

IN THE HIGH COURT AT CALCUTTA
(Constitutional Writ Jurisdiction)
APPELLATE SIDE

Present:

The Hon'ble Justice Krishna Rao

W.P.A. No. 978 of 2026

Monoranjan Roy

Vs.

SBI Stressed Assets Resolution Group & Ors.

Mr. Joydip Kar, Sr. Adv.

Mr. Rudraman Bhattacharyya, Sr. Adv.

Mr. Biswaroop Bhattacharyya

Mr. Niladri Bhattacharjee

Mr. Subhrojyoti Mukherjee

Ms. Deblina Chattaraj

Mr. Sayan Banerjee

Mr. Suman Majumdar

Mr. Shraman Mukherjee

....For the petitioner.

Mr. Anirban Pramanick

Mr. Punarbasu Nath

Ms. Bhagyasree Dey

....For the SBI.

Mr. Aman Agarwal

Mr. Debabrata Das

Mr. Arunabha Sarkar

Mr. Pratick Acharjee

...For the RBI.

Hearing Concluded On : 16.06.2026

Judgment Delivered On : 02.07.2026

Judgment Uploaded On : 02.07.2026

Krishna Rao, J.:

1. The petitioner has filed the present writ petition challenging the Show Cause Notice dated 2nd December, 2025, wherein the bank has directed the petitioner to show cause within 21 days as to why the account of the petitioner should not be categorized and reported as fraud as per the Reserve Bank of India (hereinafter referred to as “RBI”) Guidelines.
2. Mr. Joydip Kar, Learned Senior Advocate along with Mr. Rudraman Bhattacharyya, Learned Senior Advocate representing the petitioner submits that the bank has issued the show cause notice on the basis of the Forensic Audit report but the Forensic Audit report is not conclusive and the Auditor has mentioned in the report that the report has been prepared solely for the purpose of providing selected information on a confidential basis to which it is issued and should not be used for any other purpose without their consent.
3. Mr. Kar submits that initially on 18th November, 2025, the respondent no. 2 has issued show cause notice to the petitioner with respect to the transactions from 1st April, 2013 to 31st March, 2018, on the basis of

the Forensic Audit report dated 4th June, 2025. On receipt of the said notice, the petitioner has submitted a detailed reply on 29th November, 2025, stating that the M/s. Pincon Spirit Limited (hereinafter referred to as “PSL”) had been conducting its business activities with due diligence, integrity and best efforts. It was informed to the bank that the petitioner and other Directors of PSL had been arrested on 2nd November, 2017 and 19th April, 2018, respectively and all supporting documents with regard to the operation of PSL and the petitioner has been seized by the Directorate of Economic Offences (hereinafter referred to as “DEO”). It was also informed that the offices and production units of PSL along with business units of the subsidiary/associate companies were sealed by the DEO in the month of November/December, 2017, due to which it is not possible for the petitioner to provide documents with regard to transactions of the company.

4. Mr. Kar submits that it was also informed that the loan account of the company has a long satisfactory credit standing with the consortium member banks including the State Bank of India and the account of the company turning into NPA is not due to intentional or willful and *malafide* motive or default on the part of the management of the company. He submits that due to stoppage of production at the manufacturing units of Kolkata, the company’s revenue generation has been adversely affected.

5. Mr. Kar submits that the State Bank of India on 2nd December, 2025, issued a letter withdrawing the earlier show cause notice dated 18th November, 2025 and issued the impugned show cause notice though the contents are identical to the show cause notice dated 18th November, 2025. He submits that the reasons and grounds for withdrawal of the earlier show cause notice was not informed to the petitioner.
6. Mr. Kar submits that by a communication dated 11th January, 2018, issued by the SBI, IFB, Bangalore addressed to the Deputy Superintendent of Police of the Office of the DEO, Kolkata informed that the consortium banks have lent to the company after completion of due diligence on the company and its promoters as per the bank's/RBI guidelines. He further submits that the consortium banks had itself acknowledged the *bona-fide* and due diligence of the company and thereafter had also acknowledged the plight of the company due to stoppage of production at the manufacturing units at Kolkata which resulted in non-servicing of loans, thus the show cause notices dated 18th November, 2025 and 2nd December, 2025, is contrary to their own statement.
7. Mr. Kar submits that during the consortium meeting held on 31st January, 2018, the DEO, West Bengal has seized the stocks at the plants of the company, despite such reports, no action was taken by the State Bank of India or any other member bank of the consortium against the DEO, West Bengal for safeguarding the stocks which were

hypothecated to the consortium as prime security. He submits that the company has been impleaded in a number of litigations with reference to its operation. The alleged corporate debtors have also initiated Corporation Insolvency Resolution Process (CIRP) against the company before the National Company Law Tribunal, Kolkata. The said application was taken up for consideration on 30th September, 2019, along with other applications wherein it is mentioned that the DEO, West Bengal had attached the property of the corporate debtor (PSL) as if it is the proceed of crime under the provisions of West Bengal Protection of Interests of Depositors in Financial Establishment Act, 2013.

- 8.** Mr. Kar submits that the Tribunal by its order dated 19th February, 2020, observed that the contention that the assets attached by the respondent therein are assets obtained by the corporate debtor company out of the funds collected illegally by the group company under the contrail of Pincon Groups seems to be devoid of any merit in the absence of any supporting evidence and materials. The Tribunal also observed that the property of the corporate debtor attached by the respondent is liable to be detached and as such the DEO was directed to detach the property vide notice dated 16th April, 2018 and to restore possession thereof to the liquidator.
- 9.** Mr. Kar submits that on perusal of the Forensic Audit report, it reveals that the said report has been prepared in the absence of all necessary documents and evidences. He submits that Forensic Audit report is an

incomplete document and the same cannot be the basis of issuance of the show cause notice. He further submits that the show cause notice is issued in violation of principles of natural justice.

10. Mr. Kar in support of his submissions relied upon the judgment in the case of ***T. Takano Vs. Securities and Exchange Board of India and Another*** reported in ***(2022) 8 SCC 162*** and submits that a *quasi-judicial* authority has a duty to disclose the material that has been relied upon at the stage of adjudication. An *ipse dixit* of the authority that it has not relied on certain material would not exempt it of its liability to disclose such materials if it is relevant to and has a nexus to the action that is taken by the authority.
11. Mr. Kar further relied upon the judgment in the case of ***Milind Patel Vs. Union Bank of India and Others*** reported in ***2024 SCC OnLine Bom 745*** and submits that the purpose of disclosure of information is not merely individualistic, that is to prevent errors in the verdict but is also towards fulfilling the larger institutional purpose of fair trial and transparency.
12. Mr. Anirban Pramanick, Learned Advocate representing the State Bank of India submits that the show cause notice dated 18th November, 2025, was withdrawn and on 2nd December, 2025, another show cause notice was issued detailing the allegation against the petitioner. In the show cause notice, Forensic Audit report was enclosed, thus the

petitioner cannot say that Forensic Audit report is not served upon the petitioner.

13. Mr. Pramanick submits that the petitioner has submitted a detailed reply to the show cause notice dated 18th November, 2025. He has referred to the paragraph 4(b)(c) and (e) and submits that all the issues raised by the petitioner in the present writ petition is agitated in his reply. In the said reply, the petitioner has not prayed for supply of any documents.
14. Mr. Pramanick submits that the petitioner has submitted proposal for One Time Settlement and on receipt of the proposal of One Time Settlement, the bank requested the petitioner to submit the offer of One Time Settlement to the Official Liquidator appointed by the Tribunal.
15. Mr. Pramanik submits that as per Master Directions on Fraud Risk Management in commercial bank, reasonable time of 21 days was provided to the petitioner for submission of his reply to the show cause notice and only after receipt of notice, the bank shall consider the request of the petitioner and after giving an opportunity to the petitioner, the bank will consider whether the entities will be declared as fraud or not. He submits that instead of waiting for the decision of the bank, the petitioner has filed the instant writ petition, thus the writ petition is not maintainable.
16. Mr. Pramanik in support of his submissions, has relied upon the judgment in the case of ***Union of India and Another Vs. Kunisetty***

Satyanarayana reported in **(2006) 12 SCC 28** and submits that in some very rare and exceptional cases, the High Court can quash a show cause notice if it is found to be wholly without jurisdiction or for some other reason if it is wholly illegal.

- 17.** Initially the respondent bank has issued show cause notice to the petitioner on 18th November, 2025 and the petitioner has submitted his detailed reply to the same. On receipt of reply of the petitioner, the bank without any order has withdrawn the said show cause notice, and issued the impugned show cause notice on 2nd December, 2025. On receipt of the impugned show cause notice, the petitioner has sent a reply informing that the allegations made in the show cause notices dated 2nd December, 2025 and 18th November, 2025, are same and the petitioner has relied upon the reply submitted with respect to the show cause notice dated 18th November, 2025, with the option for resorting legal action in any Court of law against such unilateral and biased decision on the part of the bank.
- 18.** The respondent bank has issued show cause notice to the petitioner on the basis of the Forensic Audit report of R. Dokania and Company dated 4th June, 2025. As per Forensic Audit report, the Bank has appointed R. Dokania and Co., Chartered Accountants to conduct a Forensic Audit of the books of accounts of the Borrower for a period from 1st April, 2013 to 31st March, 2018. As per report, the management of the Company were not reachable and due to which no details of supporting documents have been received from the Borrower.

- 19.** In the report, it is mentioned that the Auditor has sent a request to the Borrower for providing several details including Cash Book/ Bank Book and Journal Book from the period 1st April, 2013 to 31st March, 2018, Audited Financial Statements of Borrower for the said period and other many information but the mail sent to the Borrower were not delivered due to blockage issue. In the report, the Auditor has scanned the message which shows that the request made by the Auditor to the PSL has been blocked.
- 20.** In the report, it is also mentioned that the Borrower has not provided any document like books of accounts, transactions details, copy of invoices, agreement entered into with various parties.
- 21.** Conclusion and Disclaimer and Limitations of the Forensic Audit report which reads as follows:

“CONCLUSION

Analysis of Management Comments

*The borrower, **Pincon Spirit Limited (PSL)**, has **categorically failed to provide any documentary evidence** or verifiable supporting documentation in response to the observations raised during the forensic audit. The stated reason for non-submission-**seizure of records by the Directorate of Economic Offences (DEO)**- does not absolve the company from the responsibility of maintaining backups or duplicate records.*

*As per standard accounting and statutory compliance practices, listed companies are required to maintain backups, digital records, audit trails, and file statutory returns (e.g., GST returns, ROC filings) which remain accessible through respective portals or backups. **No such attempt to produce secondary or***

corroborative evidence has been made by the management.

The management response provides **broad, generic justifications** about normal business transactions but **fails to address specific transaction-level observations** made in the forensic audit. Statements such as "transactions were in the ordinary course of business" or "accounting lapses were inadvertent" are **unsupported by verifiable facts or documentation.**

Despite the lapse of more than **seven years**, the management has **not pursued any legal remedy to regain access to its own records** from DEO, nor taken steps to reconstruct the books of accounts - a minimum expected effort from a listed entity. The continued inaction indicates **wilful negligence or a deliberate attempt to avoid scrutiny.**

The reply admits that operations have come to a standstill, but **fails to clarify the current status of compliance with regulatory authorities** like MCA, SEBI, BSE/NSE, GST, or Income Tax. The absence of updated filings or regulatory disclosures further adds to concerns regarding the **continuity and authenticity of financial operations.**

Conclusion on the basis of review of limited documents made available to us by the lenders

Further, we have received very limited documents like bank statements, sanction letter, valuation report, etc. for the purpose of conducting forensic audit of the Borrower. The lenders have provided us with such documents for our review.

We have reviewed the documents made available to us by the lenders and have done proper web search to identify the irregularities done by the Borrower. Our investigation reveals multiple high-value, unjustifiable financial transactions which are serious and prima facie indicative of fraudulent intent, fund diversion and deliberate misrepresentation on the part of the Borrower. The following key findings underscore this conclusion:

A) Payment to suspected shell entities

The Borrower had made payment aggregating to Rs. 27.03 crores to entities whose current status is showing as 'Strike off' and has not filed the financial statements since their incorporation or has not filed the financial statements from last few years. Furthermore, the directors of these entities are found to be common across multiple 'Strike Off' entities, indicating a deliberate creation of a web of shell companies to facilitate fund diversion. The Borrower has failed to produce any agreements, invoices, proof of delivery of goods/services, or rationale justifying these payments. The summary of payment done to such shell entities has been shown below:

Sr. No.	Name of the party	Amount (Rs.)
1.	<i>Confitech Dealtrade Private Limited</i>	1,57,49,517
2.	<i>Mayukh Commodities Private Limited</i>	49,99,903
3.	<i>Polpik Traders Private Limited</i>	2,49,82,522
4.	<i>Slice Trading India Private Limited</i>	96,49,850
5.	<i>Jagwani Creations Private Limited</i>	24,99,900
6.	<i>Gurpreet Sales Private Limited</i>	54,99,937
7.	<i>Dhanganga Traders Pvt. Ltd.</i>	42,49,893
8.	<i>Gajgamani Mercantile Pvt. Ltd.</i>	1,33,24,878
9.	<i>Gajrup Markcom Pvt. Ltd.</i>	24,99,870
10.	<i>Mahavir Tradimpex Pvt. Ltd.</i>	74,99,815
11.	<i>Jai Santoshi Tradimpex Private Limited</i>	29,99,970
12.	<i>D L S Export Private Limited</i>	8,13,49,300
13.	<i>Vaibhavlaxmi Distributors Private Limited</i>	7,00,18,884
14.	<i>Venera Property Private Limited</i>	2,50,17,848
	Total	27,03,42,087

Such payments without any visible economic rationale or documentation and directed towards non-operational, non-compliant and defunct entities represent a classis typology of fund

siphoning and fraudulent activity conducted on the part of the Borrower.

B) Questionable Payments to a Former Director:

It has been observed that the Borrower have paid amount aggregating to Rs.40.00 lakhs to Mr. Raj Kumar Roy within a period of 5 days. The summary of payment made to him has been shown below:

Date	Amount Paid (Rs.)	Amount Received (Rs.)	Remarks
15-09-2017	10,00,000	-	HDFC Bank
15-09-2017	10,00,000	-	HDFC Bank
18-09-2017	10,00,000	-	HDFC Bank
18-09-2017	10,00,000	-	HDFC Bank
Total	40,00,000	-	

Mr. Raj Kumar Roy was a director of the Company for the period 06.08.2011 – 06.03.2014. No documentary justification or business rationale has been provided for these payments. In light of the Borrower's default and absence of corresponding entries or documentation, these transactions appear to be in violation of principles of fiduciary responsibility and indicative of unauthorized siphoning of funds.

C) Disproportionate Increase in Trade Receivables vs. Trade Payables and lack of debtor confirmations

It has been observed that the Borrower has reported an aggregate increase of ₹17,703.06 lakhs in trade receivables over the period from 01.04.2012 to 31.03.2017. In contrast, trade payables have increased only by ₹8,284.38 lakhs during the same period. This results in a significant mismatch between receivables and payables growth, raising concerns regarding the genuineness of the trade receivables reported in the financial statements.

In view of the absence of adequate supporting documents, lack of debtor confirmations, and non-cooperation from the Borrower, it prima facie

appears that the trade receivables may have been artificially inflated by the Borrower. This creates a reasonable ground to suspect that funds may have been diverted to non-genuine or related parties under the guise of trade receivables, in violation of fiduciary responsibilities and applicable laws.

D) Payments to Entities Unrelated to the Core Business

During the course of review, it was observed that the Borrower made huge payments to multiple entities during FY 2015-16 to FY 2017-18, whose line of business and activities do not appear to have any direct or indirect nexus with the Borrower's core operations. These entities include Vinayak Research, Todi Investors, RR Creations, HM Creations, Cellcom, Payal Commodities, etc.

*These entities, prima facie, appear to be engaged in businesses such as investment advisory, commodity trading, textile business and unrelated research services which are not required in the normal course of business of a liquor manufacturing company. **This pattern of payment, in the absence of business rationale and supporting documentation, suggests possible diversion of funds or accommodation entries, and may fall under the ambit of fraudulent transactions***

E) Absence of Key Records & Obstruction in Audit Process:

*There are various suspicious transactions observed by us which could not be completely unearthed due to the absence of books of accounts. The Borrower has not provided its statutory books of accounts, ledger records, transactional invoices, agreements, etc. **This non-cooperation hinders the transparency and traceability of financial conduct and itself raise red flags under forensic and regular scrutiny.***

FINAL OPINION

In view of the foregoing, it is our categorical and professional opinion that the Borrower has engaged in a well-orchestrated scheme of financial misrepresentation, fraud and fund diversion,

through a network of shell entities and through unauthorized individual payments, with the sole intention of defrauding institutional lenders.

This conclusion is based on evidence available as on the date of this report and is subject to further findings upon production of the complete financial records and cooperation by the Borrower.

DISCLAIMER & LIMITATIONS

This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to in this report. While utmost care has been taken in carrying out the assignment, there are certain limitations of its use; our report is subject to the following:

The scope of work is not equivalent to an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls, or other attestation or review services or services to perform agreed upon procedures in accordance with the standards established by The Institute of Chartered Accountants of India.

Further, given the nature of the assignment, the procedures followed may not comprehend all matters relating to Company that might be pertinent or necessary to the client's evaluation. Accordingly, though we have carried out the work as per the scope of work given, we make no representation to the sufficiency of our procedures for the users. Our verification cannot be relied upon to reveal all material issues (known and/or unknown), which may have an impact on the opinion of the Lender(s).

We did not independently verify all matters discussed and consequently, we have relied on the records and documents produced before us.

We have considered following key assumptions while carrying out the assignment:

- *Information and explanations and representation received are materially correct.*

- *Documents such as bank statements, sanction letters, etc. provided to us are Genuine.*

No technical or economic viability study or market survey was conducted for the purpose of this assignment.

No responsibility is assumed for matters of a legal nature. We were not required to carry out a legal audit/review.

With respect to the documents and information required for conducting forensic audit, we have mailed our preliminary requirement list to the lenders and borrower and have received very limited documents which have been mentioned in the report.

We have carried out the audit based on the limited information and explanations to the extent made available to us by the lenders and from the sources indicated elsewhere in this report.

Our firm shall be indemnified with respect to any legal cost & expenses, if any required to be incurred by us in this assignment due to any future litigations against us by any party.

We have no obligation to update this report or revise our opinion because of events or transactions occurring subsequent to the date of this report.

This report has been prepared solely for the purpose of providing selected information on a confidential basis to which it is issued and should not be used for any other purpose without our consent in writing.

**FOR
R DAKONIA & CO.
CHARTERED ACCOUNTANTS
Sandeep
Agarwal
SANDEEP AGARWAL
Dated: 04.06.2025
UDIN: 25064912BMMIB9150.”**

22. Directorate of Economic Offences, West Bengal, has initiated investigation with regard to the transactional operation of the PSL and seized the stocks and plants of the PSL. The DEO, filed an application before the Tribunal being CA (IB) No. 577/KB/2019 and prayed for dismissal of the CIRP proceeding initiated against the petitioner being C.P. (IB)No. 93/KB/2018. The Learned Tribunal by an order dated 30th September, 2019, passed the following order:

*“14. A very look at the name of the company reveals that Sl. No. (e) (5th company) name is **Pincon Infrastructure Ltd.** The Corporate Debtor is **Pincon Spirits Limited.** The Corporate Debtor company was Incorporated under the provisions of the Companies Act, 1956 for carrying on business of manufacturing, importing, exporting and manufacturing of every kind of spirit. It has come out in evidence that Corporate Debtor is not doing any financial service business activities as alleged. There is no material furnished before us to prove that Corporate Debtor company is a chit fund company or a financial service provider comes under the purview of the 'WBPIDFE Act'. No claimant also came forward claiming refund of deposit if any deposited in the CD company. In the absence of sufficient materials to prove that the Corporate Debtor in any manner whatsoever come within the scope of purview of 'WBPIDFE Act' we are unable to hold that the proceedings initiated by this Adjudicating Authority is illegal and improper.*

23. The Resolution Professional though made his efforts to get back the assets of the Corporate Debtor from the 'DEO, WB', but he failed in having any access to the books of account, without which he could not verify the claim received from the creditors and could not complete their valuation because of the sole reason of non-cooperation of the 'DEO, WB' the inability of the Resolution Professional in not getting a successful resolution applicant cannot be faulted. Accordingly, we have no other alternative other than to pass an order of Liquidation.

(j) CA (IB) Nos. 577/KB/2019 is dismissed with cost of Rs.5 lacs payable within two months from the date of receipt of the copy of the order to the account of the CD either by e-payment facility into bank account of the corporate debtor or by way of DD, failing which the Liquidator can realise the said amount from the applicant in accordance with applicable law.”

23. The Liquidator has filed an application before the Learned Tribunal being CA (IB) No. 1741/KB/2018 for de-attachment of the assets of the Corporate Debtor under Liquidation. Learned Tribunal by an order dated 19th February, 2020, disposed of the said application by passing the following order:

“9. From a reading of section 3 of ‘WBPIDFE Act’, it appears to us that this provision is inconsistent with section 14 of the I & B Code and therefore, Section 14 as well as Sub Section (5) of Section 33 of the Code will prevail over Section 3 of ‘WBPIDFE Act’. Therefore, it appears to us that all the property of the Corporate Debtor attached by the Respondent is liable to be de attached. Accordingly, this application is allowed upon the following among:-

ORDERS

- i.** *The Respondent Directorate of Economic Offences, Government of West Bengal, is hereby directed to de-attach all the properties attached vide notice dated 16/04/2018 and to restore possession thereof to the Liquidator within 15 days of the receipt of the copy of this order.*
- ii.** *CP (IB) No. 93/KB/2018 connected with CA(IB) No.1741/KB/2018 is disposed of. However, no order as to cost.”*

- 24.** Admittedly, Corporate Insolvency Resolution Process (CIRP) is initiated against the petitioner and Liquidator was appointed by the Learned Tribunal. Once liquidation proceeding is started, the power of the Board of Directors are suspended. The Liquidator is the sole custodian of the company's books of accounts, financial records and operational documents. The Forensic Auditor must submit a formal requisition list to the Liquidator specifying the exact financial years, ledgers and transactions to be examined. The Liquidator compiles the available documents and securely hands over to the Auditor. The Auditor may examine or request clarifications directly from the suspended directors/ management, but all formal document exchanges must be routed through or approved by the Liquidator to maintain the chain of custody.
- 25.** As per Forensic Audit report, the conclusion is based on evidence available on the date of the report and is subject to further findings upon production of the complete financial records and cooperation by the borrowers. In the disclaimer portion of the Forensic Audit report, it is mentioned that *"this report has been prepared solely for the purpose of providing selected information and on a confidential basis to which it is issued and should not be used for any other purpose without the consent of the auditor in writing"*.
- 26.** In the case of **T. Takano (supra)**, it is held that:

"28.3. Transparency and accountability : The investigative agencies and the judicial institution are held accountable through transparency and not

opaqueness of proceedings. Opaqueness furthers a culture of prejudice, bias, and impunity—principles that are antithetical to transparency. It is of utmost importance that in a country grounded in the Rule of Law, the institutions adopt those procedures that further the democratic principles of transparency and accountability. The principles of fairness and transparency of adjudicatory proceedings are the cornerstones of the principle of open justice. This is the reason why an adjudicatory authority is required to record its reasons for every judgment or order it passes. However, the duty to be transparent in the adjudicatory process does not begin and end at providing a reasoned order. Keeping a party bereft of the information that influenced the decision of an authority undertaking an adjudicatory function also undermines the transparency of the judicial process. It denies the party concerned and the public at large the ability to effectively scrutinise the decisions of the authority since it creates an information asymmetry.

30. *It would be fundamentally contrary to the principles of natural justice if the relevant part of the investigation report which pertains to the appellant is not disclosed. The appellant has to be given a reasonable opportunity of hearing. The requirement of a reasonable opportunity would postulate that such material which has been and has to be taken into account under Regulation 10 must be disclosed to the noticee. If the report of the investigating authority under Regulation 9 has to be considered by the Board before satisfaction is arrived at on a possible violation of the regulations, the principles of natural justice require due disclosure of the report.”*

27. The judgment relied by Mr. Pramanik in the case of **Kunisetty Satyanarayana (supra)**, it is settled law that writ jurisdiction is discretionary jurisdiction and such discretion under Article 226 of the Constitution of India should not be ordinarily exercised by quashing a show cause notice but in the present case, the show cause notice is

issued on the basis of the Forensic Audit report and the Forensic Audit report is not conclusive one as the documents of the borrower was not available to the Auditor. Thus, the facts of the present case are distinguishable from the facts of the case referred by Mr. Pramanik.

28. Considering the above, this Court finds that the Forensic Audit report on the basis of which the impugned show cause notice is issued, is not conclusive as the documents of the borrower was not available to the Forensic Auditor and the same is categorically reflected in the Forensic Audit report.

29. In view of the above, the impugned show cause notice dated 2nd December, 2025, is set aside and quashed. However, this order will not prevent the respondent bank for taking appropriate steps against the petitioner in accordance with law. It is further made it clear that if the bank intending to rely upon the Forensic Audit report in future, the bank may request the Auditor to obtain all the necessary documents from the Liquidator appointed by the Learned Tribunal or from the Directorate of Economic Offences to conduct Forensic Audit report to come to a definite finding. The petitioner is also directed that, if any, request is made by the auditor for supply of any documents and the petitioner possesses the same, the petitioner shall forward the same after being verified by the Liquidator in writing.

30. WPA No. 978 of 2026 is allowed.

Parties shall be entitled to act on the basis of a server copy of the Judgment placed on the official website of the Court.

Urgent Xerox certified photocopies of this judgment, if applied for, be given to the parties upon compliance of the requisite formalities.

(Krishna Rao, J.)