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

\+ W.P.(C) 18747/2025

MR MARKAND ADHIKARI .....Petitioner

Through: Mr. J. Sai Deepak, Senior Advocate with Mr. Varun Garg, Ms. Nishpreha Mittal and Mr. Sidhi Pramod, Advocates.

versus

PUNJAB NATIONAL BANK & ANR. .....Respondents

Through: Mr. Santosh Kumar Rout, SC for R-1/PNB.

CORAM:
HON'BLE MS. JUSTICE JYOTI SINGH

O R D E R

% **10.12.2025**

CM APPLs. 78043/2025 *(Exemption)*, **78042/2025** *(Exemption from filing lengthy synopsis)*

1. Allowed, subject to all just exceptions.

2. Applications stand disposed of.

W.P.(C) 18747/2025 & CM APPL. 78041/2025

3. This writ petition is filed on behalf of the Petitioner under Articles 226 and 227 of the Constitution of India seeking the following relief:-

> *"a. Issue a Writ of Certiorari, or any other appropriate writ, order, or direction quashing/setting aside the proceedings being undertaken by the Respondent no. 1 bank for declaring the Petitioner and the account of M/s Dream Merchant Content Pvt. Ltd. as 'fraud' including the Show Cause Notice dated 30.04.2025 and Notices of personal hearing dated 01.12.2025 and 03.12.2025 and all consequential actions arising therefrom, as being illegal, arbitrary, non-est in law, and in violation of the principles of natural justice and the RBI Master Directions on Fraud."*

4. Petitioner's case as pleaded in the writ petition is that Respondent No.1/Punjab National Bank ('PNB') sanctioned a term loan in favour of M/s Dream Merchant Content Private Limited, principal borrower on 06.06.2017, whereafter principal borrower and PNB entered into a Loan Agreement dated 09.07.2017 and Petitioner being a director stood guarantee for the loan. The company was engaged in business of content distribution and trading of digital beta tapes, aligned with anticipated expansion of Doordarshan's DD Free Dish. However, owing to abrupt suspension of DD Free Dish's capacity upgrade in August, 2017 by Prasar Bharati, company faced significant commercial setbacks leading to default in servicing debt obligations.

5. It is stated that Forensic Audit Report dated 24.07.2019 was prepared by the Auditor i.e., BDO India LLP but the same was not shared with the Petitioner till June, 2025 *albeit* it became the basis of institution of proceedings against the Petitioner. On 24.10.2019, principal borrower was declared insolvent by NCLT Mumbai and CIRP was initiated. PNB issued a letter dated 01.08.2022 *inter alia* furnishing Forensic Audit Report dated 21.06.2021 in relation to the principal borrower by the same Auditor for the same period. Importantly, at this point PNB shared only the report of 2021 and not 2019 and the report dated 21.06.2021 does not refer to the earlier report dated 24.07.2019.

6. It is stated that vide letter dated 29.08.2022 *inter alia* Petitioner sought clarity from PNB whether there were two different versions of audit report supplied by the Bank. By order dated 04.10.2023, NCLT Mumbai directed the principal borrower be liquidated and thereafter, the company was sold as a going concern by the Liquidator. During CIRP all records

were handed over to the Resolution Professional by the Petitioner, who ceased to have any control over company's documents. On 11.04.2025, PNB took a stand that fraud declaration of the Petitioner and principal borrower was being recalled without prejudice to its right to re-examine the account and thereafter, issued the impugned show cause notice dated 30.04.2025 proposing to classify the account as fraud but without annexing or furnishing any relevant document including the Forensic Audit Report(s). On 19.05.2025, Petitioner requested PNB to provide the relevant documents to effectively reply to the show cause notice but there was no positive response. Petitioner repeated the request on 31.05.2025 but the Bank only shared copy of audit report dated 24.07.2019 on 02.06.2025 but without any annexures, working papers, transactional document or other relied upon material forming the basis of the allegations. On 06.06.2025, Petitioner sent an e-mail enclosing a list of 20 documents which were essentially required to submit a reply to the show cause notice. However, only few documents were shared and a personal hearing was scheduled on 10.12.2025 calling upon the Petitioner to appear before the Fraud Review Committee to present his case and submit his response. The hearing was rescheduled to 12.12.2025 and having no option Petitioner has filed this writ petition.

7. Mr. J. Sai Deepak, learned Senior Counsel for the Petitioner submits that at this stage Petitioner will be satisfied if the documents sought by the Petitioner in Enclosure A to representation dated 06.12.2025 are supplied to the Petitioner to enable him to effectively respond to the show cause notice and also defend the case in the personal hearing. It is submitted that Coordinate Bench of this Court in ***Mr. Ramchandra Purohit and Anr. v. Punjab National Bank and Anr., W.P.(C) 10059/2025,*** has stayed further

proceedings arising from show cause notice on the ground that all material documents forming the basis of show cause notice were not supplied to the Petitioner. It is urged that the Supreme Court in ***T. Takano v. Securities and Exchange Board of India and Another, (2022) 8 SCC 162*** has clearly held that not only the relied upon material but all relevant material emerging during investigation must be disclosed and therefore, direction be issued to PNB to supply the documents sought for and personal hearing be deferred till the documents are made available and reply is filed to the show cause notice.

8. Issue notice.

9. Mr. Santosh Kumar Rout, learned Standing Counsel accepts notice on behalf of Respondent No. 1/PNB.

10. Heard learned Senior Counsel for the Petitioner and learned Standing Counsel for Respondent No. 1 and examined their submissions.

11. Learned Senior Counsel for the Petitioner is right in his submission that in ***T. Takano (supra)***, the Supreme Court held that not only the relied upon material must be disclosed but as a default rule, all relevant material emerging during investigation must be disclosed. The Supreme Court observed that the principles of fairness and transparency of adjudicatory proceedings are the cornerstones of the principle of open justice. 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 concerned party and the public at large the ability to effectively scrutinise the decisions of the authority since it creates an information asymmetry. 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. Relying on this judgment of the Supreme Court, this Court in ***ASM Traxim Private Limited & Ors. v. Punjab National Bank,*** in ***W.P.(C) 2362/2025***, decided on 21.11.2025, has directed the concerned bank to supply the documents sought by the Petitioners before passing a final order classifying the account as fraud.

12. At this stage, Mr. Rout, learned Standing Counsel for PNB fairly submits that the documents sought by the Petitioner in Enclosure A of representation dated 06.12.2025 will be furnished within 15 days from today.

13. Accordingly, this writ petition is disposed of taking the assurance of PNB on record. The documents mentioned in Enclosure A of representation dated 06.12.2025 will be supplied to the Petitioner within 15 days from today. Reply shall be filed to the show cause notice by the Petitioner within 21 days from the date of receipt of the documents in consonance with Clause 2.1.1.2 of the Reserve Bank of India (Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions) Directions, 2024, whereafter it will be open to PNB to pass an order, in accordance with law, after affording personal hearing to the Petitioner. In light of this, any personal hearing scheduled in the meantime will be deferred. It is made clear that this Court has not expressed any opinion on the merits of the case.

14. Pending application stands disposed of.

JYOTI SINGH, J

DECEMBER 10, 2025/*S.Sharma*