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ORDER SHEET
IN THE HIGH COURT AT CALCUTTA
CONSTITUTIONAL WRIT JURISDICTION
ORIGINAL SIDE

WPO/353/2026

SHANKAR FOREX PRIVATE LIMITED AND ANR.
VS
RESERVE BANK OF INDIA AND ORS.

BEFORE:
The Hon'ble JUSTICE KRISHNA RAO
Date : 5th October, 2026.

Appearance:
Mr. Suman Kr. Dutt, Sr. Adv.
Mr. Souraojit Dasgupta, Adv.
Mr. Rathikanta Pal, Adv.
Mr. Sattwik Dutta, Adv.
...for the Petitioners.

1. Affidavit of service filed by the petitioners be kept with the record.
2. In spite of service none appears on behalf of the respondent authorities.
3. The petitioner has filed the present writ application challenging the impugned order dated 21st January, 2026 wherein the Reserve Bank of India has cancelled the Licence No.KOL-FFMC-1076-2024 dated 14th September, 2022 issued in favour of the petitioner with effect from the date of the order on the ground that the petitioner has contravened the provisions of Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999.
4. The Reserve Bank has issued the licence to the petitioner for Full Fledged Money Changer's Licence with effect from 14th September, 2022 to 31st August, 2025.
5. The petitioner has submitted an application for renewal of the license. On receipt of the application submitted by the petitioner, the Reserve Bank of India by an e-mail dated 1st August, 2025 returned the application to the petitioner with an observation that there are several deficiencies and the

petitioner has to submit the application afresh with all the documents as appearing in the e-mail dated 1st August, 2025. The petitioner has submitted the application by rectifying the deficiencies to the Reserve Bank of India. Again the same was returned to the petitioner with the direction to rectify the further deficiencies. The petitioner has rectified all the deficiencies and re-submitted the same on 26th September, 2025. On receipt of the said application, show cause notice have been issued to the petitioner but the petitioner could not appear before the authorities and has also not given any reply to the show cause notices, accordingly the Reserve Bank of India has passed the impugned order.

6. Learned Counsel for the petitioner submits that the Reserve Bank of India has cancelled the license of the petitioner instead of renewing the license of the petitioner on the ground that the petitioner has violated the terms and conditions of the license as well as the provisions of Sections 10(4) and 11(1) of The Foreign Exchange Management Act, 1999. Section 10(4) and Section 11(1) reads as follows:-

> *Section 10 (4) – "An authorised person shall, in all his dealings in foreign exchange or foreign security, comply with such general or special directions or orders as the Reserve Bank may, from time to time, think fit to give, and, except with the previous permission of the Reserve Bank, an authorised person shall not engage in any transaction involving any foreign exchange or foreign security which is not in conformity with the terms of his authorisation under this section".*
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> *Section 11 (1) – "The Reserve Bank may, for the purpose of securing compliance with the provisions of this Act and of any rules, regulations, notifications or directions made thereunder, give to the authorised persons any direction in regard to making of payment or the doing or desist from doing any act relating to foreign exchange or foreign security".*

7. Neither Section 10(4), Section 11(1) nor in the terms and conditions of the licence provides that if the licensee failed to undertake any business

during the validity period of license, the license issued to the licensee will liable to be cancelled.

8. This Court finds that the reasons by which the license of the petitioner is cancelled by the Reserve Bank of India is contrary to the provisions relied by the respondents. The Reserve Bank of India has alleged the violation of Sections 10(4) and 11(1) but there is no materials on record to say that the petitioner has violated the said provisions.

9. The impugned order dated 21.01.2026 is set aside and quashed. The petitioner is given liberty to submit its show cause reply within two weeks from date. If any reply is filed by the petitioner within two weeks from date, the Reserve Bank of India shall consider the reply to the show cause notice and if necessary personal opportunity of hearing may be provided to the petitioner.

10. If the authorities satisfied with the explanation if any submitted by the petitioner, the Reserve Bank of India shall renew the license of the petitioner and if the authorities failed to satisfied with the reply a reasoned and speaking order be passed within a period of two weeks from the date of receipt of the reply of the petitioner. If the petitioner failed to submit reply, the Reserve Bank of India is at liberty to pass appropriate order in accordance with law.

11. WPO/353/2026 is disposed of.

(KRISHNA RAO, J.)

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