



W.P(MD)No.3950 of 2024

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 23.02.2024

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THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN

W.P(MD)No.3950 of 2024

M/s.Sri Shanmugavel Mills Private Limited,
Rep. by its Authorised Signatory,
Mr.V.Balasubramani,
Knitting Division & Garments Division,
Kottaiyur, Agaram Village,
Thadicombu, Dindigul.

... Petitioner

Vs.

1.Reserve Bank of India
Rep. by its Chief General Manager,
Fort Glacis, 16, Rajaji Road,
Fort St George,
Chennai, Tamil Nadu 600001.

2.Reserve Bank of India
Rep. by Chief General Manager,
Central Office,
4th Floor, Amar Building,
Sir P.M.Road, Mumbai-400 001.

3.M/s.State Bank of India,
SME Branch Dindigul (12758), S.K.A.A,
Complex Door No.7B, 1st and 2nd Floor,
R.M.Colony, 80 Feet Road,
Dindigul-624 001.

4.The Senior Manager,
Canara Bank (Formerly-Syndicate Bank)
Specialized Mid Corporate Branch,
No.159-162, Kamarajar Salai, Madurai-625 009.

... Respondents



W.P(MD)No.3950 of 2024

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus, to direct the 2nd respondent not to take any adverse action against the petitioner through the 1st respondent by way of being caution-listed without an opportunity to be heard in person.

For Petitioner : Mr.K.R.Ananda Gomathy

For Respondents : Mr.K.R.Laxman
for R1 & R2

: Mr.C.Karthik for R3

: Mr.K.Muraleedharan for R4

ORDER

Heard both sides.

2. Apprehending that they may be included in the caution list, this writ petition came to be filed.

3. When the matter was taken up for hearing, the learned standing counsel for RBI drew my attention to the Regulation 16 of Foreign Exchange Management (Export of Goods & Services) Regulations, 2015. It reads as follows:-

“16. Issue of directions by Reserve Bank in certain cases:-

1. Without prejudice to the provisions of Regulation 3 in relation to the export of goods or software which is required to be declared, the Reserve Bank may, for the purpose of ensuring that the full export value



W.P(MD)No.3950 of 2024

of the goods or as the case may be, the value which the exporter having regard to the prevailing market conditions expects to receive on the sale of goods or software in the overseas market, is received in proper time and without delay, by general or special or order, direct from time to time that in respect of export of goods or software to any destination or any class of export transactions or any class of goods or software or class of exporters, the exporter shall, prior to the export comply with the conditions as may be specified in the order, namely;

(a) that the payment of the goods or software is covered by an irrevocable letter of credit or by such other arrangement or document as may be indicated in the order:

(b) that any declaration to be furnished to the specified authority shall be submitted to the authorised dealer for its prior approval, which may, having regard to the circumstances, be given or withheld or may be given subject to such conditions as may be specified by the Reserve Bank by directions issued from time to time.

(c) That a copy of the declaration to be furnished to the specified authority shall be submitted to such authority or organisation as may be indicated in the order for certifying that the value of goods or software specified in the declaration represents the proper value thereof.

2. No direction under sub-regulation 1 shall be given by the Reserve Bank and no approval under clause B of that sub-regulation shall be withheld by the authorised dealer, unless the exporter has been given a reasonable opportunity to make a representation in the matter.”

4. The learned standing counsel further clarified that no adverse action will be taken against the petitioner without putting the petitioner on notice and without giving reasonable opportunity.



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W.P(MD)No.3950 of 2024

G.R.SWAMINATHAN, J.

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5. In fact, the writ prayer itself is on the same lines. The second respondent shall not take any action without complying with the aforesaid regulation. The Writ Petition is allowed. No costs.

23.02.2024

Index : Yes / No
Internet : Yes/ No
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W.P(MD)No.3950 of 2024

23.02.2024