

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**R/SPECIAL CIVIL APPLICATION NO. 3385 of 2024**

=====

AMIT SURSH BHATNAGAR & ORS.

Versus

INDIAN OVERSEAS BANK & ANR.

=====

Appearance:

MUNJAAL M BHATT(8283) for the Petitioner(s) No. 1,2,3,4,5

MR AMAR N BHATT(160) for the Respondent(s) No. 2

MS ANUSHREE M SONI(11431) for the Respondent(s) No. 1

=====

CORAM:HONOURABLE MS. JUSTICE VAIBHAVI D. NANAVATI**Date : 16/07/2024****ORAL ORDER**

Heard Mr. M. R. Bhatt, the learned Senior Counsel assisted by Mr. Munjaal Bhatt, the learned advocate appearing for the petitioners, Ms. Anushree M. Soni, the learned advocate appearing for the respondent No.1 and Mr. Amar N. Bhatt, the learned advocate appearing for the respondent No.2.

Mr. Bhatt, the learned Senior Counsel submitted that the order passed by the Identification Committee dated 15.3.2023 and the impugned order passed by the Review Committee dated 31.1.2024 are unreasoned orders. The aforesaid are violative of Clause-(3) of the RBI Master Circular on Willful Defaulters updated as on 1.7.2015 duly produced at page-34 (Annexure-P3) with respect to matters related to willful defaulters. Clause-(3) provides mechanism for identification of

willful defaults. The said clause provides that if the Committee comes to the conclusion that there is a willful default, show cause notice is required to be issued to the concerned borrower and the promoter/full-time director and call for the submissions. Upon considering the submissions an order is required to be passed on the fact of willful default and accord reasons for the same. Clause (b) further provides for opportunity of hearing to the borrower/full-time director, if the Committee deems fit to do so. Clause (3) provides that the order of the Committee should be reviewed by another Committee and the said order will be final.

It is submitted that the Review Committee by passing the impugned order dated 31.1.2024 has mechanically confirmed the order passed by the Identification Committee dated 15.3.2023. Further prima facie it appears that the order passed by the Identification Committee dated 15.3.2023 is passed without following the procedure under Clause-(3) of the aforesaid Circular.

In view thereof, issue rule making it returnable on 20.8.2024.

In the meantime, interim relief in terms of para-61(B) is granted.

K.K. SAIYED

(VAIBHAVI D. NANAVATI,J)