CWP-12316-2026(O&M) and
CWP-6938-2026(O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

1. CWP-12316-2026 (O&M)

Jindal Oil and Fats Ltd. and others

...Petitioners

Versus

Reserve Bank of India and others

...Respondents

2.
M/s K.K. Continental Trade Private Ltd. and others

...Petitioners

Versus

Reserve Bank of India and others

...Respondents

Date of decision:-29.04.2026

CORAM : HON'BLE MR. JUSTICE SUVIR SEHGAL
HON' BLE MR. JUSTICE VIKAS SURI

Present :- Mr. B.R. Mahajan, Senior Advocate with
Mr. Prateek Mahajan, Advocate,
Mr. Daanish Mahajan, Advocate,
Ms. Nikita Goel, Advocate and
Mr. Sahil Goyal, Advocate
for the petitioners in CWP-12316-2026.

Mr. Aalok Jagga, Advocate,
Mr. Nikhil Goyal, Advocate and
Rana Gurtej Singh, Advocate
for the petitioners in CWP-6938-2026

Mr. Indresh Goel, Advocate
for respondent No.1 in both cases.

Mr. Gaurav Goel, Advocate
for respondents No.2 and 3 in both cases.

Mr. G.S. Madaan, Advocate
for respondent No.4 in both cases.

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SUVIR SEHGAL, J.(ORAL)

CM-6777-CWP-2026 in
CWP-12316-2026

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CM-6780-CWP-2026 in
CWP-6938-2026

1. Applications are allowed, as prayed for.

2. Replies filed on behalf of respondents No.2 and 3 in both petitions, are taken on record.

CWP-12316-2026(O&M) and
CWP-6938-2026(O&M)

3. This order shall dispose of both the above-noted writ petitions as they arise out of similar circumstances. It has been pointed out that both the petitioners are sister concerns. For the sake of convenience, facts, in brief, are being taken from CWP-12316-2026.

4. For the purpose of disposal, this Court simply intends to notice that during pendency of proceedings under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI ACT), petitioner gained knowledge on 19.10.2019

that Punjab National Bank – respondents No.2 and 3 had reported the petitioner as a fraud to the Reserve Bank of India on 04.09.2019. On the basis of this information, petitioner approached this Court and by order dated 19.12.2019, Annexure P27, this Court issue a notice to the respondents and restrained them from taking any coercive steps against the petitioners. This petition came to be decided by judgment dated 27.05.2024, Annexure P31, and action whereby the petitioner was declared as a fraud was set aside. Keeping in view the judgment of Hon'ble Supreme Court in ***State Bank of India and others Versus Rajesh Agarwal and others*** (2023) 6 SCC 1, liberty was granted to the bank to initiate proceedings afresh. During the pendency of the writ petition, an OTS submitted by the petitioner was accepted on 08.09.2022, Annexure P28 and entire agreed amount was repaid. A No Dues Certificate dated 27.12.2022, Annexure P30, was issued by the bank. Pursuant to the order passed by this Court, bank issued a show-cause notice on 21.10.2024, Annexure P33, to which the petitioner responded by filing detailed replies and was granted a personal hearing vide letter, Annexure P40. Bank referred the matter for opinion to a forensic auditor – M/s Agarwal Anil & Company, respondent No.4 vide letter dated 28.10.2025, Annexure P42 and asked petitioner to provide all the requisite documents and information as may be sought by the auditor. Auditor called the petitioner vide email dated 30.10.2025, Annexure P43, to review the reply submitted by petitioner to the show-cause notice. Categoric case of the petitioner is that forensic auditor submitted an audit report on 17.11.2025, but without supplying its copy, by virtue of impugned order dated 18.12.2025, Annexure P45, petitioner has again been classified as a fraud.

5. Writ petitions have been contested by the bank - respondents No.2 and 3 by filing response wherein the factual position has been admitted. However, a stand has been taken that bank never sought a report from the forensic auditor, rather an opinion was called for, from the auditor on the reply submitted by the petitioner.

6. Mr. Goel, who is representing respondents No.2 and 3 states that the bank has not relied upon the opinion rendered by the auditor and the account has rightly been declared as a fraud.

7. Having heard the counsel for the parties and considering their respective submissions, this Court is of the view that the matters deserve to be remanded back. Paras No.12 and 13 of the preliminary objections raised by the bank in its response, read as under:

> *"12. That the prayer seeking a writ of mandamus directing the Respondent Bank to supply the opinion/audit report dated 17.11.2025 is not maintainable. The said opinion is an internal document obtained by the Respondent Bank from M/s Agarwal Anil & Co. as an internal advisory opinion to evaluate the petitioners' reply to the Show Cause Notice. It forms part of the Respondent Bank's internal decision – making process and does not constitute a 'forensic audit report' within the meaning of the Rajesh Aggarwal mandate. The primary forensic audit report – the FAR dated 20.05.2019 – was duly supplied to the petitioners, which is all that the Hon'ble Supreme Court's judgment requires.*

13. That in any event, even if it is assumed for the sake of argument that the opinion dated 17.11.2025 ought to have been supplied to the petitioners, at most the remedy would be remand of the matter for fresh consideration after such supply, and not outright quashing of the impugned order. The petitioners are not entitled to have the fraud classification set aside permanently on procedural grounds when the substantive findings of fraud are well-established and supported by the primary forensic audit report dated 20.05.2019. "

8. Even if the so called opinion of the forensic auditor has not been relied upon by the bank in the impugned order, the fact remains that the petitioner was called upon to associate with the auditor in response to the reply submitted by it to the show-cause notice. Petitioner was also asked to supply all the requisite documents and information to the auditor, which is evident from the communications addressed by the bank as well as by the auditor. In such circumstances, a copy of opinion rendered by the auditor had to be given to the petitioner in order to enable him to meet with the finding, in case, the opinion is against the petitioner. This is the basic requirement of the principles of natural justice, which have clearly been breached in the present case. Furthermore, in view of the above reproduced stand taken by the bank, it is clear that a copy of opinion/report has not been supplied to the petitioner. In this backdrop, impugned order cannot be sustained.

9. For the aforegoing reasons, both writ petitions are disposed

of. Impugned orders are quashed. Matters are remitted to the competent authority to pass a fresh order. A copy of the opinion of the forensic auditor has been supplied to the counsel for the petitioners under the orders passed by the Court today.

10. Liberty is granted to the petitioners to submit any additional documents/response to the forensic auditor's opinion/report, which shall be duly considered by the bank before passing a fresh order after affording them with an opportunity of hearing.

(SUVIR SEHGAL)
JUDGE

(VIKAS SURI)
JUDGE

29.04.2026
Brij

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No