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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 8955/2018 & CM No. 34425/2018

DEEPEN ARUN PAREKH Petitioner

Through : Mr. Akhil Sibal, Sr. Adv. with
Ms. Rishi Aggarwala, Ms. Ankita
Singhania, Ms. Nikita Vardhan,
Ms. Aarushi Tiku and Mr. Simranjit,
Ms. Nitya Gupta, Advs.

versus

PUNJAB NATIONAL BANK AND ANR. Respondents

Through : Mr. Rajesh Gautam, Adv. for PNB

CORAM:

HON'BLE MR. JUSTICE ANUP JAIRAM BHAMBHANI

ORDER

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13.02.2019

The present petition was filed impugning letter dated 21.07.2018 addressed by respondents Nos. 1 and 2/Punjab National Bank to the petitioner rejecting the petitioner's response to show-cause notice dated 19.07.2017 stating as under:-

"We have perused your said reply but could not find any merits in it for not classifying you as wilful defaulter and take further action as proposed in our said notice dated 19.07.2017 in view of the fact that though you have resigned from the board of the Company during 2014, you were a Director in the Board of the Company between 11.09.2013 to 22.11.2014 and running the affairs of the Company during the period 2013-14 when the account had actually become irregular."

Mr. Akhil Sibal, learned senior counsel appearing for the petitioner

states at the outset that though letter dated 21.07.2018 was received, no further communication has been received from the respondents till date.

Mr. Rajesh Gautam, learned counsel appearing for the respondents submits, that as stated in para 3.2 of the common short counter-affidavit dated 20.10.2018 by the respondents :

“no final decision has been taken by the "Committee on wilful defaulters" of the Respondent Bank in this regard.”

Counsel for the respondents states that even till date no final decision has been taken to declare the petitioner ‘wilful defaulter’. Upon being queried as to the status of the proceedings for this purpose, he states that the proceedings are in limbo and therefore the writ petition is premature.

Mr. Sibal contends that even assuming that the respondents have taken no further action in the matter and proceedings for declaring the petitioner ‘wilful defaulter’ are in limbo, the very fact that the petitioner is subject to this process creates a cloud over his credibility in the commercial world and putting the petitioner in this position is itself prejudicial to the petitioner.

Mr. Gautam states that in these circumstances the process of declaring the petitioner ‘wilful defaulter’ may be treated as abandoned, giving liberty to the respondents to recommence the process, if they so desire, by issuing fresh show-cause notice and complying with the mandate of RBI Master Circular dated 01.07.2015, in accordance with law.

The present petition is accordingly disposed of, in view of the statement made by counsel for the respondents that the process of declaring the petitioner ‘wilful defaulter’ that commenced with issuance of show-cause notice dated 19.07.2017 shall be deemed to have been abandoned,

with liberty to the respondents to recommence the process, if they so desire, by issuing fresh show-cause notice and complying with the mandate of the RBI Master Circular dated 01.07.2015, in accordance with law.

Petition stands disposed of in the above terms.

ANUP JAIRAM BHAMBHANI, J

FEBRUARY 13, 2019

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