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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 16281/2024**
RANGOLI INTERNATIONAL PVT. LTD.

.....Petitioner
Through: Mr. Manohar Malik, Ms. Astha
Gumber and Ms. Farah Khan, Advs.

versus

CANARA BANK

.....Respondent
Through: Mr. Krishan Kumar, Mr. Seemant K.
Garg and Mr. Nitin Pal, Advs.

CORAM:
HON'BLE MR. JUSTICE MANOJ JAIN

ORDER

% **25.11.2024**

CM APPL. 68581/2024 (exemption)

1. Allowed, subject to all just exception.
2. Application stands disposed of.

W.P.(C) 16281/2024 & CM APPL. 68580/2024 (stay)

3. The present petition seeks quashing and setting aside of the order dated 05.10.2024 passed by the respondent bank which was notified to the petitioner *vide* letter dated 04.11.2024 whereby the account of the petitioner has been declared as “*fraud*”.
4. Learned counsel for petitioner submits that the abovesaid declaration is in teeth of the judgment given by Hon’ble Supreme Court in *State Bank of India vs. Rajesh Aggarwal* 2023 SCC OnLine SC 342 and also against the

W.P.(C) 16281/2024

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RBI Master Circular.

5. The *Show Cause Notice* is in question dated 27.06.2024. The abovesaid *Show Cause Notice* was replied by the petitioner and while replying, the petitioner, while referring to the abovesaid judgment of *Rajesh Aggarwal (supra)*, requested the bank to provide them with *relied upon documents* so as to enable them to submit representation and also to explain about Forensic Audit Report.

6. According to learned counsel for the petitioner, despite the abovesaid reply, no document was ever supplied and, therefore, the decision runs contrary to the aforesaid judgment of *Rajesh Aggarwal (supra)*.

7. Learned counsel for the petitioner also submits that with respect to one another account of the same company, the other lender bank i.e. Union Bank of India had also declared the account of the petitioner company as “*fraud*” which compelled the petitioner to file W.P.(C) 6561/2024 and when the abovesaid petition was considered by the Coordinate Bench of this Court on 10.05.2024, wherein the identical issues were raised, this Court while issuing notice also directed that the operation of the impugned order to remain in abeyance.

8. The present petition is against the decision taken by the respondent bank i.e. Canara Bank.

9. Learned counsel for respondent, who appears on advance notice, accepts notice. He, however, disputes the aforesaid contentions raised by the petitioner.

10. Learned counsel for respondent submits that with respect to the lead bank i.e. Punjab National Bank, the petitioner had been declared fraud and have filed another writ petition which is registered as W.P.(C) 15778/2024



and such petition is now fixed for 16.01.2025.

11. Let reply be filed within a period of four weeks from today. Rejoinder within further period of two weeks.

12. Re-notify on 16.01.2025.

13. In the meanwhile, operation of the impugned decision dated 04.11.2024 shall remain in abeyance till the next date of hearing.

MANOJ JAIN, J

NOVEMBER 25, 2024

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