$~112

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

\+ W.P.(C) 2818/2026 & CM APPL. 13669/2026

NAVIN M. RAHEJA AND ANR. .....Petitioners

Through: Mr. Rajshekhar Rao. Sr. Adv. with Ms. Manmeet Kaur, Mr. Gurtejpal Singh, Mr. Rohan Anand, Mr. Saurabh Jha, Advocates

versus

PUNJAB NATIONAL BANK AND ORS .....Respondents

Through: Mr. Ankit Raj (SC) with Mr. Ali Mohammed Khan (Adv.) Mr. Digvijay Singh (Adv.) for R1

Adv. Mr. Dhaval Mehrotra & Adv. Ms. Aditi Desai for R2

Mr Himanshu Upadhyaya, Adv.

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

O R D E R

% **27.02.2026**

CM APPL. 13670/2026

Allowed subject to all just exceptions.

The application stands disposed of.

CM APPL. 13671/2026

1. This is an application filed under Section 151 of the CPC, 1908, seeking condonation of delay of 3 days in re-filing the present petition.
2. For the reasons stated in the application, the application is allowed and the delay of 3 days in re-filing the present petition is hereby condoned.
3. The application is disposed of in the aforesaid terms.

W.P.(C) 2818/2026

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

> *"a. Pass necessary order(s) / direction (s) quashing and*

setting aside the Show Cause Notice dated 24.06.2025 issued by Respondent No. 1 Bank;

b. Pass necessary order(s) / direction (s) quashing and setting aside the Identification Committee Order dated 01.08.2025 issued by Respondent No. 1 Bank;

c. Pass necessary order(s) / direction (s) quashing and setting aside the Order dated 15.01.2026 passed by the issued by Respondent No. 1 Bank;

d. Pass necessary order(s) directing Respondent No. 1 Bank to supply the Petitioners with complete copies of all documents as well as permit inspection of the Bank's entire concerned file;

e. Pass necessary order(s) / direction(s) permitting the Petitioners to file their detailed representation before the Review Committee within six (6) weeks from the date on which both of the following conditions stand fulfilled:

(i) the Respondent Bank furnishes complete copies of all documents.

(ii) the Petitioners are granted and have completed full inspection of the Respondent Bank's entire file pertaining to the present proceedings and;…"

5. In the present case, the petitioner has been declared a wilful defaulter in utter disregard of the principles of natural justice and in violation of the Reserve Bank of India directives. The respondent No. 1 proceeded to classify the petitioner as a wilful defaulter without any application of mind, without supplying the underlying documents and without

affording a personal hearing.

6. For the said reasons, issue notice.

7. Mr. Raj, learned standing counsel and Mr. Mehrotra, learned counsel accept notice on behalf of the respondent Nos. 1 and 2 respectively.

8. There is nobody appearing on behalf of the respondent No. 3, however the matter is being taken up for hearing.

9. Mr. Rao, learned senior counsel for the petitioner, amongst other grounds, states that in the present case, the reply duly submitted by the petitioner has not been considered by the respondent No. 1 bank.

10. He draws my attention to the Show Cause Notice and the grounds stated therein under the head of "capacity to pay". The relevant portion reads as under:-

Reg.: Show Cause for Identification of Wilful Default in the loan account of M/s Raheja Developers Ltd. with the Bank

Bank has observed events of willful default in your account. Hence, your account and its related parties are eligible for the process of willful defaulter. It is also observed that all the events of Wilful Default are intentional, deliberate, calculated and meeting the conditions set out in RBI Master Directions RBI/DoR/2024-25/122 DoR.FIN.REC.No. 31/20.16.003/2024-25, 30 July 2024.

The facts of the matter were placed before the Committee for Identification of Wilful Defaulters (i.e. 'Identification Committee-I') constituted in consonance with the RBI guidelines. The Committee, in its meeting held on 19.06.2025, after going through facts of the matter & evidence on record, has concluded that event(s) of default has/have occurred in the account which is/are wilful and substantial to classify you as 'Wilful Defaulter', inter alia for the following reasons:

Capacity to Pay:

The guarantors possess sufficient financial capacity to repay the bank dues but have willfully defaulted on their obligations. Their financial standing, as evidenced by their respective asset and liability statements as of 31.03.2024, is as follows:

Sr. No	Name	Net Worth	Supporting Document
1	Sh. Navin M Raheja	37.48 Cr	Assets & Labilities statement Dated 31.03.2024
2	Smt. Nirmal Raheja	7.92 Cr	Assets & Labilities statement Dated 31.03.2024

This clearly establishes their ability to repay, and the failure to do so is deliberate.

Unauthorized disposal of Charged assets:

As per the legal report submitted by Advocate Kaushal Kumar dated 18.03.2024, M/s Raheja Developers Pvt. Ltd. sold a portion of the mortgaged property situated at Village Ulahawas,

True copy

STRESSED ASSET MANAGEMENT DIVISION (SAMD), HEAD OFFICE
PLOT NO.4, SECTOR-10, DWARKA, NEW DELHI-110075

Tehsil Sohna, Gurgaon — which was charged to Punjab National Bank — without obtaining the Bank's consent. This act constitutes unauthorized disposal of secured assets, in violation of the terms of the loan agreement.

Supporting documents: Advocate Kaushal Kumar Report dated 18.03.2024

11. He also draws my attention to the response submitted in this regard on 30.08.2025**,** wherein the 2 allegations in the Show Cause Notice have been categorically dealt with in the following manner:-

> *"a. At the outset, it is submitted that the assets of the guarantors, as mentioned in the table provided in the notices, are not liquid. Being shareholders in RDL, the shares held by the guarantors only possess a notional and face value, which are otherwise, non-tradeable. If a proper sales valuation of these shares is held, it would be found that they are valued in negative and do not hold any value. Therefore, the shareholding of the guarantors, which, as stated in the notices, is being used to ascertain their respective financial standings, cannot be construed or conflated with their capacity to repay the alleged bank dues."*

12. In the impugned order passed on 15.01.2026, the respondents themselves state that they have considered the reply dated 30.08.2025 of the petitioner. However, the consideration of the said defence reads as under:-

Capacity To Pay:

The guarantors possess sufficient financial capacity to repay the bank dues but have willfully defaulted on their obligations. Their financial standing, as evidenced by their respective asset and liability statements as of 31.03.2024, is as follows:

Sr. No	Name	Net Worth	Supporting Document
1	Sh. Navin M Raheja	37.48 Cr	Assets & Labilities statement Dated 31.03.2024
2	Smt. Nirmal Raheja	7.92 Cr	Assets & Labilities statement Dated 31.03.2024

This clearly establishes their ability to repay, and the failure to do so is deliberate.

13. A perusal of the same, *prima facie* seems to suggest that the defence of the petitioner has not been considered at all. This total disregard of the response submitted by the petitioner is against the principles of natural justice. The principles of natural justice are not mere formality, and the same needs to be followed in letter and spirit. When a decision is made without taking into consideration the response then the purpose of seeking a representation/response at the very first place itself gets frustrated.

14. The bank is a custodian of the account of the petitioner and freezing of an account has serious civil consequences and the running of the entity can come to a standstill. The freezing of an account entails serious consequences creating hardships for commercial entities in smooth functioning and the same might result in commercial debt. The respondent No. 1 bank cannot take such harsh measures without complying with the principles of natural justice and without any application of mind.

15. Hence, till the next date of hearing, no further precipitative action shall be taken pursuant to the impugned order dated 15.01.2026.

16. Let the reply be filed within 2 weeks from today.

17. Since the respondent No. 2 i.e. the Reserve Bank of India ***(“RBI”)*** has no substantial role in the present dispute, the same stands deleted from the array of parties.
18. Let amended memo of parties be filed before the next date of hearing.
19. List on 25.03.2026.

JASMEET SINGH, J

FEBRUARY 27, 2026 / (MS)