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

\+ W.P.(C) 7696/2025

DEVANG PRAVIN MODY .....Petitioner

Through: Mr. Pranjit Bhattacharya and Ms. Salonee Shukla, Advs.

versus

PUNJAB NATIONAL BANK & ORS. .....Respondents

Through: Mr. Aayushmaan Vatsyayana and Mr. Gourav, Advs. for Canara Bank/R-2. Mr. Samarendra Kumar, Mr. Sandeep Soni, Mr. Vishnu Jaiswal, Mr. Adarsh Rai Singh, Ms. Priyanka Singh and Mr. Sumir Chanchal, Advs. for R-3.

CORAM:
HON'BLE MR. JUSTICE VIKAS MAHAJAN

O R D E R

% 30.05.2025

CM APPL. 34195/2025 (exemption) & CM APPL. 34196/2025 (exemption)

1. Allowed, subject to all just exceptions.

2. Applications stand disposed of.

W.P.(C) 7696/2025 & CM APPL. 34194/2025

3. The present petition has been filed under Article 226 of the Constitution of India seeking following relief:

> *A. Issue a writ of Certiorari or any other appropriate writ, order or direction quashing the Impugned Action of declaration of the petitioner's account as "fraud" by the respondent banks as illegal, invalid and null and void;*

B. Issue a writ of Certiorari or any other appropriate writ, order or direction quashing any steps/action taken by the respondent banks pursuant to the declaration of the petitioner's account as "fraud" by the respondent banks;

4. Mr. Pranjit Bhattacharya, learned counsel for the petitioner submits that the petitioner has been informed by his current employer that his account has been classified as 'fraud' by the respondent nos. 1 to 3. He submits that before passing such an order, no show cause notice was ever given to the petitioner.

5. He submits that the petitioner was in the employment of Reliance Commercial Finance Limited from 24.04.2017 till 31.12.2018 initially as Additional Director/CEO and thereafter as an Executive Director. He submits that not only the show cause notice was not given by the respondents but the personal hearing was also not afforded to the petitioner.

6. He further contends that the resolution plan under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets), Directions, 2019 with regard to the "Reliance Commercial Finance Limited" was approved finally by the Hon'ble Supreme Court and a resolution implementation memorandum dated 30.09.2022 was entered into between the said company, as well as, the persons set out in Scheduled-Part I to the said memorandum, which also includes all the respondent banks. He submits that the resolution implementation memorandum has already been given effect to.

7. He invites attention of the Court to the Clause 4.1.4 of the said Memorandum, the relevant part of the same read thus:

"4.1.4 The Lenders and NABARD shall, within thirty days from the receipt of RBI Approval, have withdrawn all notices,

proceedings, complaints, claims, litigation, legal proceedings, and suits that one or more of them may have or have filed or served in connection with the Loans, the Finance Documents, and the Lenders Security (as the case may be), along with withdrawal of all restraints, prohibitions, restrictions, stay or injunctions against RCFL, its new promoters, new directors, officers (not being erstwhile key managerial personnel), and employees from dealing with its assets pursuant to any legal cases or proceedings before any court, tribunal or any other legal forum, absolutely and forever on 'with prejudice' basis, in accordance with the terms of the Resolution Plan. ***Further within three months from the receipt of RBI Approval, the Lenders and NABARD shall ensure that the red-flag classification, fraud classification, and wilful defaulter classification of RCFL, its directors and officers shall be removed at the sole cost and expense of the Lenders, including removal from the database of CIBIL, CRILIC or all other credit information companies and hand over to the Resolution Applicant, documentary evidence in this regard.****"*

(emphasis supplied)

8. He submits that since the resolution plan has already been implemented, therefore, the respondents ought to have not proceeded against the present petitioner.

9. In view of the above, issue notice. Mr. Aayushmaan Vatsyayana, the learned counsel for the respondent no.2/Canara Bank accepts notice. Likewise, Mr. Samarendra Kumar, the learned counsel for the respondent no.3/Union Bank of India accepts notice.

10. On petitioner taking steps issue notice to respondent no.1 by all permissible modes.

11. Let counter-affidavit be filed within a period of four weeks. Rejoinder thereto, if any, be filed within a period of two weeks thereafter.

12. List on 22.09.2025.

13. In the meanwhile, having regard to the submissions made by Mr. Pranjit Bhattacharya, which *prima facie* appears to have substance, the respondents are directed to maintain *status quo* till the next date.

VIKAS MAHAJAN, J

MAY 30, 2025/dss