

Sachin Garg vs Union Bank Of India on 17 September, 2021

Author: Prateek Jalan

Bench: Prateek Jalan

\$~28 (2021 Cause List)

* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ W.P.(C) 10421/2021 & CM APPL. 32052/2021

SACHIN GARG

Through: Ms. Geeta Luthra, Sr. Ad
with Mr. Arjun Mahajan,
Davesh Bhatia Ms. Eesha
Mr. Atulya Anand,
Raguvendra, Ms. Swati Si
Advocates

versus

UNION BANK OF INDIA

Through: Mr. O. P. Gaggar, Advoca

CORAM:

HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% 17.09.2021 The proceedings in the matter have been conducted through video conferencing.

1. Issue notice. Mr. O. P. Gaggar, learned counsel, accepts notice on behalf of the respondent-Bank. The petition is taken up for disposal with the consent of learned counsel for the parties.

2. The petitioner is aggrieved by action taken against him by the Bank under the Master Circular on Wilful Defaulters dated 01.07.2015 issued by the Reserve Bank of India ["the Master Circular"].

3. Ms. Geeta Luthra, learned Senior Counsel for the petitioner, submits that the petitioner was served with a show cause notice dated 14.05.2019 [Annexure A-3 to the writ petition] under the Master Circular and was thereafter called for a personal hearing on 14.10.2019. Although the petitioner has some grievances regarding the conduct of the personal hearing before the Identification Committee of the Bank, Ms. Luthra further submits that no order of the Identification Committee was ever served upon the petitioner. The petitioner was also not given an opportunity to file a representation against the said order before the Review Committee, as required under the Master Circular, read with the judgment of the Supreme Court in State Bank of India vs. Jah Developers Private Limited & Ors. (2019) 6 SCC 787. Ms. Luthra further submits that the constitution of the Identification Committee and the procedure adopted by it were also contrary to the directions of the Master Circular as interpreted in Jah Developers (supra).

4. Having regard to the procedure laid down in Jah Developers (supra), Mr. Gaggar submits that the matter may be remanded to the Review Committee of the Bank for a fresh consideration, after

service of the order of the Identification Committee upon the petitioner.

5. Having heard learned counsel for the parties, the writ petition, alongwith the pending application, is disposed of with the following directions:-

- a) The Bank is directed to serve upon the petitioner a copy of the deliberations of the Identification Committee prior to the issuance of the show cause notice upon the petitioner, as well as a copy of the order passed by the Identification Committee.
- b) The petitioner will have an opportunity to file a representation before the Review Committee against the order of the Identification Committee. The representation is required to be filed within fifteen days after the communication of the order of the Identification Committee.
- c) The Review Committee will consider the grounds raised by the petitioner, including any grounds relating to the constitution or procedure of the Identification Committee, and pass a reasoned order in accordance with law, which must then be served upon the petitioner.
- d) In the event the Bank considers it necessary to commence the proceedings from the stage of the Identification Committee itself, it is at liberty to communicate the same to the petitioner and to give the petitioner an opportunity of hearing before the Identification Committee on a date fixed by it.
- e) In the event the orders passed by the Bank pursuant to this order are adverse to the petitioner, the petitioner will be at liberty to seek appropriate remedies in accordance with law.
- f) In view of the submissions recorded above, and the directions given herein, the declaration of the petitioner as a wilful defaulter will take effect only after the Review Committee considers the matter and passes an order declaring the petitioner as a wilful defaulter.

6. The petition is disposed of in these terms.

PRATEEK JALAN, J SEPTEMBER 17, 2021 'j'