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

% **Date of decision: 4th October, 2024**

\+ W.P.(C) 13656/2024 and CM APPL. 57133/2024 (Interim directions)

ANIL MADAN & ANR. .....Petitioners
Through: Mr. Ravi Gupta, Sr. Adv. with Mr. Sumit K. Batra, Mr. Manish Khurana, Ms. Priyanka Jindal and Mr. Shrey Sharma, Advs.

versus

RBL BANK LIMITED .....Respondent
Through: Mr. Sanjiv Kakra, Sr. Adv. with Mr. Bheem Sain Jain, Mr. Akash Madan, Advs. for R-1

CORAM:
HON'BLE MR. JUSTICE DHARMESH SHARMA

<u>DHARMESH SHARMA, J. (ORAL)</u>

1. Having heard learned Seniors counsels for the parties and on perusal of the record, the present writ petition can be disposed of by passing certain directions without going into the merits of the matter.

2. Mr. Gupta, learned Senior Advocate for the petitioners has alluded to the RBI Master Circular dated 01.07.2015[1] on 'wilful defaulters' and taking this Court through definition *vide* Clause 2.1.3, it is pointed out that in terms of Clause 3(a) to (c), a mechanism is provided whereby a decision is first to be arrived at by a Committee

[1] RBI/2015-16/100
DBR. No.CID.BC.22/20.16.003/2015-16

headed by an Executive Director or equivalent and consisting of two other senior officers of the rank of GM/DGM; and thereafter a Show Cause Notice ["**SCN**"] is required to be issued to the borrower and/or the promoter/whole time Director and after a hearing, a decision is to be arrived at, which is subject to review by another committee headed by the Chairman/Chairman & Managing Director or the Managing Director and Chief Executive Officer/CEOs and consisting, in addition, two independent directors/non-executive directors of the bank. It was then urged that there are separate RBI directions dated 22.12.2014[2], which deal with the issues of 'non-cooperative borrowers' which is defined differently than the case of 'wilful defaulters' and the same mechanism is provided for holding a company/corporate borrower or its promoters/directors as 'non-cooperative borrowers'.

3. It is pointed out by the learned Senior Counsel for the petitioners that an SCN dated 05.04.2024 was received whereby the petitioners-directors and the company were sought to be categorized as 'non-cooperative borrowers' and alluding to its replies dated 18.04.2024, 25.06.2024 and 14.07.2024, it is submitted that they cannot be termed as 'non-cooperative borrowers' since they had not only made re-payment of some amount of the loan but had also called upon the bank to realize the securities, which were already with the bank.

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[2] RBI/2014-15/362
DBR.No.CID.BC.54/20.16.064/2014-15 December 22, 2014

4. The main grievance seems to be arising from the notice dated 10.09.2024 whereby they are apprised of the order of the 'Identification Committee for Willful Defaulters and Non-cooperative Borrowers' dated 23.08.2024, which report has not been shared with them. It is vehemently urged that in complete contravention of due process of law, the petitioners are also being categorized as 'willful defaulters'.

5. Mr. Sanjiv Kakra, learned Senior counsel for the respondent has placed on the record certain documents and its is vehemently submitted that the present writ petition is pre-mature inasmuch as it is urged that notice dated 10.09.2024 is only apprising the petitioners of a decision taken by the committee, the nomenclature of which is the 'Identification Committee for Willful Defaulters and Non-cooperative Borrowers' and the petitioners otherwise are not being categorized as willful defaulter, which the petitioners have already been issued separate SCN dated 13.08.2024.

6. Learned Senior Counsel for the petitioners submits that in view of the statement made by Mr. Kakra, learned Senior Counsel for the petitioner, that the impugned order dated 10.09.2024 is only with regard to the issue of 'non-cooperative borrower', he wishes to withdraw the present writ petition with liberty to file a reply with the respondent in terms of RBI circular dated 22.12.2014.

7. Learned Senior counsel for the respondent has no objection to the same except that he submits that since the time for filing a reply has already lapsed and much time has been taken by the petitioners, they should be given shortest possible time to file a reply.

8. The present writ petition is disposed of without prejudice and with liberty to the petitioners to submit a reply in accordance with RBI Master Guidelines dated 22.12.2014 within 15 days from today.

9. The present writ petition, along with pending applications, stands disposed of.

10. The Registry is directed to digitize the documents placed on record today.

DHARMESH SHARMA, J.

OCTOBER 04, 2024

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