

07.12.2021.

Item No. 31.

Court No.13

Pk/sp

**W.P.A. No. 2000 of 2021
(Through Video Conference)**

**Dhingra Lease Finvest Private Limited & Anr.
Versus
The Appellate Authority for Non-Banking Financial
Company, Govt. of India & Ors.**

Ms. Manju Bhutaria,
Mr. Rajesh Upadhyay,
Ms. T. Lauriwala

..For the petitioners.

Mr. D.K. Kundu,
Mr. A. Basu

... for the RBI

Ms. Smita Das De

...for the Union of India

The short question is whether the principles of natural justice were complied with by the Appellate Authority acting under Section 45-IA of the Reserve Bank of India Act, 1934.

The brief facts of the case are that the writ petitioner no.1 is a non-banking financial company. For failure to comply with the stipulation of contribution of Net own Funds, the writ petitioner's Certificate of Registration was cancelled under Section 45IA(6). The writ petitioner preferred an appeal therefrom under the provisions of Sub-Clause (7) of Section 45IA before the appellate authority. The appellate authority passed the impugned order dated 25.09.2019 rejecting the appeal.

The appellate authority at paragraph 2 has recorded that the appeal was listed for hearing on June 20, 2019 and that was no representation on behalf of the appellant on the said day. The appeal was taken up and disposed of by the impugned order. It is however interesting to note that in the last portion of paragraph 6 of the impugned order, the appellate authority went on the record as follows:

“As regards contention of the appellant that grant of personal hearing is mandatory before cancellation of CoR, it is observed that a reasonable opportunity of being heard does not necessarily mean an opportunity of personal hearing. Further, the appellant also did not come for hearing to present his case.”

It is intriguing that on one hand the appellate authority has itself chosen to give a personal hearing to the petitioner, the observations set out herein above appear to be meaningless and irrelevant.

It is equally deducible that the said observation was made on the presumption that the petitioner was not given a personal hearing and the appellate authority has not applied its mind to the proceedings properly.

The impugned order is, therefore, set aside. The matter is remanded back to the appellate authority for

consideration afresh. The writ petitioners and/or their representatives shall be heard by the appellate authority and orders may be passed afresh.

It is expected that the aforesaid exercise shall be completed by the appellate authority within two months from the date of communication of a copy of this order.

The writ petition is disposed of.

There shall be no order as to costs.

All parties are directed to act on a server copy of this order duly downloaded from the official website of this Court.

(Rajasekhar Mantha, J.)