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IN THE HIGH COURT OF DELHI AT NEW DELHI

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W.P.(C) 12219/2024 & CM APPL. 53545/2024

RAJIV GUPTA

....Petitioner

Through: Mr. Abhishek Garg, Adv. Mr. Yash
Gaiha, Adv. Mr. Naman Mehta. Adv.

versus

PUNJAB NATIONAL BANK LIMITED & ORS.Respondents

Through: Mr. Santosh Kumar Rout, Adv. for
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CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

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21.01.2026

1. This is a writ petition filed under Article 226 read with Article 227 of the Constitution of India seeking the following reliefs:

“A) Issue appropriate writ in the nature of certiorari or directions/order quashing the Impugned Order dated 28.08.2024 issued by Respondent No. 1;

B) Issue appropriate writ in the nature of certiorari or directions/order quashing the Impugned Show Cause Notice dated 30.04.2024 issued by Respondent No. 1 (Due to typographical error the date on the Impugned Show Cause Notice is mentioned as 30.04.2023) ;

C) Issue appropriate writ in the nature of mandamus or directions/order to stay the operation of Impugned Order and all the consequent proceedings arising out of the Impugned Order dated 28.08.2024 issued by Respondent No. 1 thereto...”



2. The brief facts of the case are that the petitioner is a former Director of M/s RCI Industries and Technologies Ltd., engaged in the business of trade of copper and non-ferrous metals. The M/s RCI Industries and Technologies Ltd. availed loans from a consortium of banks for the purpose of expansion but suffered losses and was declared a non-performing asset by the joint lenders forum between 2019 and 2020.

3. Thereafter, between December 2023 and January 2024, four banks participating in the joint lenders meeting issued show cause notices relying on the audit report, proposing to declare the account of M/s RCI Industries and Technologies Ltd. and the petitioner as fraud. Consequently, the petitioner was declared as fraud *vide* order dated 28.08.2024.

4. The petitioner in the present petition challenges the impugned Order dated 28.08.2024 issued by the respondent No. 1.

5. Mr. Garg, learned counsel for the petitioner, states that the petitioner has not been afforded an opportunity to submit his case in a personal hearing and the documents sought by the petitioner have also not been supplied.

6. The Hon'ble Supreme Court in paragraph No. 98.6 of the judgment titled as ***State Bank of India and Others vs. Rajesh Agarwal and Others (2023) 6 SCC 1*** has observed that the Principles of Natural Justice demand that the borrowers must be given an opportunity of hearing before classifying their accounts as fraud and the same must be done by a speaking order. The relevant paragraph of the said judgment reads as under:

“98.6. The principles of natural justice demand that the borrowers must be served a notice, given an opportunity to explain the conclusions of the forensic audit report, and be allowed to represent by the banks/JLF before their account is



classified as fraud under the Master Directions on Frauds. In addition, the decision classifying the borrower's account as fraudulent must be made by a reasoned order.”

7. Since the declaration of fraud is an action with serious consequences, I am of the view that the principles of natural justice must be strictly followed.
8. With the consent of the parties, it is directed that the petitioner/his authorized agent shall appear before the Review Committee at Zonal Sastra Centre 7, Bhikaji Cama Place, New Delhi-110066 on 13.02.2026 at 11:30 a.m.
9. Within one week from today, the petitioner shall furnish a list of relevant documents which he seeks from the respondent No. 1, and if available with the respondent No. 1, the same shall be supplied to the petitioner within one week thereafter.
10. I am of the view that in compliance with the Principles of Natural Justice in letter and spirit, the Review Committee shall afford a personal hearing and thereafter pass a reasoned Order.
11. Consequently, the impugned Order dated 28.08.2024 is hereby set aside.
12. The Court has not restricted the respondent from taking any actions that are available to the respondent in accordance with law.
13. The petition is disposed of in the aforesaid terms, along with pending applications (if any).

JASMEET SINGH, J

JANUARY 21, 2026/AS