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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
CNR No. DLHC010504112026
+ **W.P.(C) 15483/2026 & CM APPL. 72601/2026**
RAJEEV GUPTA Petitioner

Through: Mr. Abhishek Garg, Mr. Yash Gaiha,
Mr. Naman Mehta, Mr. Satyam Singhaniya,
(Advocates)

versus

KARUR VYSYA BANK & ANR. Respondents

Through: Adv Mr Dhaval Mehrotra and Adv.
Ms Aditi Desai for R2

CORAM:

HON'BLE MR. JUSTICE JASMEET SINGH

ORDER

% **15.10.2026**

CM APPL. 72602/2026

Exemption allowed, subject to all just exceptions.

The application is disposed of.

W.P.(C) 15483/2026

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

“A. Issue appropriate writ in the nature of certiorari or directions/order quashing and setting aside the Impugned Order dated 30.09.2026 passed by Respondent No. 1;

B. Issue appropriate writ in the nature of certiorari or directions/order quashing and setting aside the Impugned Show Cause Notice dated 29.01.2024 issued by Respondent No. 1;



C. Issue appropriate writ in the nature of prohibition or directions/order to stay the operation of Impugned Order and all the consequent proceedings arising thereto;

D. Issue appropriate writ in the nature of prohibition to Respondent No. 1 to not initiate/pursue any coercive measures, including filing/pursuing criminal complaint against the Petitioner before any investigating authority....”

2. For the reasons stated in the petition, issue notice.
3. Ms. Desai, learned counsel, accepts notice on behalf of respondent No. 2.
4. Since no relief is claimed against respondent No. 2, respondent No. 2 is deleted.
5. Let the amended memo of parties be filed by the petitioner before the next date of hearing.
6. Issue notice to respondent No. 1 through all modes including electronic, on the petitioner taking steps within 1 week from today, returnable on 03.02.2027.

CM APPL 72601/2026

7. This is an application filed on behalf of the petitioner under Section 151 of the CPC, 1908, for grant of stay on the operation of the impugned order dated 30.09.2026 passed by respondent No. 1.
8. Issue notice to respondent No. 1 through all modes including electronic, on the petitioner taking steps within 1 week from today, returnable on 03.02.2027.
9. The brief facts of the case are that the petitioner is an ex-director of RCI



Industries and Technology Ltd (***“the Company”***). On 13.11.2019, the loan account of the Company was declared as a Non-Performing Asset (***“NPA”***) and thereafter, the Company was also admitted under corporate insolvency resolution process.

10. On 29.01.2024, the respondent No.1 issued a Show Cause Notice to the petitioner asking the petitioner to show cause as to why the petitioner should not be declared as fraud.

11. The petitioner filed a detailed reply to the Show Cause Notice. Thereafter, by order dated 05.04.2024, respondent No. 1 declared the loan account of the Company as fraud. Subsequent thereto, the petitioner filed a writ petition bearing ***W.P. (C) No. 5524/2024*** titled ***Rajiv Gupta v. Karur Vysya Bank & Anr.*** which was disposed of *vide* order dated 21.01.2026. The relevant paragraph reads as under:-

“11. I am of the view that in compliance with the Principles of Natural Justice in letter and spirit, the Review Committee shall afford a personal hearing and thereafter pass a reasoned Order...”

12. After some correspondence was exchanged, the impugned order dated 30.09.2026 was passed declaring the petitioner as fraud.

13. My attention has been drawn to the conclusion of the impugned order dated 30.09.2026, which reads as under:-

“Conclusion:

The FMG Committee concludes as follows:

➤ *Full opportunity of being heard was extended to the Ex-Directors represented by Mr. Rajeev Gupta, in strict compliance with the principles of natural justice and the*



directions of the Hon'ble High Court of Delhi.

➤ *The SCN response dated 13.02.2024 and written objections dated 27.02.2026 have been duly considered by the Committee. However, the submissions made therein do not satisfactorily address and/or rebut specific allegations brought in the Forensic & Transaction Audit Report along with the other materials available on record. The erstwhile Director/s namely Mr. Rajeev Gupta and Mrs. Mamta Gupta failed to provide required documents, explanations and clarifications in support of submission/response against the allegations by the bank. The explanations provided were either inconsistent or not supported by documentary evidence.*

Therefore, in exercise of powers vested under the Master Directions on Fraud Management issued by the Reserve Bank of India, the Fraud Monitoring Group (FMG) Committee, after due deliberations, has reached the conclusion that the allegations stands substantiated. Accordingly, the Committee concluded that Mr. Rajeev Gupta and Mrs. Mamta Gupta who are the Erstwhile Director of M/s. RCI Industries & Technologies Limited, be classified and reported as "Fraud" in line with applicable guidelines and regulatory requirements....”

14. A perusal of the impugned order shows that it is cryptic. It does not consider or deal with any of the objections raised by the petitioner. The principles of natural justice require the adjudicating authority to address the



objections raised before it, apply its mind to them, and give reasons for its conclusions.

15. Such a cryptic order, *prima facie*, indicates non-application of mind.

16. The petitioner has, therefore, made out a *prima facie* case. Accordingly, the balance of convenience also lies in the petitioner's favour, and irreparable loss would be caused to the petitioner if no interim relief is granted, since a declaration of fraud carries serious consequences.

17. For the said reasons, till the next date of hearing, the effect and operation of the order dated 30.09.2026 shall remain stayed.

JASMEET SINGH, J

OCTOBER 15, 2026/NR