
(2021) 12 BOM CK 0065
In the Bombay High Court
Case No : Writ Petition (L) No. 29205 Of 2021

Deepak Shenoy

APPELLANT

Vs

State Bank Of India & Ors

RESPONDENT

Date of Decision : 14-12-2021

Acts Referred:

Citation : (2021) 12 BOM CK 0065

Hon'ble Judges : G.S. Patel, J; Madhav J. Jamdar, J

Bench : Division Bench

Advocate : VR Dhond, Shrey Fatterpekar, Shailesh Mishra, Neeta Solanki, Ashish Jha, Rathimi Maravarman

Judgement

1. This is one more matter on the same lines as previous matters, all relating to Look Out Circulars or LOC issued at the instance of the Public Sector Banks. In previous matters, we have permitted the Petitioners to travel overseas subject to certain conditions and, in the meantime, stayed the LOCs. We propose to pass a similar order in this matter.

2. The Petitioner was a director of three companies, Medec Dragon Private Limited, Medec Infra Private Limited and DBS Tradelink & Advisors Private Limited. The State Bank of India or SBI is Respondent No. 1. It was one of the lenders to one Sudar Industries Limited or SIL. The Petitioner was appointed additional director of SIL in 2010. Later, he was an independent director. He resigned as such in 2012. He was an additional director of SIL from 2013 to 2014. After that, he held the position of Chief Operating Officer of SIL. However, at no time was he involved in SIL's finances or borrowings. He signed no loan agreements. He was only in charge of production and marketing. He has never been a shareholder of SIL.

3. In 2017, the Petitioner took two Credit Card loans personally from SBI to the tune of Rs. 8 lakhs. These loans were fully repaid in 2021.

4. In July 2018 a Petition for winding up of SIL was admitted in this Court.

5. In August 2021, Punjab National Bank and Deutsche Bank sanctioned loans of Rs. 9.50 crores and Rs. 15 crores to Medec, in which the Petitioner is one of the directors. Those loans are being serviced.

6. On 12th December 2021, the Petitioner was stopped at Mumbai airport when he was to fly to Chicago for a business meeting. It was only then that he was informed that his name was in the LOC issued at the instance of the SBI.

7. The Petitioner has strong roots in India, where he holds assets, has family and has consistently served as a director of one or more companies.

8. He has travelled overseas one hundred times in the last ten years. The details are at pages 13 and 16. There is no criminal case against him. He has not been evading arrest or service of any warrant.

9. While we will hear the challenges to the office memoranda under which these LOCs are issued, in February 2022, and we will take this matter with that group, we see no reason to depart from the pattern of orders that we made on 9th December 2021.

10. Mr Dhond for the Petitioner states that the Petitioner intends to leave Mumbai tomorrow, 15th night and 16th morning and propose to return India around 25th or 26th December 2021. Hence, we pass the following order:

(a) The LOC in question will not come in the way of the Petitioner going overseas from 15th/16th December 2021 until 25th/26th December 2021.

(b) The Petitioner must file with the Prothonotary & Senior Master of this Court a full itinerary of his overseas travel with all details, contact numbers etc.

(c) The Immigration Authorities at Mumbai Airport will permit the Petitioner to pass through immigration and to board his flight irrespective of whether the immigration system has been updated and SBI has informed the Immigration Authorities or not.

11. We are compelled to make this order because we are informed that despite specific previous directions, banks have not communicated our order to the Immigration Authorities.

12. We accept the Petitioner's undertaking to return to India on the schedule mentioned above. If a further extension is required, it will be granted only after the Petitioner returns to this country and not otherwise. We will not entertain an order of extension while the Petitioner is overseas.

13. The State Bank of India will immediately inform the Immigration Authorities to update the system so that the necessary instructions can be issued. At the cost of repetition, even if the SBI fails not do so, and we intend to hold the SBI to compliance, the Immigration Authorities will, on production of an authenticated copy of this order and without insisting on a certified copy, permit the Petitioner to travel as above.

14. In the meantime, the operation of the LOC, whether currently valid or auto-renewed, is stayed for the period mentioned above.
15. All concerned will act on production of a digitally signed copy of this order.