

Sandeep Bhalla And Ors vs Reserve Bank Of India And Ors on 25 June, 2020

Author: Rajiv Shakdher

Bench: Rajiv Shakdher

\$~Writ-1

* IN THE HIGH COURT OF DELHI AT NEW DELHI
+ W.P.(C) 2225/2020 & CM APPL. 10668/2020

SANDEEP BHALLA AND ORS.Petition
Through Mr. Sandeep Bhalla i.e. Petition
No.1-in-person
versus

RESERVE BANK OF INDIA AND ORS.Respo
Through Mr. H.S. Parihar, Mr. Kuldeep
Parihar, and Ms. Ikshita Parih
Advs. for RBI.
Mr. Jasmeet Singh, CGSC for UO
Mr. Purusharth Bisht, Adv. for
R-5/Administrator.
Mr. Ramesh Babu MR with Ms.
Nisha Sharma, Advs. For Respon
No. 7.

CORAM:
HON'BLE MR. JUSTICE RAJIV SHAKDHER
ORDER

% 25.06.2020 [Court hearing convened via video-conferencing on account of COVID-19]

1. Pursuant to the order dated 18.05.2020, respondent No. 3/Union of India [hereafter referred to as the "UOI"] and Respondent No.5/the Administrator [hereafter referred to as the "Administrator"] of respondent No.2/Punjab & Maharashtra Co-operative Bank Ltd. [hereafter referred to as "PMC Bank"] have filed an affidavit and a status report in the matter respectively.

1.1 The status report filed by the Administrator is not on record. However, the affidavit filed by the UOI is on record.

2. A perusal of the affidavit filed on behalf of the UOI would show that it has taken the stand that it has not invested any funds in Yes Bank. 2.1 It is averred that the investors, which includes the State Bank of India [in short "SBI"], had invested, in the share capital of Yes Bank, upon sanction being accorded by it to the Yes Bank Limited Reconstruction Scheme, 2020 [hereafter referred to as the "Reconstruction Scheme"] as alluded to in notification bearing number G.S.R. 174(E) dated 13.03.2020 [hereafter referred to as the "notification"].

3. While the aforementioned stand taken in the affidavit on behalf of the UOI responds, literally, to the query raised in the order dated 18.05.2020, what has emerged upon perusal of the notification is that, both, the Reserve Bank of India [in short "RBI"] as well as the UOI had a crucial role to play in the decision taken to: permit, firstly, the Reconstruction Scheme being brought into play and, secondly, to have it funded.

4. In these circumstances, the RBI will file an affidavit as to what propelled it to take action in the "public interest" to secure the interest of the depositors of Yes Bank and the reason why the UOI accorded sanction to the Reconstruction Scheme.

4.1 I may indicate that there is a reference to this aspect of the matter in the notification.

5. Therefore, both the RBI as well as the UOI will file additional- affidavits bringing on record the documents, which will establish the reasons which propelled the said decision to be taken i.e. the forging of the Reconstruction Scheme. The affidavits will delve into the aspect as to how the depositors of PMC Bank are differently circumstanced in comparison to the depositors of Yes Bank.

5.1 Furthermore, the affidavit of UOI will indicate as to the shares it holds in SBI and the representation it has on the SBI's Board of Directors.

6. The aforementioned affidavits will be filed within three weeks from today.

6.1 Copies of the same will be furnished to petitioner No.1, who appears in person.

7. Insofar as the Administrator is concerned, while, as indicated hereinabove, his status report is not on record, the status report, was shared on screen, albeit, partially.

7.1 Mr. Bisht, who appears on behalf of the Administrator, concedes, that up until now none of the assets of PMC Bank which have been seized have been liquidated.

7.2 Mr. Bisht says that an application qua this aspect has been filed before the concerned Court.

8. Given the dire state in which the depositors of PMC Bank are placed today, the Administrator, to my mind, should approach the concerned Court and make an endeavour to hasten the process.

9. The circumstances created by the Coronavirus pandemic affects even the depositors of the PMC Bank.

10. The Administrator will revert on this aspect of the matter by filing an additional-affidavit.

10.1 The aforementioned affidavit will be filed within three weeks from today.

11. Renotify the matter on 06.08.2020.

RAJIV SHAKDHER, J JUNE 25, 2020 pmc/KK Click here to check corrigendum, if any \$~6 * IN THE HIGH COURT OF DELHI AT NEW DELHI + CS(OS) 556/2008 SMT JAMNA DATWANI & ORSPlaintiffs Through Mr. Deepak Khosla, Adv. for P-1 & 2 versus SH. ANAND DATWANI & ORSDefendants Through Mr. Vivek Sharma with Ms. Mamta Gautam, Advocates for D-2.

Mr. Abhimanyu Mahajan with Ms. Anubha Goel, Mr. Sarthak Mehrotra, Ms. Tanisha Bawa and Mr. Mayank Joshi, Advs. for D-3.

Ms. Neelima Tripathi and Ms. Mansi Sharma, Advs. for D-5.

Mr. Pulkit Deora, Adv. for D-9.

Mr. Ricky Chopra, Adv. for D-11.

CORAM:

HON'BLE MR. JUSTICE RAJIV SHAKDHER ORDER % 25.06.2020 [Court hearing convened via video-conferencing on account of COVID-19] I.A. No.4109/2020 & I.A. No.4131/2020

1. Mr. Abhimanyu Mahajan has concluded his arguments. Mr. Mahajan appears for defendant No. 3.

1.1 Likewise, Mr. Pulkit Deora has advanced his submissions on behalf of defendant No. 9.

2. Mr. Khosla says that he will continue with his submissions tomorrow.

3. Accordingly, at request, renotify the matter on 26.06.2020.

RAJIV SHAKDHER, J JUNE 25, 2020 pmc/KK Click here to check corrigendum, if any