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

\+ W.P.(C) 11693/2015 & CM No.31105/2015 (for stay)

JAY PLOYCHEM (INDIA) LTD AND ORS. ..... Petitioners

Through: Mr. Vineet Malhotra & Mr. Shubhendu Kaushik, Advs.

Versus

FEDERAL BANK ..... Respondent

Through: Mr. P.I. Jose, Adv. for R-1.

CORAM:

HON'BLE MR. JUSTICE RAJIV SAHAI ENDLAW

O R D E R

% 09.02.2016

1. This order is in continuation of the earlier order dated 18th January, 2016.

2. The counsel for the respondent Bank in response to the queries raised in the order dated 18th January, 2016 states that the respondent Bank, for publishing the photographs of its debtors in the newspapers and electronic media follows the procedure as prescribed by the Reserve Bank of India (RBI) for identifying and declaring wilful defaulters. It is further stated that the impugned notice dated 3rd December, 2015 is only of initiation of the said procedure and the petitioners if so desire can represent thereagainst and will be given an opportunity of hearing by the Grievance Redressal Committee (GRC) of the respondent Bank as constituted under Clause 3 of the Master Circular dated 1st July, 2015 of the RBI.

3. The counsel for the petitioner states that the matter has not even been examined by the Committee for Identification of Wilful Defaulters headed by Executive Director or equivalent and consisting of two other senior officers of the rank of GM or DGM of the respondent Bank.

4. The counsel for the respondent Bank states that that step would also be taken.

5. The counsel for the petitioners yet further states that the petitioners are enjoying financial facilities from a consortium of banks of which the respondent Bank is a member and State Bank of India (SBI) is the lead bank and the SBI has issued a letter dated 2nd February, 2016 to the petitioner to the effect that the petitioners' fresh proposal is being examined by the SBI.

6. In this view of the matter, the petition is disposed of with the following directions:

(i) the respondent Bank, if desires to publish the photographs of the petitioners in the newspapers and in the electronic media as defaulters of the dues of the respondent Bank,

(a) to have the said proposal examined by the Committee for Identification of Wilful Defaulters of the respondent Bank headed by Executive Director or equivalent and consisting of two other senior officers of the rank of GM or DGM;

(b) if the said Committee approves thereof, a notice to show cause be issued to the petitioners;

(c) the petitioners would have an opportunity to represent against the proposal including on the ground as mentioned hereinabove, of the fresh proposal being under consideration of the lead banker; and,

(d) the petitioners shall also be granted a hearing by a the GRC of the respondent Bank headed by the Managing

Director and Executive Officer of the respondent Bank and consisting of two independent Directors / Non-executive Directors of the respondent Bank.

(ii) Only if the said GRC also approves of the proposal, would the respondent go ahead with the publication as intimated in the notice dated 3rd December, 2015.

7. It is made clear that this Court has not expressed any opinion on the merits of the action of the respondent Bank or on the respondent Bank being bound by the decision of the SBI.

8. Needless to state that the petitioners if remain aggrieved shall have remedies in law.

No costs.

RAJIV SAHAI ENDLAW, J

FEBRUARY 09, 2016
'gsr'..