



W.P.No.20530 of 2018

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 14.12.2022

CORAM

THE HONOURABLE MR. JUSTICE C.V. KARTHIKEYAN

W.P.No.20530 of 2018

and

W.M.P.No.24142 of 2018

Singhvi Finlease (India) Limited
No.353, Mint Street, 2nd Floor,
Sowcarpet, Chennai – 600 079.
Rep by its Director
Mr.Vaibhav Singhvi

...Petitioner

Vs.

Reserve Bank Of India
Department of Non-Banking Supervision,
Fort Glacis, Rajaji Salai,
Chennai – 600 001.
Respondent

...

PRAYER: This Writ Petition has been filed under Article 226 of the Constitution of India to issue writ of certiorari, calling for the records relating to the order of the respondent dated 26.07.2018 canceling the certificate of registration B-07.00509 dated 28th October 2000 issued to the petitioner and quash the impugned order.



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For Petitioner : Mr.Arun C. Mohan

For Respondent : Mr.C.Mohan for Mr.King & Patriage

ORDER

This writ petition has been filed in the nature of certiorari to call for records relating to the order dated 26.07.2017 by which order, the respondent had cancelled the certificate of registration B-07.00509 dated 28.10.2000 issued to the petitioner and to interfere with such order.

2. In the affidavit filed the Director of the petitioner company/Singhvi Finlease (India) Limited had stated that the petitioner, a Finance and Investing Non-Deposit Taking Non-Banking Financial Institution was registered under the Companies Act, 1956. The petitioner company is limited by shares. They had applied with respondent for issuance of certificate under the provisions of Section 45 I A of the RBI Act, 1934. Such registration was also issued on 28.10.2000. Cancellation of such registration of the license has necessitated filing of the present writ petition.

3. It is complained by the petitioner herein that the petitioner carried on business in compliance with the notifications issued. The statutory authorities had also issued a certificate as mandated on 15.12.2017. However the net owned fund of the company had fallen short of sum of Rs.2 Lakhs, from



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the benchmark laid down by the respondent. The respondent has a responsibility to ensure that companies registered conform to the norms of the guidelines.

4. A show cause notice was issued on 23.01.2018 to the petitioner by the respondent seeking reasons as to why the registration certificate issued should not be cancelled under Section 45 (1) (A) of the RBI Act, 1934 and why consequential penal action should not be vitiated against the petitioner for offences punishable under Section 58 (B) of the said Act.

5. The Petitioner had given a reply on 13.04.2018 explaining the reasons for the shortage of Rs.2 Lakhs. The fact however remains that there was a shortage of Rs.2 Lakhs.

6. The respondent by their letter dated 27.07.2018, which is impugned in the present writ petition, had cancelled the registration license of the petitioner by an order dated 26.07.2018.

7. Expressing grievances of such cancellation and the communication of the said order, the present writ petition has been filed. The present writ petition has been pending from the year 2018 without any progress.

8. My attention is drawn by Mr.C.Mohan, learned Counsel for the respondent to an order of the Division Bench reported in **2019 SCC Online**

Mad 38923 Regional Director, Reserve Bank Of India Vs. Nahar Finance &



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Leasing Limited, Rep., by its Managing Director, Navratnmull Naharand

and Ors. Wherein similar circumstances in a writ appeal questioning the order of a learned Single Judge who had interfered with such cancellation of the license, the Division Bench had allowed the writ appeals but had also observed as follows in Para 46:-

“In the result, the appeals are allowed, the impugned common order passed in the writ petitions is set aside and the writ petitions stand disposed of by directing the respondents/writ petitioners to file appeal under Section 45-IA(7) of the RBI Act, 1934 as amended within a period of 30 days from the date of receipt of a copy of this judgment and raise all contentions before the appellate authority including the contention that as of now, all the respondents have complied with the recruitment of 200 lakhs of rupees of NOF and request the appellate authority to accept the compliance as due compliance of the requirement under the relevant notification to enable the respondents/writ petitioners to carry on their business. Such prayer be considered by the appellate authority on merits and in accordance with law. No costs. Consequently, connected miscellaneous petitions are closed.

9. Mr.C.Mohan stated that the observation of the Division Bench has been consistently followed by other learned Single Judges. In this connection further attention is drawn to an order of a learned Single Judge dated 07.06.2019 in ***W.P.No.4557 of 2019 M/s.V.K.Fincap Services Private Limited Vs. The Regional Director of RBI (Reserve Bank of India) and others.*** Wherein the learned Single Judge had extracted the aforementioned para 46 and had followed the dictum laid in the said order.

10. I hold it would only be appropriate that the petitioner filed



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necessary appeal under Section 45-IA of the RBI Act, 1934. The issue of limitation might stand in the face of the petitioner but as stated by the Division Bench the petitioner is granted the liberty of filing such appeal within a period of 30 days. If such an appeal is filed in accordance with law, within the said period then the Appellate Authority may take it on file, examine it in manner known to law. If the appeal is not so filed, the petitioner will have to suffer the necessary consequences.

7. The above writ petition stands disposed with the above observations. No order as to costs. Consequently connected writ miscellaneous petition is also closed.

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Index:Yes/No

Speaking/Non speaking order

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C.V. KARTHIKEYAN , J.
nst

To,

Reserve Bank Of India
Department of Non-Banking Supervision,
Fort Glacis, Rajaji Salai,
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