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

+ W.P.(C) 13045/2024 & CM APPL. 54441/2024, CM APPL.
5850/2026

SANJIV GUPTA

.....Petitioner

Through: Ms Ayushi Arya, Mr. Nitin K Gupta,
Adv.
versus

UNION BANK OF INDIA AND ORS

.....Respondents

Through: Mr. OP Gaggar and Mr. Sachindra
Karn, Advocates for R1

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **29.01.2026**

1. This is a writ petition filed under Article 226/227 of the Constitution of India seeking the following prayers:-

“a) Setting aside/Quashing the Impugned orders dt. 28.02.2023 and 22.05.2023 passed by the Identification Committee and Review Committee of the Respondent No. 1 Bank in violation of Clause 3 (b) of the RBI Master circular 2015 and principles of natural justice and fundamental rights guaranteed to the Petitioner under Articles 14 and 21 of the Constitution of India; and

b) Direct Respondents to decide the appeal dt. 15.03.2023 on merits by passing a speaking order;

c) Direct Respondents to adhere to the RBI Master circular 2015 and principles of natural justice while deciding the



declaration of willful defaulter against the Petitioner in future;”

2. The case of the petitioner is that a term loan of Rs. 45 crores was availed by the respondent No. 2 Company i.e., Sunworld Residency Pvt. Ltd., from respondent No. 1 Bank i.e., Union Bank of India and the loan account was classified as Non-Performing Asset (“*NPA*”) on 30.09.2018. The petitioner was one of the Directors of respondent No. 2 Company at the time availing the loan and also was a Guarantor.
3. A Show Cause Notice dated 14.06.2022 was issued by respondent No. 1 Bank to the respondent No. 2 Company as well as the petitioner and other guarantors. A Representation/letter dated 20.07.2022 was sent by respondent No. 2 Company to respondent No. 1 Bank.
4. The petitioner received the impugned order dated 28.02.2023 on 01.03.2023 from the respondent No. 1 Bank, whereby the petitioner was informed about the order of the identification committee, which concluded that the mentioned Borrowers/ Promoters/ Directors/ Guarantors are wilful defaulters.
5. The petitioner preferred an appeal dated 15.03.2023 against the order of the impugned order dated 28.02.2023. The respondent No. 1 Bank *vide* letter dated 13.06.2023 sent a copy of the impugned order dated 22.05.2023 passed by the Review Committee of wilful defaulter, wherein the petitioner’s appeal was dismissed.
6. Hence, the present petition.
7. Ms. Arya, learned counsel for the petitioner, has drawn my attention to 3 letters. First is the letter dated 10.10.2024 issued by respondent No. 1 bank, which is extracted below:-



यूनियन बैंक ऑफ इंडिया **Union Bank of India**
भारत सरकार का उपक्रम A Government of India Undertaking

दबावग्रस्त आसति प्रबंधन शाखा, दिल्ली
STRESSED ASSET MANAGEMENT BRANCH, DELHI

SAM/DEL/OR/1063/2024-25

Date:- 10/10/2024

To,

M/s Sunworld Residency Pvt. Ltd.
GH-01/C, Sector- 168 Noida,
PIN 201305, UP

Sir,

Without Prejudice

Re: Your request for NOC for the appointment of Co-Developer i.e M/s Nimbus Projects Ltd for project development of balance area

We refer to mail dated 26/09/2024, mentioning various facts and requesting us to issue NOC for the appointment of Nimbus Projects Limited as Co-developer for the project development of the balance area after payment of full and final amount of remaining OTS amount Rs 20.00 Cr along with delayed intt. We would like to inform that we have received the remaining amount with delay period intt on 09.10.2024 from Nimbus Projects Ltd.

As per your request and development in the account, we provide our NOC for appointment of "M/s Nimbus Projects Ltd" as Co-developer for the project "Sunworld Arista" provided that the payment terms and conditions of our OTS sanction dated, 20/09/2023 is complied with. Our NOC for appointment Co-Developer for the above said project is subject to similar NOC given by other lender of consortium member i.e BOB.

Kindly note that this letter is without prejudice to Banks right against the Borrower & Guarantors and well as the Bank's charge over the secured assets mortgaged/ hypothecated in Bank's favor. Final settlement certificate and release will be done after ratification from competent authority for condonation of delay.

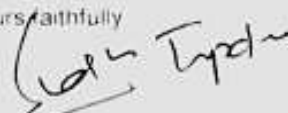
Yours faithfully

Deputy General Manager





8. Second, is the letter dated 18.11.2024 issued by the Bank of Baroda, which is extracted below:-

 बैंक ऑफ बड़ोदा Bank of Baroda		ANNEXURE A-3
BR/ZOSARB/ND/2024-25/137		Dated 18 11 2024
The Deputy General Manager Union Bank of India SAM Branch 6th Floor, Konnectus Tower Ajmeri Gate New Delhi-110001		
Dear Sir		
Re: Request of Co. M/s Sunworld Residency Pvt Ltd for release of primary security i.e. project in the name of "Sunworld Arista"		
We invite your attention to the joint's lenders' meeting held on 13.11.2024, wherein we have briefed/updated the status of court cases and compliance of terms & conditions of the OTS sanction letter as advised to the borrower company.		
In due deliberation, it is noted that certain terms & conditions of the OTS sanction letter of the respective consortium lenders banks are yet to be complied, however, the borrower has deposited the full amount to the respective Banks. Therefore, both the banks agreed to release the primary security, which are mortgaged as security in the captioned account		
Accordingly, we convey our consent for release of primary security, more particularly described hereunder:		
2nd - Pari-Passu charge with Union Bank of India on project lease hold land measuring 40221.26 sq. meters situated at GH-1C, Sector 168, Noida and construction thereon in the name of the company*		
*The above security includes the certain flats which are already released against the deposit of sale price.		
Kindly note that our Bank is agreeable to release its charge over the above assets only. However, release of the other assets including the personal and corporate guarantee of the guarantor/corporate guarantors shall be subject to compliance of the all terms & conditions of sanction/s of the consortium lenders in toto.		
Yours faithfully  (Sudhakar Bhai Tripathi) AGM & Branch Head		



9. Third, is the letter dated 20.11.2024 issued by the respondent No. 1 Bank regarding release of primary security, and the same is extracted below:-

 **यूनियन बैंक ऑफ इंडिया**  **Union Bank of India** 
A Government of India Undertaking
Stressed Asset Management Branch
603 B, Konnectus Tower, Ajmeri Gate, New Delhi - 110001
E-mail: ubin0906069@unionbankofindia.bank

Ref: DEL: SAMB: OR: 1231:2024-25

Date: 20.11.2024

To,

M/S SUNWORLD RESIDENCY PVT LTD
GH-01/C, Sector- 168
Noida, PIN 201305, UP

RELEASE OF PRIMARY SECURITY

The account in the name of M/S SUNWORLD RESIDENCY PVT LTD is a Non-Performing Asset (NPS) of the Bank. M/S Sunworld Residency Pvt Ltd had offered a One Time Compromise Settlement in the above account.

That the OTS was approved by the competent authority in the account of and the Bank has received a sum of Rs.28,50,00,000/- (Rupees Twenty Crore fifty Lakhs Only) with legal expenses of Rs.5,00,000/- over and above the OTS amount.

We hereby confirm that the entire settlement amount of Rs. 28,50,00,000/- (Rupees Twenty-Eight Crore Fifty Lakhs only) along with interest/delayed period interest of Rs.2,17,03,101.50 (Rupees Two Crore Seventeen Lakhs Three Thousand One Hundred One and paise Fifty only) and legal expenses of Rs. 5,00,000/- over and above the OTS amount has been received by our Bank. On receipt of consent from the consortium member Bank of Baroda, we hereby released the primary security more particularly described hereunder:

2nd Pari-Passu charge on project lease hold land measuring 40221.26 Sq meters situated at GH-1C, Sector 168, Noida (U.P.) and construction thereon in the name of company. The above security includes the certain flats which are already released against the deposit of sale price.

Note: Release of other assets including the personal and corporate guarantees shall be subject to compliance of all the terms & conditions of sanction/s of the consortium lenders in toto.

This certificate has issued at the specific request of the borrower M/s Sunworld Residency Pvt Ltd. without any prejudice to the rights of the Banks.

Yours Sincerely,



10. Thereafter and most importantly, she draws my attention to an email dated 21.11.2024 issued by respondent No. 1 Bank to Reserve Bank of India (“**RBI**”), which reads as under:-

NO DUES Certificate and update of account status on RBI/CIBIL website

Bh - Sam Branch-Delhi [Union Bank Of India] <ubin0906069@unionbankofindia.bank>

Thu, Nov 21, 2024 at
6:51 PM

To: CA Abhishek Jhorar <ca.abhishek@sunworld.in>, "Bh - Sam Branch-Delhi [Union Bank Of India]" <ubin0906069@unionbankofindia.bank>

Cc: Dinesh Goyal <dineshgoyal@sunworld.in>, "Sahoo, Prasanta Kumar" <prasant.sahoo@unionbankofindia.bank>

Dear Sir,

With reference to trail mail and further to discussion happened in our office , we would like to intimate that the No dues Certificate cum OTS settlement letter issued to Company on 20.11.2024 and sent vide email. Further to your request for removal of Company name from RBI defaulter list and removal of Wilful defaulter Tag , necessary recommendation have been sent to competent authority .

Branch will communicate the same to company in due course as the process will take 2-3 weeks for sanction .

Thanking you.

Union Bank Of India

Stressed Asset Management Branch

Unit No. 603B, Konnectus Tower,

Bhav Bhuti Marg, Oppo. New Delhi Railway Station,

Ajmeri Gate Side, New Delhi - 01

11. A perusal of the aforesaid documents, shows that a No Due Certificate has been issued and the OTS settlement has been complied with.
12. The respondent No. 1 Bank has already requested the RBI to remove the name of the respondent No. 2 Company from RBI defaulter list.



13. In this view of the matter, I am satisfied that the fountainhead for declaring the petitioner a wilful defaulter i.e., the declaration of the account of respondent No.2 Company being an NPA, no longer survives. Additionally, pursuant to the email of respondent No. 1 Bank, the RBI has removed the name of the petitioner and respondent No. 2 Company from the list of wilful defaulter.
14. For the said reasons, the petition is allowed and the impugned orders dated 28.02.2023 and 22.05.2023 are hereby set aside.
15. The petition is disposed of in aforesaid term, along with pending applications if any.

JASMEET SINGH, J

JANUARY 29, 2026 / (MS)