

Sayali

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO. 5014 OF 2024

Deepak Shenoy ...Petitioner

Versus

IDBI Bank Limited and Others ...Respondents

*Mr Darpan Bhatia with Ms. Prapti Kedia, Mr. Rushikesh
Dusane i/b Agama Law Associates, for Petitioner.
Mr Nandita Dethe with Dhara Modi i/b Singhania Legal
Services, for Respondent No. 1.
Mr. Oduvil Mohandas, with J. P. Kapadia i/b Little and Co., for
Respondent No. 2.*

**CORAM: M.S. Sonak &
Advait M. Sethna, JJ.**

DATED: 24 NOVEMBER 2025

ORAL ORDER: - *(Per M. S. Sonak, J.)*

1. Rule. The Rule is made returnable immediately at the request of and with the consent of the learned counsel for the parties.
2. Heard the learned Counsel for the parties.
3. The Petitioner claims to be an independent Director of Sudar Garments Limited and challenges the show cause notice dated 08 December 2022 and the orders dated 12 June 2023

and 30 January 2024, effectively declaring the Petitioner as a 'willful defaulter' under the RBI's Master Circular dated 01 July 2015.

4. Mr Bhatia, the learned Counsel for the Petitioner, raises several grounds in support of this Petition. However, in a Petition of this nature, since we are more concerned with the decision-making process rather than the decision itself, we propose to dispose of this Petition on the ground that the Petitioner was not given a fair opportunity to put forth his case before the show cause notice dated 08 December 2022 was disposed of by order dated 12 June 2023. Upon review, the order of 30 January 2024 only confirms the order of 12 June 2023.

5. Mr Bhatia submitted that the show cause notice refers to certain documents, and despite the Petitioner's request for their furnishing, they were never furnished to the Petitioner. He submits that this amounts to using adverse material against the Petitioner without affording the Petitioner any opportunity to deal with it. Mr Bhatia submits that this is also a clear instance of violation of the principles of natural justice and fair play, warranting interference with the impugned orders dated 12 June 2023 and 30 January 2024.

6. Ms. Nandita Dethe, the learned Counsel for Respondent No. 1, on instructions, states that Respondent No. 1, without accepting the allegations made in the Petition but with a view to give a quietus to the litigation, agrees to furnish to the

Petitioner the documents referred to in the show cause notice or the documents that Respondent No. 1 might rely upon in support of its case that even the Petitioner deserves to be declared as a 'willful defaulter' so that the Petitioner has a reasonable opportunity to deal with the same. She says that such documents will be furnished to the Petitioner within 10 days from the date of uploading of this order. This statement is accepted and Respondent No. 1 must comply with the same.

7. Since in this case, we are satisfied that there was a violation of natural justice, we set aside the impugned orders dated 12 June 2023 and 30 January 2024. However, we cannot accept Mr Bhatia's contention that the Petitioner has made out a case for quashing the impugned show cause notice dated 08 December 2022, itself.

8. For quashing the show cause notice, Mr Bhatia argues that the Petitioner was only an independent Director in his professional capacity. He points out that the Petitioner has also resigned on 31 March 2015 and, therefore, no show cause notice could have been issued to the Petitioner.

9. According to us, the grounds now raised by Mr Bhatia can always be raised by the Petitioner in response to the show cause notice, if necessary, by filing an additional response upon receipt of the documents from the Respondent No. 1 or even before the same.

10. Based on these contentions, we cannot say that the issuance of the impugned show cause notice is an exercise ‘*wholly without jurisdiction*’ or that the show cause notice has been issued by an Authority not empowered to issue the same. The threshold requirement referred to in **Whirlpool Corporation v. Registrar of Trademarks, Mumbai & Ors.**¹ cannot be said to have been complied with. Therefore, we decline to quash the show-cause notice.

11. The Respondent No. 1 must now furnish documents to the Petitioner within 10 days from the uploading of this order. If the Petitioner wishes to file any response/additional response, the Petitioner should do so within a week of receipt of the documents.

12. The Respondent No. 1 is directed to dispose of the show cause notice dated 08 December 2022 within a period of six weeks from the receipt of the Petitioner’s response. The Petitioner must be heard, and a reasoned order must be passed and communicated to the Petitioner within the timeline now indicated.

13. We direct the Respondent No. 1 to adhere to the timeline because the learned Counsel for the Petitioner states that the Petitioner is facing several difficulties on account of the impugned show cause notice and the impugned orders, even though the impugned orders were made in gross breach

¹ (1998) 8 SCC 1

of the principle of natural justice and fair play. He points out that the Petitioner is now being prevented from availing of institutional finance.

14. The rule is made partly absolute in the above terms. All concerned to act on an authenticated copy of this order.

(Advait M. Sethna, J)

(M.S. Sonak, J)