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W.P.A. No. 6269 of 2020
With
IA No. CAN 1/2020
(Old No. CAN 4681/2020)
(Via Video Conference)

Santosh Promoters Private Limited & Anr.
Vs.
Union of India & Ors.

Mr. Abhrajit Mitra, Sr. Advocate
Mr. Sarvopriya Mukherjee
Mr. Sumanta Biswas
Mr. Yashvardhan Kochar
Mr. Bikash Shaw

..for the Petitioner

Ms. Debjani Roy
Mr. Sumitava Chakraborty

..for the Respondent

Learned Counsel appearing for the petitioners challenges the show-cause notice dated 17th June, 2020 on the question of jurisdiction. According to the petitioner, the show-cause notice has been issued without considering the amendments made in various regulations framed under FEMA Act, 1999 and thus prays for quashing of the show-cause notice dated 17th June, 2020.

Learned Counsel appearing for the authorities referring to regulations 3, 4 & 5A of the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 submits that the regulations clearly prohibits any speculative transaction in foreign exchange either as derivatives or currency futures and the petitioners have admitted that the transactions have been carried out without having underlying contract.

Heard all the parties.

There is no dispute that there are transactions in foreign exchange either as derivatives or in the form of currency futures. The issue in this matter is as to whether the transactions have been made in accordance with Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 or not. The issue can be sorted out only after all the relevant documents are placed before the authorities. Thus, I am not entering into the merits of the case.

Considering the pandemic situation, the authorities are requested to allow the petitioners to submit their record within 8 (eight) weeks from today. The oral submissions of the petitioners be recorded by way of video conference. This exercise should be concluded within a period of 4 (four) months from date and it is expected that the authorities will conclude the proceeding within 6 (six) months.

The writ petition being W.P.A. No. 6269 of 2020 is, accordingly, disposed of.

There will be no order as to costs.

Since no affidavits have been invited, the allegations made in the writ petition are deemed to have been denied by the respondents.

The parties shall act in terms of the copy of the order downloaded from the official website of this Court.

(Rajarshi Bharadwaj, J.)