

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.01.2015

CORAM

THE HON'BLE MR. JUSTICE SATISH K. AGNIHOTRI
AND
THE HON'BLE MR. JUSTICE M. VENUGOPAL

W.P. Nos.31178 and 31179 of 2014
and

M.P. Nos.1 & 2 of 2014

Coastal Overseas Trade Corporation
represented by its Proprietor
Mrs. Meena Jain
Suit No.12, II Floor
Dr. Rajiv Towers
231, Purasawakkam High Road
Purasawakkam
Chennai 600 007

...Petitioner in both the writ petitions

vs.

1 Union of India
represented by the Secretary to Government
Ministry of Finance
Department of Economic Affairs
(Banking Division)
North Block, New Delhi

2 The Authorised Officer
Andhra Bank
Door No.231, Y Block
VI Main Road
Anna Nagar
Chennai 600 040

3 The Principal Chief General Manager
Reserve Bank of India
Central Office
Mumbai

...Respondents in both the WPs

Prayer in W.P. No.31178 of 2014:

Writ Petition filed under Article 226 of the Constitution of India seeking a writ of declaration declaring that Section 2(i)(o) of the Securitisation and Reconstruction of Financial Assets and

Enforcement of Security Interest Act, 2002 and Clause 2.1 of Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to advances issued by the second respondent as ultra vires the Constitution of India, void ab initio, illegal and unconstitutional and consequently, forbear the second respondent bank from continuing the proceedings initiated under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as against the petitioner herein with reference to the subject property more fully set out in petition schedule.

Schedule of the properties:

Land and building of residential flat being flat No.F3, I Floor, ABC Suvidha Apartments, bearing Door No.7/3, Barracah Road, Kellys, Kilpauk, Chennai 600 010 having plinth area of 1321 sq. ft. together with 520 sq. ft. of undivided share of land in the total extent of land measuring 1 ground 1770 sq. ft. of land (as per patta/town survey extract 4224 i.e. 1 ground 1824 sq. ft.) comprised in Survey No.2932/2 (as per patta survey no.2932/28) at Purasawakkam Village, Perambur - Purasawakkam Taluk, belongs to Smt. Meena Jain, bounden on the

North by	:	Private road
South by	:	House of S.S. Viswanathan
East by	:	House of D. Ramiah Maistry
West by	:	Barrach Road

situated within the Registration District of Chennai-Central and Registration Sub District of Purasawakkam.

Prayer in W.P. No.31179 of 2014:

Writ Petition filed under Article 226 of the Constitution of India seeking a writ of declaration declaring that Section 2(i)(o) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and Clause 2.1 of Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to advances issued by the second respondent as ultra vires the Constitution of India, void ab initio, illegal and unconstitutional and consequently, forbear the second respondent bank from continuing the proceedings initiated under the provisions of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as against the petitioner herein with reference to the subject property more fully set out in petition schedule.

Schedule of the properties:

Land and residential house constructed in 2193 sft of land area with constructed area pf 3932 sft in ground, 1st and 2nd floors situated at Sipaniyon la Mohalia, Purani Lane, Gangashankar, Bikaner (Rajasthan) belonging to Mr. Rajendra Kumar Lunia as a Karta of his own HUF.

North by : House of Jatanlal Baid

South by : House of Dhanraji Daga

East by : Road

West by : Road

situated with the Registration District of Bikaner Rajasthan.

For petitioner in
both the WPs : Mr. S.M. Deenadayalan

For RR 1 & 2 in
both the WPs : Mr. Su. Srinivasan
Additional Solicitor General

For R2 in
both the WPs : Mr. P. Veeraraghavan

COMMON ORDER

The question involved in these writ petitions, viz., the validity and constitutionality of Section 2(1)(o) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, came up for consideration in a batch of writ petitions. A Division Bench of this Court, in Deccan Chronicles Holdings Ltd. and others vs. Union of India, represented by its Joint Secretary, Ministry of Finance, Department of Economic Affairs, New Delhi- 110 011 and others¹, upheld the constitutional validity of the said provision and dismissed the said batch of writ petitions.

2. In view of the above, these writ petitions are also dismissed. No costs. Connected Miscellaneous Petitions are closed.

Sd/-
Assistant Registrar (CS-IV)

//True Copy//

Sub Assistant Registrar

cad

To

- 1 The Secretary to Government
Ministry of Finance
Department of Economic Affairs
(Banking Division)
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 - 3 The Principal Chief General Manager
Reserve Bank of India
Central Office
Mumbai
- 1 CC to Mr. P. Veeraraghavan, Advocate SR.No. 847
- 1 CC to Mr. Su. Srinivasan, Advocate SR.No. 677
- 2 CCs to Mr. S.M. Deenadayalan, Advocate SR.No. 620 & 621

W.P. Nos.31178 and 31179 of 2014

KSJ (CO)
PSI (28.01.2015)

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