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IN THE HIGH COURT OF DELHI AT NEW DELHI

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W.P.(C) 6230/2024 & CM APPL. 25958/2024

RAJIV GUPTA

....Petitioner

Through: Mr. Abhishek Garg, Adv. Mr. Yash
Gaiha, Adv. Mr. Naman Mehta. Adv.

versus

SOUTH INDIAN BANK LTD & ORS

.....Respondents

Through: Mr. Asav Rajan, Mr. Akash Saxena,
Mr. Devang Shrotriya, Mr. Kashish Chadha, Mr.
Aditya Shah, Mr. Raghav Bansal, Adv. for R1

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

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21.01.2026

1. This is a writ petition filed under Article 226 of the Constitution of India seeking the following reliefs:

“A) Issue appropriate writ in the nature of certiorari or directions/order quashing the Impugned Letter dated 25.04.2024 issued by Respondent No. 1;

B) Issue appropriate writ in the nature of certiorari or directions/order to deem the Impugned Audit Report dated 16.08.2023 formulated by respondent no. 3 as non-est in the eyes of law as the same is arbitrary and without any authority of law;

C) Issue appropriate writ in the nature of mandamus or directions/order to stay the operation of Impugned Letter and all the consequent proceedings arising out of the Impugned Letter dated 25.04.2024 issued by Respondent No. 1 thereto;

D) Issue appropriate writ in the nature of mandamus or directions/order to stay the operation of Impugned Audit



Report dated 16.08.2023 conducted by Respondent No. 3 and all consequential proceedings thereto...”

2. The brief facts of the case are that the petitioner is a former Director of M/s RCI Industries and Technologies Ltd., engaged in the business of trade of copper and non-ferrous metals. The M/s RCI Industries and Technologies Ltd. availed loans from a consortium of banks for the purpose of expansion but suffered losses and was declared a non-performing asset by the joint lenders forum between 2019 and 2020.
3. Thereafter, between December 2023 and January 2024, the banks participating in the joint lenders meeting issued show cause notices relying on the audit report, proposing to declare the account of M/s RCI Industries and Technologies Ltd. and the petitioner as fraud. Consequently, the petitioner was declared as fraud *vide* order dated 25.04.2024.
4. In the present petition, the petitioner challenges the impugned Order dated 25.04.2024 issued by the respondent No. 1.
5. It is the case of the petitioner that even though personal hearing was given, the petitioner has not been supplied with the relevant documents which were necessary for him to make the personal hearing meaningful.
6. Mr. Rajan, learned counsel for the respondent No. 1, states that in the present case in none of the replies the petitioner has ever asked for any specific document.
7. Additionally, the audit report contains all the documents which form the basis of declaring M/s RCI Industries and Technologies Ltd. as well as the petitioner a fraud. Hence there is no other document which is required or can be possibly required by the petitioner.
8. In the present case, the e-mail dated 11.04.2024 of the petitioner is



relevant, which reads as under:

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z: Fwd: Personal Hearing Reg.
hishek Gang Advocate GK Jan24 <abhishek@agslegal.com>

on my iPhone

forwarded message:

From: Rajiv Gupta <rajvgupta@rcilnd.com>
Date: 11 April 2024 at 3:52:34 PM IST
To: Vigilance <vigilance@sib.co.in>
Cc: Baby Mamta Gupta <mamtagupta43@icloud.com>
Subject: Re: Personal Hearing Reg.

Dear Sir,

Thank you for giving an opportunity of personal hearing, however from the email below it seems that the hearing is being conducted with a predetermined mindset. However, I will still want to explain each and every averments/findings made by forensic auditor on the instructions and in connivance with resolution professional.

For the same, kindly provide me with all the underlying and relied upon documents basis which the present proceedings are being conducted to enable me to effectively and efficaciously justify my explanations. As you are aware that the forensic auditor also never confronted me with any findings, or asked for any documents from me, therefore i am not in possession of any underlying document basis which the said report has been prepared.

Once i am in receipt of all the documents, I will attend physically attend the hearing. Kindly provide me two weeks time also from the date of receipt of documents to prepare my responses.

Also, it is important to bring to your notice that we had also challenged the show cause notice issued by you before the Hon'ble High Court of Delhi in W.P.(C) 3796 of 2024 where in the Hon'ble High Court has taken cognisance of the matter and is seized of the issue. The next date is 16 July 2024. Therefore, in interest of justice and in spirit of regard to the Hon'ble High Court's cognisance on the issue, it is advised that you hold your hands in relation to the proceedings till the outcome of that Petition.

With Regards,

Rajiv Gupta

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9. The Hon'ble Supreme Court in paragraph No. 98.6 of the judgment titled as ***State Bank of India and Others vs. Rajesh Agarwal and Others (2023) 6 SCC 1*** has observed that the Principles of Natural Justice demand that the borrowers must be given an opportunity of hearing before classifying their accounts as fraud and the same must be done by a speaking order. The relevant paragraph reads as under:

“98.6. The principles of natural justice demand that the borrowers must be served a notice, given an opportunity to explain the conclusions of the forensic audit report, and be allowed to represent by the banks/JLF before their account is classified as fraud under the Master Directions on Frauds. In addition, the decision classifying the borrower's account as fraudulent must be made by a reasoned order.”

10. Even though the petitioner has not mentioned the specific documents, I am of the view that the petitioner needs to be permitted to give a meaningful response, and a meaningful personal hearing before being declared as a fraud. The petitioner has been throughout informing the respondent No. 1 that he requires copies of the underlying documents.

11. Since the declaration of fraud is an action with serious consequences, I am of the view that the principles of natural justice must be strictly followed.

12. For the said reasons, the petition is allowed and the petitioner will appear at Corporate Business Unit – Delhi, 3rd Floor, Plot No. 21, 21/1, Pusa Road, Karol Bagh, New Delhi – 110005 on 09.03.2026 at 11:30 AM.

13. Within one week from the date of uploading of this Order, the



petitioner shall furnish a list of relevant documents which he seeks from the respondent No. 1, and if available with the respondent, the same shall be supplied to the petitioner within one week thereafter.

14. I am of the view that in compliance with the Principles of Natural Justice in letter and spirit, the Review Committee shall afford a personal hearing and thereafter pass a reasoned Order.

15. Consequently, the impugned Order dated 25.04.2024 is hereby set aside.

16. The Court has not restricted the respondent from taking any actions that are available to the respondent in accordance with law.

17. The petition is disposed of in aforesaid terms along with pending applications, if any.

JASMEET SINGH, J

JANUARY 21, 2026/AS
(corrected and released on 27.01.2026)