

## **Present: For The Petitioners:- Mr. ... vs Nos. 2 & 3 In Item Nos. 2, 9, 30 & 31. Ms. ... on 30 July, 2021**

**Author: Prateek Jalan**

**Bench: Prateek Jalan**

\$~ 24-82, 86, 2, 6, 9-14 (2021 Cause List)

\* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ W.P.(C) 306/2019; W.P.(C) 12460/2019; W.P.(C) 12475/2019  
W.P.(C) 12841/2019; W.P.(C) 4050/2020; W.P.(C) 5729/2020  
W.P.(C) 6830/2020; W.P.(C) 7825/2020; W.P.(C) 10968/2019  
W.P.(C) 3183/2020; W.P.(C) 3924/2020; W.P.(C) 3991/2020;  
W.P.(C) 4249/2020; W.P.(C) 4317/2020; W.P.(C) 4578/2020;  
W.P.(C) 4938/2020; W.P.(C) 4940/2020; W.P.(C) 4941/2020;  
W.P.(C) 5087/2020; W.P.(C) 5185/2020; W.P.(C) 5280/2020;  
W.P.(C) 5281/2020; W.P.(C) 5555/2020; W.P.(C) 5749/2020;  
W.P.(C) 5849/2020; W.P.(C) 6304/2020; W.P.(C) 6763/2020;  
W.P.(C) 7233/2020; W.P.(C) 7454/2020; W.P.(C) 7742/2020;  
W.P.(C) 7765/2020; W.P.(C) 8890/2020; W.P.(C) 8906/2020;  
W.P.(C) 8907/2020; W.P.(C) 8935/2020; W.P.(C) 10064/2020  
W.P.(C) 10138/2020; W.P.(C) 10522/2020; W.P.(C) 10550/20  
W.P.(C) 10796/2020; W.P.(C) 11179/2020; W.P.(C) 11216/20  
W.P.(C) 275/2021; W.P.(C) 300/2021; W.P.(C) 338/2021;  
W.P.(C) 372/2021; W.P.(C) 752/2021; W.P.(C) 754/2021;  
W.P.(C) 925/2021; W.P.(C) 1830/2021; W.P.(C) 2237/2021;  
W.P.(C) 3457/2021; W.P.(C) 3545/2021; W.P.(C) 3760/2021;  
W.P.(C) 4193/2021; W.P.(C) 4458/2021; W.P.(C) 5068/2021;  
W.P.(C) 656/2020; W.P.(C) 5178/2020; W.P.(C) 7209/2021;  
W.P.(C) 3800/2021; W.P.(C) 6118/2021; W.P.(C) 920/2021;  
W.P.(C) 12858/2019; W.P.(C) 788/2020; W.P.(C) 2424/2020;  
W.P.(C) 2485/2020; & W.P.(C) 8628/2020.

Present:

For the Petitioners:-

Mr. Jasmeet Singh, Mr. Saif Ali, Mr. Pushpendra Singh Bhadoriya,  
Dr Amar Nath Mishra & Ms. Ruhsheet Saluja, Advocates for petitioner  
nos. 2 & 3 in item nos. 2, 9, 30 & 31.

Ms. Reena Jain Malhotra, Advocate for the petitioner in item no. 10.

Mr. Apoorv Agarwal and Mr. Pragya Agarwal, Advocates for the  
Petitioners in item nos. 12 & 67.

Mr. Saurabh Kripal, Sr. Adv. with Mr. Manohar Malik and Ms. Nupoor  
Maharaj, Advocates for the petitioners in item nos. 24 & 32.

Ms. Priyadarshini Dewan and Ms. Aarohi Mikkilineni, Advocates for th

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petitioners in item nos. 34 & 60.

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Mr. Vikas Walia, Advocate for the petitioner in item no. 46.

Mr. Rajiv Singh, Mr. Rishi Raj Sharma & Mr. Harshal Kumar, Advocates for the petitioner in item no. 50.

Mr. Vijay K. Singh & Mr. Himanshu Dubey, Advocates for the petitioner in item no. 68.

Mr. Ashish Virmani & Mr. Vishal Kapoor, Advocates for the Petitioner in item nos. 72, 74 & 75.

Mr. Dayan Krishnan, Sr. Adv. with Mr. Susmit Pushkar, Mr. Anchit Oswal, Mr. Gaurav Sharma and Ms. Bhavna Mishra, Advocates for the Petitioner in item no. 79.

Ms. Niyati Kohli, Mr. Pranjit Bhattacharya, & Mr. Ankit Banati, Advocates for petitioners in item nos. 43, 44, 45, 56, 57, 61, 64, 67, 70, 71, 77, 82.

Mr. Saurabh Kirpal, Sr. Advocate with Ms. Priyadarshini Dewan and Ms. Asiya Khan, Advocate for the petitioners in item nos. 51 & 58.

Ms. Aaroohi Mikkilineni, Advocates for the petitioners in item no. 59.

Mr. Prateek Seksaria, Mr. Mahesh Agarwal, Mr. Rishi Agrawala, Mr. Manohar Malik and Ms. Nupoor Maharaj, Advocates for the Petitioner in item no. 80.

Ms. Shruti Kanodia, Mr. Anand Kumar Shrivastava, Ms. Priyansha Indra Sharma and Mr. Rahul Jajoo, Advocates for the Petitioners in item no.

For Respondents:-

Mr. OP Gaggar, Advocate for Union Bank of India in item nos. 2, 28, 47, 48, 50, 52, 62, 63, 70 & 71.

Mr. Vinod Diwakar, CGSC with Mr. B.N. Dubey & Ms. Shrivalli Ghosh, Advocates for R-2 in item no. 27.

Ms. Smarika Singh, Adv. & Ms. Yashna Mehta, Advocates for R-27 in item no. 29.

Mr. Sandeep Sethi, Sr. Advocate with Ms. Smarika Singh & Ms. Yashna Mehta, Advocates for R-2 in item no. 38.

Mr. Brijesh Kumar Tamber & Ms. Deepika Raghav, Advocates for Indian Bank in item nos. 37 & 56; for Bank of Baroda in item no. 42.

Mr. Bhagvan Swarup Shukla, CGSC with Mr. Sarvan Kumar, Advocate for UOI in item no. 52.

Mr. Saju Jakob & Ms. Ekta Bharati, Advocates for Bank of India in item nos. 68, 74 & 81.

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Mr. Aman Raj Gandhi, Mr. Dharav Shah & Mr. Abhishek Sharma, Advocates for R-1/HDFC Bank in item no. 61.

Mr. Abhirup Dasgupta, Mr. Ishaan Duggal and Ms. Bhawana Sharma, Advocates for R-5/ICICI Bank in Item No. 63, 67.

Mr. Sanjay Kumar Pathak, Sr. Panel Counsel with Ms. K. Kaumudi Kiran Pathak, Mr. Sunil Kumar Jha, and Mr. Mohd. Sueb Akhtar, Advocates for R-22/UOI in item no. 63.

Mr. Abhirup Dasgupta, Mr. Ishaan Duggal and Ms. Bhawana Sharma,

Advocates for R-1/Axis Bank in Item No. 70, 71.

Mr. Rohit Jha and Mr. AVS Submanyam, Advocates for R-1 in item no. 75.

Mr. Syed Arsalan, Mr. Prateek Khaitan, Mr. Chatanya Sharma, Advocates for /J& K bank in item nos. 29, 44, 45, 63.

Mr. Hashmat Nabi and Ms. Farah Naaz, Advocates for Punjab National Bank in item no. 12, 72.

Mr. Sanjeev Sabharwal, Sr. Panel Counsel for UOI in item no. 35.

Mr. Sarfaraz Khan, Adv. for UCO Bank in item no. 36, 77.

Mr. Rajesh Kumar Gautam, Mr. Anant Gautam, Mr. Nipun Sharma &

Mr. Madhur Tewatia, Advocate for PNB in item nos. 30, 31, 39, 40, 41, 51, 58; for Karnataka Bank in item no. 30 & 31; for Canara Bank in item no. 51; for R-1 in item nos. 43 & 82.

Mr. Tushar Mehta, Solicitor General of India, Mr. Dheeraj Nair,

Mr. Varghese Thomas, Mr. Hormuz Mehta, Ms. Anjali Anchayil,

Ms. Avni Sharma, Ms. Ahsan Allana, Advocates for R-1 in item nos. 44 & 45.

Mr. Santosh K. Rout, Advocate for R-3 in item no. 60; for R-3 in item no. 54; for R-2 in item no. 80; for R-1 in item no. 79; & for R-1 in item no. 81.

Mr. Ankur Mittal & Mr. Ankur Saboo, Advocates for R-2/SBI in item no. 81.

Mr. Ravi Prakash, CGSC with Mr. Gurtejpal Singh, Adv. for R-1 in item no. 14.

Ms. Jagriti Ahuja and Mr. Amol Sharma, Advocates for R-15 in item no. 2; for R-14 in item no. 63; for R-6 in item no. 37.

Mr. Naginder Benipal, Senior Panel Counsel, with Ms. Harithi Kambir, Advocate for R-2 in item no. 76.

Mr. Sidhartha Barua, Mr. Praful Jindal & Mr. Daanish Abbasi, Advocates for IDBI Bank Ltd. in item nos. 2, 12, 29, 34, 38, 58, 63, 77, 78

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Mr. Rajiv Kapur, Adv and Mr. Akshit Kapur, Adv for State Bank of India in item nos. 2, 24, 28, 32, 56, 57, 63, 64, 67, 72 and 74.

Ms. Asiya Khan, Advocate for R-2 in item no. 67.

Ms. Akriti Gautam & Mr. Kartik Rathi, Advocates for R-17/Central Bank of India in item no. 63.

Mr. Deepak Kumar Vijay, Adv. for R-10 in item no. 63.

Mr. Kuber Dewan, & Ms. Trisha Raychaudhuri, Advocates for R-2/ICICI bank in item no. 6.

Mr. Yashartha & Ms. Nishi Chaudhary, Advocates for PNB in item nos. 36, 46 & 54.

Ms. Seema Gupta, Advocate for PSB in item no. 36.

Mr. Nipun Gautam, Advocate for R-3 in item no. 79.

Mr. Aayush Agarwala, Advocate for Axis Bank in item no. 63.

Mr. Vikram Jetly, CGSC for R-1/UOI in item no. 86.

Mr. Arjun Krishnan and Mr. Ashwini Chawla, Advocates on behalf of R-3/YES Bank Ltd. in item no. 86.

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% 30.07.2021 The proceedings in the matter have been conducted through video conferencing.

CM. APPL. 23210/2021 (impleadment) in W.P.(C) 4249/2020

1. This is an application for impleadment of four banks as respondents to the writ petition.
2. It is stated by Ms. Ankita Bajpai, learned counsel for the petitioner- applicant, that the four banks [Canara Bank, Bank of Baroda, UCO Bank, Punjab and Sind Bank], are part of the consortium of lenders to the petitioner-company. Pursuant to a decision to classify the petitioner's accounts as 'fraud accounts', the aforesaid four banks have initiated proceedings under the Master Directions on Fraud dated 01.07.2016 issued by the Reserve Bank of India.
3. Issue notice. Mr. Yasharth, learned counsel, accepts notice on behalf of Bank of Baroda. Ms. Seema Gupta, learned counsel, accepts notice on behalf of Punjab and Sind Bank. Mr. Sarfaraz Khan, learned counsel, accepts notice on behalf of UCO Bank. Notice upon Canara Bank be served by Ms. Bajpai through learned Standing Counsel.
4. All the newly impleaded respondents will also be supplied with copies of the writ petition and the application within three days.
5. Replies to the application may be filed before the next date of hearing.
6. List on 17.08.2021.

CM APPL. 23211/2021 (ad interim directions) in W.P.(C) 4249/2020

1. The petitioner seeks ad interim directions against the newly impleaded respondents in respect of the classification of its accounts as fraud accounts. As far as the original respondent-Bank is concerned, the petitioner was protected by the following ad interim order dated 27.07.2020:

"3. In June 2020 it came to the knowledge of the petitioner that some decision has been taken/proposed to be taken by respondent No.2/Bank to declare the account of the petitioner as a fraud. However, no communication in this regard has been received by the petitioner. It was put to learned senior counsel for the petitioner as to how the said decision of respondent no.2 bank was communicated. Learned counsel submits that no such decision has been formally communicated but the respondent No.2/Bank has put the same on the CRLIC platform. It is stated that the effect of this is grave and damaging as no financial institution is likely to now give any credit facilities to the petitioner. Reliance is also placed on the order of a Coordinate Bench of this court dated 15.02.2019 in the case of Apple Sponge and Power Ltd. vs RBI

being W.P.(C) 306/2019. It has been stressed that no show cause notice, no hearing or no reasoned order has been given to the petitioner and the action of the respondent no.2/bank is wholly contrary to the principles of natural justice and is illegal and void.

4. It is manifest that the action of declaring the account of the petitioner as a fraud account has been done without issue of show cause notice, without hearing and without passing of appropriate order which is contrary to the principles of natural justice. Petitioner has made out a prima facie case. Till the next date of hearing Respondent no.2 will maintain status quo regarding the impugned order. No further coercive action shall be taken against the petitioner. This order will not impair any proceedings already initiated by respondent No.2."

2. The same arguments have been raised by the petitioner against the newly impleaded respondents. The newly impleaded respondents will also be bound by the same order until the next date of hearing.

3. List on 17.08.2021.

W.P.(C) 306/2019 with CM APPLs. 7039/2019, 52374/2019, 52382/2019, 12568/2020 & 12569/2020; W.P.(C) 12460/2019 & CM APPL. 50852/2019; W.P.(C) 12475/2019 & CM APPL. 50891/2019; W.P.(C) 12841/2019 & CM APPL. 52435/2019; W.P.(C) 4050/2020 with CM APPLs. 14510/2020 & 4983/2021; W.P.(C) 5729/2020 with CM APPLs. 20700/2020 & 12503/2021; W.P.(C) 6830/2020 & CM APPLs. 23636/2020, 26745/2020, 14652/2021 & 19800/2021; W.P.(C) 7825/2020 with CM APPLs. 25700/2020, 34432/2020, 1275/2021, 2118/2021 & 19794/2021; W.P.(C) 10968/2019 & CM APPL. 45285/2019; W.P.(C) 3183/2020 & CM APPL. 11064/2020; W.P.(C) 3924/2020 & CM APPL. 14037/2020; W.P.(C) 3991/2020 & CM APPL. 14319/2020; W.P.(C) 4249/2020 with CM APPLs. 15300/2020, 31465/2020 & 31466/2020; W.P.(C) 4317/2020 & CM APPL. 15557/2020; W.P.(C) 4578/2020 & CM APPL. 16537/2020; W.P.(C) 4938/2020 with CM APPLs. 17847/2020 & 17848/2020; W.P.(C) 4940/2020 with CM APPLs. 17851/2020 & 17852/2020; W.P.(C) 4941/2020 with CM APPLs. 17853/2020 & 17854/2020; W.P.(C) 5087/2020; W.P.(C) 5185/2020 & CM APPL. 18695/2020; W.P.(C) 5280/2020 & CM APPL. 19027/2020; W.P.(C) 5281/2020 & CM APPL. 19037/2020; W.P.(C) 5555/2020 & CM APPL. 20054/2020; W.P.(C) 5749/2020 & CM APPL. 20791/2020; W.P.(C) 5849/2020 & CM APPL. 21141/2020; W.P.(C) 6304/2020 & CM APPL. 22397/2020; W.P.(C) 6763/2020 & CM APPL. 23471/2020; W.P.(C) 7233/2020 & CM APPL. 24431/2020; W.P.(C) 7454/2020 & CM APPL. 24894/2020; W.P.(C) 7742/2020 & CM APPL. 25533/2020; W.P.(C) 7765/2020 & CM APPL. 25584/2020; W.P.(C) 8890/2020 & CM APPL. 28643/2020; W.P.(C) 8906/2020 & CM APPL. 28697/2020; W.P.(C) 8907/2020 & CM APPL. 28700/2020; W.P.(C) 8935/2020 & CM APPL. 28828/2020; W.P.(C) 10064/2020 & CM APPL. 32038/2020; W.P.(C) 10138/2020 & CM APPL. 32290/2020; W.P.(C) 10522/2020 & CM APPL. 33284/2020; W.P.(C) 10550/2020 with CM APPLs. 33391/2020, 4112/2021 & 4354/2021; W.P.(C) 10796/2020 & CM APPL. 33851/2020; W.P.(C) 11179/2020 & CM APPL. 34880/2020; W.P.(C) 11216/2020 & CM APPL. 34993/2020; W.P.(C) 275/2021 & CM APPL. 692/2021; W.P.(C) 300/2021 with CM APPLs. 772/2021, 16803/2021 & 16804/2021; W.P.(C)

338/2021 & CM APPL. 889/2021; W.P.(C) 372/2021 & CM APPL. 992/2021; W.P.(C) 752/2021 & CM APPL. 1893/2021; W.P.(C) 754/2021 & CM APPL. 1899/2021; W.P.(C) 925/2021 & CM APPL. 2511/2021; W.P.(C) 1830/2021 with CM APPLs. 5268/2021 & 11916/2021; W.P.(C) 2237/2021 & CM APPL. 6482/2021; W.P.(C) 3457/2021 & CM APPL. 10486/2021; W.P.(C) 3545/2021 & CM APPL. 10725/2021; W.P.(C) 3760/2021 & CM APPL. 11322/2021; W.P.(C) 4193/2021 & CM APPL. 12749/2021; W.P.(C) 4458/2021 & CM APPL. 13634/2021; W.P.(C) 5068/2021 & CM APPL. 15517/2021; W.P.(C) 656/2020 & CM APPL. 25376/2020; W.P.(C) 5178/2020 & CM APPL. 18638/2020; W.P.(C) 7209/2021 with CM APPLs. 22714/2021 & 22715/2021; W.P.(C) 3800/2021 & CM APPL. 19791/2021; W.P.(C) 6118/2021 & CM APPL. 19386/2021; W.P.(C) 920/2021 & CM APPL. 19788/2021; W.P.(C) 12858/2019 with CM APPLs. 52540/2019 & 17313/2021; W.P.(C) 788/2020 with CM APPLs. 2426/2020 & 6379/2020; W.P.(C) 2424/2020 & CM APPL. 8457/2020; W.P.(C) 2485/2020 & CM APPL. 8663/2020; W.P.(C) 8628/2020 & CM APPL. 27805/2020.

1. The petitions remains part heard.

2. List on 17.08.2021.

3. Mr. Akhil Sibal, learned Senior Counsel for the petitioners in W.P.(C) 2485/2020, is permitted to file written submissions and also place on record copies of authorities upon which he seeks to rely. As in the case of other petitions, the written submissions may be forwarded to Mr. Manohar Malik, learned counsel for the petitioner in W.P.(C) 306/2019, so that all written submissions are consolidated and available at one place. Copies of the written submissions may also be supplied to the respondents.

4. The newly impleaded respondents in W.P.(C) 4249/2020 may also file their counter affidavits before the next date of hearing.

4. Other parties are at liberty to file their written submissions before the next date of hearing, in accordance with the order dated 21.05.2021. Pleadings may also be completed within the given time.

PRATEEK JALAN, J JULY 30, 2021 'hkaur'