

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**R/SPECIAL CIVIL APPLICATION NO. 15644 of 2025**

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ELECTROTHERM (INDIA) LIMITED & ORS.

Versus

INDIAN OVERSEAS BANK

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Appearance:

MR SN SOPARKAR, SENIOR ADVOCATE WITH MS SIMRAN PAHWA FOR
THAKKAR AND PAHWA ADVOCATES(1357) for the Petitioner(s) No. 1,2,3

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CORAM: **HONOURABLE MR. JUSTICE ANIRUDDHA P. MAYEE****Date : 27/11/2025****ORAL ORDER**

Heard learned Senior Counsel Mr.S.N.Soparkar for the petitioners.

It is submitted by learned Senior Counsel Mr.Soparkar that by deed of assignment, the respondent-Bank has assigned its debt to the M/s. Rare Asset Reconstruction Pvt. Ltd on 28.09.2017. He submits that pursuant thereto, there is no account held by the petitioners in the respondent-Bank. He further submits that the show cause notice dated 24.02.2025 came to be issued to the petitioners in respect of the cash credit facility and term loan facility by the respondent-Bank on the basis of the Forensic Audit Report dated 24.06.2014 by Deloitte Touche Tohmatsu India Private Limited calling upon the petitioners as to why their account should no be continued to be treated as a fraud. Another notice dated 17.07.2025 also came to be issued. He further submits that by communication dated 21.07.2025, the show cause notices dated 24.02.2025 and 17.07.2025 were withdrawn as the same are stated to have been issued inadvertently as the account has already been sold to Asset Reconstruction Company. He submits that by the impugned notice dated 21.10.2025 again respondent-Bank has issued fresh show cause notice on the basis of the same Forensic Audit Report dated 24.06.2014, calling upon the petitioners to facilitate a review of the account of the

petitioners for the purpose of determining whether the existing fraud classification should be continued or reconsidered. He submits that once the loan account of the petitioners has already been sold to an Asset Reconstruction Company, the respondent-Bank had no jurisdiction to issue such a notice. In absence of any loan, the account of the petitioners cannot be declared as a fraud account. He submits that show cause notice so issued is without jurisdiction.

Issue **Notice**, returnable on 22.12.2025.

In addition, Direct service is permitted.

In the meantime, by way of ad-interim relief, the impugned notice dated 21.10.2025 is stayed till the next date of hearing.

Sd/-
(ANIRUDDHA P. MAYEE, J.)

ABHISHEK/66

Original copy of this order has been signed by the Hon'ble Judge.
Digitally signed by: ABHISHEK DASHRATHBHAI PRAJAPATI(HC01389), GOV, at High Court of Gujarat on 01/12/2025 15:53:44