) 8255/2025 & CM APPL. 36016/2025 (Stay)

3. By way of the present writ petition under Article 226 of the Constitution of India, the petitioner seeks quashing of the impugned order dated 14th May 2025 passed by the respondent bank, classifying the account of the company, namely, M/s. Liliput Kidswear Ltd., as “fraud”.
4. Learned senior counsel appearing for the petitioner submits that the said impugned order has been passed completely in violation of the judgment of the Supreme Court in *State Bank of India and Ors vs. Rajesh Aggarwal & Ors.* reported in (2023) 6 SCC 1 as also reiterated by the learned Division Bench of this Court in *IDBI Bank Ltd. vs. Gaurav Goel & Ors.* LPA No.



536/2024 passed on 19th February 2025 .

5. Keeping in view the fact that the impugned order has been passed merely on the basis of the Forensic Audit Report as also the reply to the show cause notice submitted by the petitioner without granting an opportunity of personal hearing as enunciated by the Supreme Court in ***Rajesh Aggarwal*** (*supra*) as also by this Court in ***IDBI Bank*** (*supra*), it is deemed appropriate to quash the impugned order dated 14th May 2025 in its entirety, subject to the respondent affording an opportunity of personal hearing to the petitioner in respect of the aforesaid account, which has been classified as “Fraud”.

6. It is also directed that the Forensic Audit Reports, on basis whereof, the order of classifying the account as “Fraud” has been passed, shall also be furnished to the petitioner within two days from today. The petitioner shall be granted an opportunity to file a fresh response to the show cause notice, including grounds in respect of his objections to the Forensic Audit Report, which is to be furnished to the petitioner.

7. Upon receipt of the said Forensic Audit Report from the respondent, the petitioner is granted two weeks’ time to file his composite response. Upon receipt of such response, the competent authority of the respondent-bank shall dispose of the same after affording an opportunity of personal hearing to the petitioner within four weeks, thereafter.

8. The present writ petition is disposed of in the light of the aforesaid directions.

TUSHAR RAO GEDELA, J
(VACATION JUDGE)

JUNE 6, 2025

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