



**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

234/3

**CWP-28051-2022 (O&M)
Date of Decision:- 12.01.2026**

SARISH MITTAL

....Petitioner(s)

Versus

BANK OF INDIA AND ORS.

...Respondent(s)

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

Present: Mr. Sandeep Suri, Advocate for the petitioner.

Mr. Harsh Garg, Advocate for respondent No.1 (through V.C.)

Mr. Indresh Goel, Advocate for respondent No.6.

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SHEEL NAGU, C.J. (Oral)

1. The present petition has been filed under Article 226 of the Constitution of India seeking setting aside of the declaration of the petitioner as a fraud w.e.f. 03.10.2020 by respondent No.1.

2. The present petition was listed along with other connected petitions i.e. CWP-18494-2023 and CWP-21210-2023 and vide order of even date, the other connected petitions have been disposed of by this Court. The only difference between those cases and the present petition is that the Resolution Professional, who had been appointed under the Insolvency and Bankruptcy Code, 2016 (IBC), had sent an email dated 23.06.2020 seeking comments/clarifications on the observations mentioned in the Transaction Audit Report of M/s KSM Spinning Mills Ltd. within seven days from the receipt of the e-mail vide Annexure R-1/2.

3. In response thereto, the petitioner replied and sought further



time, since the concerned official of the petitioner was afflicted with Corona Virus. Thereafter, on 03.10.2020 without granting another opportunity of hearing to the petitioner or issuing any fresh show cause notice, the respondent-Bank declared the petitioner as a fraud. Thus, it is a clear case where the petitioner was denied the opportunity of hearing, and therefore the decision of the Apex Court in the case of ***State Bank of India Vs. Rajesh Agarwal, (2023) 6 SCC 1*** comes to the rescue of the petitioner.

4. While disposing of the other connected petitions (CWP-18494-2023 and CWP-21210-2023), the statement of the counsel for the lead Bank was recorded to the effect that fraud flaggings have been removed from the accounts of M/s KSM Spinning Mills Limited in CBS and that the FMR(s) in the CIMS portal of RBI have been withdrawn on 05.01.2026.

5. In view of the above, the present petition is also disposed of on the same terms as the order of even date passed in CWP-18494-2023 titled '*Sarish Mittal Vs. Central Bank Of India And Ors*'.

6. Pending applications, if any, also stand disposed of.

(SHEEL NAGU)
CHIEF JUSTICE

(SANJIV BERRY)
JUDGE

12.01.2026

S.Sharma

i)	<i>Whether speaking/reasoned?</i>	<i>Yes/No</i>
ii)	<i>Whether reportable?</i>	<i>Yes/No</i>