



BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

RESERVED ON : 28.06.2016

DELIVERED ON : 01.09.2016

WEB COPY

CORAM:

THE HONOURABLE MR.JUSTICE NOOTY.RAMAMOHANA RAO

AND

THE HONOURABLE MR.JUSTICE S.S.SUNDAR

W.P (MD) No.11553 of 2016

and

W.M.P (MD) No.8842 of 2016

M.Sheik Sikandar Batcha

... Petitioner

Vs.

- 1.The Secretary,
Reserve Bank of India,
Central Office Building,
18th Floor, Shahid Bhagar Singh Marg,
Mumbai - 400 001.
- 2.The Regional Director,
Reserve Bank of India,
Fort Glacis, No.16, Rajaji Salai,
Chennai - 600 001.
- 3.The Joint Secretary,
Department of Economic Affairs,
Ministry of Finance, Room No.39-B,
134/North Block, New Delhi - 110 001.
- 4.The Managing Director,
Credit Information Bureau (India) Limited,
Hoechst House 6th Floor,
193, Backbay Reclamation,
Nariman Point, Mumbai - 400 021.
- 5.The Managing Director,
Equifax Credit Information Services Private Limited,
Unit No.931, 3rd Floor, Building No.9,
Solitaire Corporation Park,
Andheri Ghatkopar Link Road, Andheri (E),
Mumbai, MH - 400 93.
- 6.The Managing Director,
CREDIT WATCH MARK Credit Information Services Private Limited,
Unit Nos.3B-01, 02 & 03, 3rd Floor,
Phoenix Paragon Plaza,



CST No.124/B, 15 LBS Marg, Kurla - W,
Mumbai City - 400 070.

7. The Managing Director,
Experian Credit Information Company of India,
2nd Floor, Platina, C-59, G-Block Bandra Kurla Complex,
Bandra East, Mumbai - 400 051. ... Respondents

PRAYER: Petition filed under Article 226 of the Constitution of India, to issue a Writ of Mandamus, directing the respondents 1, 2 and 3 to rectify the issues of 'Credit Information Bureau (India) Limited' Score ratings and suspend the issued Certificate of Registration to foreign companies and to grant certificate of registration to any Indian Companies for collection and maintenance of individual credit and personal data to protect the personal liberty on privacy and also pass all other suitable orders to the petitioners within the stipulated time as fixed by this Court.

For Petitioner	: Mr.K.Krishna
For Respondents	: Mr.N.Shanmuga Selvam
	Central Government Standing Counsel for R.1 to R.3

ORDER

NOOTY.RAMAMOHANA RAO, J.

The petitioner, a practising Advocate, sought for a writ of Mandamus, by directing the respondents 1 to 3 to rectify the 'Credit Information Bureau (India) Limited' Score ratings and suspend the Certificates of Registration issued to foreign companies and to grant Certificate of Registration to Indian Companies for collection and maintenance of individual credit and personal data to protect the personal liberty and privacy of the citizens of this country.

2. The first respondent is the Secretary to the Reserve Bank of India, while the second respondent is the Regional Director, Reserve Bank of India, Chennai. The third respondent is the Joint Secretary, Department of Economic Affairs, New Delhi. The fourth respondent is the Managing Director of Credit Information Bureau (India) Limited, Nariman Point, Mumbai. The fifth respondent is the Managing Director of Equifax Credit Information Services Private Limited, Mumbai. The sixth respondent is the Managing Director of CRIF HIGH MARK Credit Information Services Private Limited, Mumbai. The seventh respondent is the Managing Director of Experian Credit Information Company of India, Mumbai.

<https://hcservices.courts.mysirva.com> The Reserve Bank of India nor the Union of India, as it is, have been chosen to be impleaded as party respondents to this writ petition. Instead, the officers of the Reserve Bank of



India and the Union of India are impleaded.

4. No provision of law of the Credit Information Companies (Regulation) Act, 2005, was challenged in this writ petition.

5. The petitioner would go about setting forth that the banks and other financial institutions are collecting vital information of their customers, which included the Permanent Account Number, Driving Licence Number, e-mail address, Employment information, Aadhaar Card details and the type of loan transaction availed, etc. The information so collected is transmitted to the Credit Information Companies and those Credit Information Companies, in turn, are assigning rating to the transactions without affording any opportunity to the customers concerned. It is further asserted that in spite of good and *bona fide* conduct of the customers/borrowers of banks/financial institutions, the ratings are assigned by these companies in a mechanical fashion and in that process, the customers would suffer grave hardship in availing any further financial assistance. It is stated that four Credit Information Agencies are approved by the Reserve Bank of India and the entire writ petition is directed against such companies. But, unfortunately, instead of the company, *per se*, the Managing Director of the Company alone is impleaded.

6. The petitioner would urge that if the banks and financial institutions were to make available financial assistance to their customers only based upon the credit rating assigned by one company or the other, then, he would wonder the necessity of the respective banks and the financial institutions, seeking collateral security to be provided to the financial assistance so availed by way of mortgage and also the need to obtain personal guarantees.

7. Since the information maintained and furnished by the Credit Information Companies is uni-directional, in the sense that they are non-responsive to the request of any corrections by the concerned customers, the petitioner would urge that their actions are all in violation of the fundamental principle of natural justice, namely, *audi alteram partem*. The Credit Information Companies have no concern for a genuine dispute existing between the customers and the bank/financial institution concerned. Against any of the lending institutions, if a customer/borrower initiates any legal proceedings for redressal of such grievance, the customer is misbranded as a defaulter.

8. The petitioner has taken the illustration of an individual, Sri.S.Prashanthan, who is a software professional at Chennai, who it is claimed, has never availed any Credit Card facility from SBI or ICICI Bank. But, still, the said bank demanded Rs.18,000/- (Rupees Eighteen Thousand only) from the said individual and for want of clearing the said outstanding



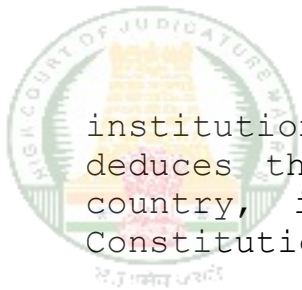
liability, the name of the individual has been maintained in the list of defaulters by the Credit Information Companies, as a consequence of which, when the said individual applied for sanction of International Credit Card with HDFC Bank, the said Bank has flatly rejected his application for grant of International Credit Card. Thus, to get over the problems consistently created by the defaulters' list maintained by the Credit Information Companies, the said individual cleared the dues of Rs.18,000/- (Rupees Eighteen Thousand only) by paying it up to the ICICI Bank.

9. The petitioner has taken another illustration of one Rajkumar Thakur, who has instituted certain proceedings in the Consumer Redressal Forum, Raipur, Chattishgarh, as the bank has included his name in the list of defaulters, even after the payment of full lumpsum amount of Rs.66,100/- (Rupees Sixty Six Thousand and One Hundred only) to the loan account. Consequently, the Consumer Redressal Forum ordered for payment of compensation to the individual while directing necessary action to be taken up for removing the complainant's name from the list of defaulters.

10. The petitioner would cite instance of one other individual, a resident of Chennai, who availed Credit Card from the State Bank of India and in spite of settling the dues to the bank, his name is still maintained by the Credit Information Companies in the list of defaulters. As a consequence, when the individual applied for sanction of a housing loan, the same was rejected. Based on these stray instances, facts relating to which are difficult to be verified effectively, without there being any sustainable legal basis, the petitioner proceeds to assert that around 80% of CIBIL score defaulters are, thus, related to Credit Card payments.

11. It is asserted by the petitioner that the banks would treat the Credit Card dues as unsecured loans and would consequently, charge interest at the rate of 48% annually, which is usurious and therefore, urges that the Credit Card defaulters should not be included in the list of defaulters maintained by the Credit Information Companies.

12. The petitioner proceeds to assert - that too without any reasonable basis - if the credit history of Indian citizens who have availed any financial assistance is made available to the Non-Governmental Companies or subsidiary companies of foreign Principals, there is any amount of security danger involved. The petitioner wonders as to why, when there is a huge pool of homegrown software professionals, the Central Government and the Reserve Bank of India is not utilising their talent. The writ petitioner would also apprehend that one day or the other, the foreign companies may use or sell away by way of leakage or by way of deceit, this data bank to foreign banks and other financial



institutions, who intend to do business in India and hence, deduces that right to life and privacy of the citizens of this country, is put to peril, thus, violating Article 21 of the Constitution of India.

13. It is urged by the petitioner that these 'Credit Information Companies' collect huge money from the borrowers for providing any information, whereas a 'member' of the Credit Information Companies needs to pay only a nominal amount. Ultimately, the writ petitioner would postulate that the 'increased number of non-performing assets of banks/financial institutions' is the result of the Credit Rating activity of these companies. He, therefore, urges that the lacuna found, without specifying what they are, in the provisions of Credit Information Companies (Regulation) Act, 2005, requires to be attended to by this Court.

14. This so-called 'public interest litigation' is bereft of any merit.

15. The Parliament, with a view to provide for regulation of Credit Information Companies and to facilitate efficient distribution of credit and for matters connected therewith, enacted the Credit Information Companies (Regulation) Act, 2005 [for short called 'the Act', henceforth].

16. Section 2 of this Act contained the definition of various expressions found used in the Act. It is important to notice the definition assigned for the following expressions, namely, borrower, client, credit information, credit information company and credit institution, in the following words:

"2(b) . '**borrower**' means any person who has been granted loan or any other credit facility by a credit institution and includes a client of a credit institution."

"2(c) . '**client**' includes-

(i) a guarantor or a person who proposes to give guarantee or security for a borrower of a credit institution; or

(ii) a person -

(A) who has obtained or seeks to obtain financial assistance from a credit institution, by way of loans, advances, hire purchase, leasing facility, letter of credit, guarantee facility, venture capital assistance or by way of credit cards or in any other form or manner;

(B) who has raised or seeks to raise money by issue of security as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956, (42 of 1956), or by issue of commercial paper, depository receipt or any other instrument;



(C) whose financial standing has been assessed or is proposed to be assessed by a credit institution or any other person or institution as may, by notification, be directed by the Reserve Bank;"

"2(d). 'credit information' means any information relating to -

(i) the amounts and the nature of loans or advances, amounts outstanding under credit cards and other credit facilities granted or to be granted, by a credit institution to any borrower;

(ii) the nature of security taken or proposed to be taken by a credit institution from any borrower for credit facilities granted or proposed to be granted to him;

(iii) the guarantee furnished or any other non-fund based facility granted or proposed to be granted by a credit institution for any of its borrowers;

(iv) the creditworthiness of any borrower of a credit institution;

(v) any other matter which the Reserve Bank may, consider necessary for inclusion in the credit information to be collected and maintained by credit information companies, and, specify, by notification, in this behalf;"

"2(e). 'credit information company' means a company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration under sub-section (2) of Section 5;"

"2(f). 'credit institution' means a banking company and includes-

(i) a corresponding new bank, the State Bank of India, a subsidiary bank, a co-operative bank, the National Bank and regional rural bank;

(ii) a non-banking financial company as defined under clause (f) of Section 45-I of the Reserve Bank of India Act, (2 of 1934);

(iii) a public financial institution referred to in Section 4-A of the Companies Act, 1956 (1 of 1956);

(iv) the financial corporation established by a State under Section 3 of the State Financial Corporation Act, 1951 (63 of 1951);

(v) the housing finance institution referred to in clause (d) of Section 2 of the National Housing Act, 1987 (53 of 1987);

(vi) the companies engaged in the business of



credit cards and other similar cards and companies dealing with distribution of credit in any other manner;

(vii) any other institution which the Reserve Bank may specify, from time to time, for the purposes of this clause;"

17. Section 3 of this Act declared that no company shall commence or carry on the business of credit information without obtaining a certificate of registration from the Reserve Bank in accordance with this Act.

18. Section 4 deals with making of an application for registration while Section 5 deals with the aspects relating to the grant of registration. Section 5 reads as under:

"5. Grant of certificate of registration.-(1) The Reserve Bank may, for the purpose of considering the application of a company for grant of a certificate of registration to commence or carry on the business of credit information, require to be satisfied, by an inspection of records or books of such company or otherwise that the following conditions are fulfilled, namely:-

(a) that the applicant company has minimum capital structure referred to in Section 8;

(b) that the general character of the management or the proposed management of the applicant company shall not be prejudicial to the interest of its specified users, clients or borrowers, or other credit information companies;

(c) that any other condition, the fulfilment of which in the opinion of the Reserve Bank, shall be necessary to ensure that the commencement or carrying on of the business of credit information by the applicant company shall not be detrimental or prejudicial to the public interest or banking policy or credit system or its specified users or clients or borrowers or other credit information companies or others who would provide credit information to the credit information companies.

(2) The Reserve Bank may, after being satisfied that the conditions as referred to in sub-section (1) are fulfilled, grant a certificate of registration to the applicant company to commence or carry on the business of credit information, subject to such conditions which it may consider fit to impose and if the company fails to fulfil any of such conditions or any of the provisions of this Act, the application of

shall be rejected:
Provided that no application shall be rejected unless the applicant has been given an opportunity of



being heard.

(3) The Reserve Bank may, having regard to the available business of credit information, the potential and scope for expansion of existing credit information companies and other relevant factors, determine the total number of the credit information companies which may be granted the certificates of registration for carrying on the business of credit information:

Provided that the total number of such credit information companies so determined may, on being satisfied by the Reserve Bank, that there is change in available business of credit information, potential and scope for expansion of existing credit information companies and other relevant factors relating thereto, be reviewed by the Reserve Bank.

19. The Reserve Bank of India for the purpose of considering the application of a company for a grant of certificate of registration to commence or carry on the business of credit information, should be satisfied upon an inspection of the records or books of such companies, carried out by it and upon its finding that the factors specified in clauses (a), (b) and (c) of sub-section (1) of Section 5, are satisfied and then alone, shall grant necessary certificate.

20. Section 6 of the Act empowers the Reserve Bank of India to cancel any such certificate of registration granted earlier, if the stipulations contained in Section 6, warrant such action.

21. Section 8 of the Act specified the requirements of authorised minimum capital of every Credit Information Company, to be Rs.30 Crores and the issued capital shall not be less than Rs.20 Crores and further the minimum subscribed capital of every Credit Information Company, shall not be less than 75% of the issued capital.

22. Under Section 10 of this Act, power is conferred upon the Reserve Bank of India to determine the policy in relation to functioning of Credit Information Companies, if that is considered necessary and expedient to do so in public interest or in the interest of specified users. Thus, the policy guidelines of the Credit Information Companies and the related frame work, is left in the hands of the Reserve Bank of India.

23. Section 11 of this Act also conferred power on Reserve Bank of India to give directions to the Credit Information Companies from time to time and such Credit Information Companies shall be bound to comply with any such directions.

<https://hcservices.ecourts.gov.in/hcservices/>

24. Section 12 of this Act conferred power upon the Reserve Bank of India to cause an inspection of any Credit Information



Company and their books and accounts. The power to examine any person on oath during the course of such inspection, was also conferred.

25. Section 14 of this Act acquires a lot of importance for the present enquiry and hence, it is extracted hereinbelow:

"14. Functions of a credit information company.-(1)

A credit information company may engage in any one or more of the following forms of business, namely:-

(a) to collect, process and collate information on trade, credit and financial standing of the borrowers of the credit institution which is a member of the credit information company;

(b) to provide credit information to its specified users or to the specified users of any other credit information company or to any other credit information company being its member;

(c) to provide credit scoring to its specified users or specified users of any other credit information company or to other credit information companies being its members;

(d) to undertake research project;

(e) to undertake any other form of business which the Reserve Bank may, specify by regulations as a form of business in which it is lawful for a credit information company to engage.

(2) No credit information company shall engage in any form of business other than those referred to in sub-section (1).

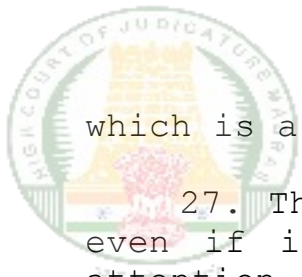
(3) Any credit information company for the purposes of carrying on the business of credit information may-

(a) register credit institutions and other credit information companies, at their option as its member, subject to such terms and conditions as may be pre-determined and disclosed by such credit information company;

(b) charge such reasonable amount of fees, as it may deem appropriate not exceeding the maximum fee, as may be specified under Section 27, for furnishing credit information to a specified user;

(c) generally to do all such other acts and perform such other functions as are necessary to facilitate proper conduct of its affairs, business and functions in accordance with the provisions of this Act."

26. Section 14 of this Act, thus, listed out the functions of a Credit Information Company, one of the important functions performed under Section 14 of this Act is to collect, process and collate information on trade, credit and financial standing of the borrowers of the credit institution



which is a member of the Credit Information Company.

27. Therefore, the grievance nurtured by the writ petitioner, even if it carried any merit and quality worth paying greater attention, cannot give rise to the grant of relief prayed for in this writ petition. When once the Parliament, as a legislative policy, has conferred the power on the Credit Information Companies, to collect, process and collate the information of the borrowers of any credit institutions, the same cannot be objected to by the petitioner, without squarely challenging the validity of Section 14 of the Act. Going by the definition assigned to the expression 'credit institution', in Section 2(f) of the Act, all Banking Companies and Public Financial Institutions, amongst others, answer the said expression and from such institutions, the 'Credit Information Companies' are authorised to collect and also collate information.

28. Under Section 15 of this Act, 'every credit institution' existing as on the date of coming into force of this Act, was required, before expiry of three months time, from such commencement or within such extended period as the Reserve Bank of India may allow, to become a member of at least one 'Credit Information Company' or the other and no Credit Information Company shall refuse to register a credit institution as its member, without providing a reasonable opportunity of being heard to such credit institution. Thus, a statutory obligation is thrust upon every 'credit institution' to compulsorily become member of one 'Credit Information Company' or the other. When once it becomes a member, the 'credit institution' is bound to pass on all the relevant information about all those who have availed financial assistance from it, to the 'Credit Information Company' to enable the latter to collate such information. Thus, without regard being had to this statutory regime and in a mechanical manner, the petitioner has gone about settling the pleadings.

29. Under Section 17 of this Act, every credit institution is obliged to furnish information to the Credit Information Company. Thus, an obligation is cast upon every credit institution to make available the credit information of its customers to the Credit Information Company, of which, it is a member. In the absence of any challenge to these provisions, the banks and financial institutions, which answer the description of credit institutions, cannot refuse to make available such information to the Credit Information Companies.

30. Under Section 19 of this Act, every Credit Information Company or credit institution, who is in possession or control of credit information, shall take such steps including security measures to ensure that the data relating to the credit information maintained by them is accurate, complete, duly protected against any loss or unauthorised access or use or



unauthorised disclosure thereof. Again, ignoring this safety feature encrypted in the Act, the petitioner goes about airing apprehensions about possible misuse of the information by way of leakage and the possible ill-effects of such unauthorised disclosure.

WEB COPY

31. Section 20 of this Act required every credit information company, credit institution and the specified user, to adopt the privacy principles adumbrated therein in relation to collection, processing, collating, recording, preservation, secrecy, sharing and usage of credit information. Amongst others, the purpose for which the credit information may be used, restriction on such use and disclosure thereof, is also provided for.

32. One of the grievances nurtured by the petitioner is that the Credit Information Companies act in uni-direction and that they are non-responsive to the pleas for updating the information. Such a contention is developed without regard being had to the provision contained in Section 21 of the Act. Sub-section (1) of Section 21 of this Act enables any person, who applies for grant or sanction of credit facility from any credit institution, may request such institution to furnish him a copy of the credit information obtained by such credit institution from the Credit Information Company. Such information is liable to be made available subject to payment of such charges as may be specified by the regulations framed by the Reserve Bank of India in that regard. In case, it is found that the credit information has not been updated, as per sub-section (3) of Section 21 of the Act, a borrower or a client of a credit institution may request to update the information by making an appropriate correction or addition, or otherwise and on such a request, the Credit Information Company shall take appropriate steps to update the credit information within thirty days after being requested to do so. The procedure to be followed for updating the information is also provided under the two provisos thereunder.

33. Insofar as the plea relating to possible unauthorised access to the credit information is concerned, Section 22 of the Act makes it very clear that no person shall have access to credit information in the possession or control of a Credit Information Company unless the access is authorised by the Act or any other law for the time being in force or directed to do so by any Court or Tribunal.

34. Further, Section 23 of this Act has recognised that any wilful act of Credit Information Company or engaging in any practice, in breach of any of the principles referred to Section 20, shall be punishable with fine not exceeding one crore rupees.

<https://hcservices.equipt.in/hcservices> Sub-section (3) of Section 23 of this Act has gone to the extent of recognising that the action of any Credit Information Company in wilfully providing credit information which



is false in any material particular, knowing it to be so, or wilfully omitted to make a material statement, shall be punishable with fine which may extend to one crore rupees.

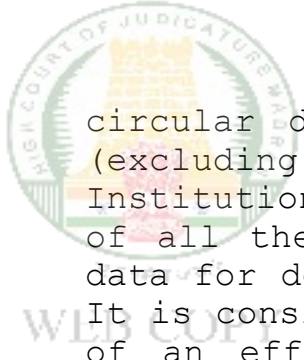
35. Under Section 27 of this Act, power is conferred on the Reserve Bank of India to specify, by regulations, a maximum amount of fees leviable under sub-section (3) of Section 14 for providing information to the specified users and also for admissions of credit institutions. Thus, the Act when read as a whole, clearly brings out the essence of not only collecting the credit information, but preserving and protecting such information from any unauthorised access or usage.

36. Thus, the apprehensions entertained by the writ petitioner are all ill-founded.

37. The Reserve Bank of India Act, 1934, has been made amongst other objectives for securing monetary stability in our country and for operating the credit system to its advantage. Under Section 3 of the Reserve Bank of India Act, 1934, the Reserve Bank of India has been constituted and several important functions and responsibilities have been entrusted to the Reserve Bank of India, so constituted. The Reserve Bank of India Act, 1934, has been amended by the Reserve Bank of India (Amendment) Act, 1962 [No.35 of 1962], inserting Chapter III-A therein, which dealt with collection and furnishing of credit information. The object behind it is spelt clearly by setting forth that in the absence of any regular and systematic arrangement for the collection, pooling and supply of particulars relating to the loans and advances or other credit facilities granted by the various banks and financial institutions to those borrowing any amounts from them, individual banks or other financial institutions are handicapped in obtaining reliable information about the creditworthiness or financial position of the various persons to whom credit has been or may have to be granted. By virtue of the provisions contained under Chapter III-A of this Act, it is the duty of the Reserve Bank of India to collect credit information from banking companies and then, furnish such information to any banking company in accordance with the procedure contained under Section 45D of the Reserve Bank of India Act, 1934.

38. Secondly, in Section 45E of the Reserve Bank of India Act, 1934, disclosure of information has also been prohibited. It is, therefore, more than clear that the writ petitioner has not noticed the legal regime with regard to the collection, preservation and usage of credit information prevailing in the country for the past over 50 years, but instead, rashly proceeded to institute this writ petition.

39. Even prior to ushering in the Credit Information Companies (Regulation) Act, 2005, the Reserve Bank of India through its



circular dated 17.06.2004, urged all Scheduled Commercial Banks (excluding Regional Rural Banks) and Notified All-India Financial Institutions and State Financial Corporations, to obtain consent of all their borrowers (and not only defaulters) for pooling of data for development of a comprehensive credit information system. It is considered by the Reserve Bank of India that the development of an efficient credit information system is critical for the development of a sound financial system and the wisdom behind it cannot be impeached easily.

40. This matter, beyond any pale of doubt in our mind, is a frivolous litigation. No effort has been made to discredit a fiscal statute, which made provision for a fool-proof credit information system to be put in place. If the economic development of the nation is the aim and objective of the Government, then, it is bound to put in place various economic mechanisms and also regulatory measures concerning them. Securing economic stability is a most vital factor for the sustenance of various organs of the country as it is. While seeking to achieve the constitutional goals, as promised to the citizens of this country, the State is under enormous obligation to stabilise its economy first and for achieving that objective, it was required to undertake various regulatory measures. *Sans* the economic stability, the constitutional goals remain potentially unachieved fully.

41. It is a pity that the petitioner, notwithstanding being a practitioner of law, has not bestowed his attention as to how the legislations are framed and what kind of serious studies precede such legislations. The subject matter of every legislation is bound to be studied by the experts and/or expert bodies, who come up with relevant suggestions, recommendations and steps to stabilise the economy, which again are studied carefully. Consequent to increased trade and commercial activities across the frontiers of various nations, every country is bound to make an endeavour to preserve, protect and regulate its economic activities in such a manner which suits its own needs and caters to special requirements peculiar to it. The credit information system plays a vital role in making an appropriate assessment about the creditworthiness of the individuals or customers/borrowers concerned. More importantly, it plays a vital role in risk assessment. What is to be taken note of from the collated information in that process is a value input by the decision maker before he extends credit facilities. Once the credit facilities are availed, they are required to be recycled promptly and also leave the extender of such facilities, a reasonable margin to provide for his enterprise. A sticky account or abnormally delayed repayment is capable of eating into the very vitals of every credit institution. It is, therefore, very vital for the efficient functioning of the credit institution itself that there should be 'creditworthy information' relating to the customers or the prospective borrower available at some place, so



that, the same can be consulted/verified before any decision is taken on the request of the customer/borrower before extending the credit facility. The risk analysis is a perfect professional activity carried on meticulously by every credit institution. A Regulatory enactment, which has got significant 'input and value addition', is sought to be discredited by the writ petitioner in a very light-hearted manner. Such attempts are wholly unwarranted and deserve to be dealt with a firm hand.

42. Every piece of legislation shall be assumed to have been validly made and is liable to be construed to have been made for achieving the objectives spelt out by it. And such objectives behind every piece of legislation are essentially grounded in public interest. The constitutional Courts, advisedly, proceed very cautiously before adversely commenting upon the provisions contained in any legislation. It is a settled principle that a legislation can be attacked only on limited grounds which include the legislative competence or violation of the fundamental rights guaranteed to the citizens or for violation of any other constitutional provision and without demonstrating any such grounds, no parliamentary legislation can be prevented from being given effect to or acted upon. The present writ petition does not attempt to recognise the well-laid out limitations which the constitutional Courts steadfastly adhere to, when it sought for a relief which, in effect, calls in question the legitimacy of actions authorised by the Parliamentary legislation.

43. It is a pity that the writ petitioner appears to have rendered assistance in some case or the other, on behalf of some clients and the information gathered in that process, is sought to be made the basis upon which the foundations for this writ petition are laid. This is one reason why the lawyers are not supposed to turn themselves to litigants. Every piece of information is required to be vetted, verified, analysed and then appropriately used by the professionals. The writ petitioner has grossly failed to do any of them.

44. For the aforementioned reasons, we dismiss this writ petition and impose token costs of Rs.1,000/- (Rupees One Thousand only) payable to the Mediation and Conciliation Centre attached to this Bench, within a period of fifteen days from the date of receipt of a copy of this order. Consequently, the connected writ miscellaneous petition is also dismissed.

Sd/-

Assistant Registrar (T&P)

/True Copy/



To

1.The Secretary,
Reserve Bank of India,
Central Office Building,
18th Floor, Shahid Bhagar Singh Marg,
Mumbai - 400 001.

2.The Regional Director,
Reserve Bank of India,
Fort Glacis, No.16, Rajaji Salai,
Chennai - 600 001.

3.The Joint Secretary,
Department of Economic Affairs,
Ministry of Finance, Room No.39-B,
134/North Block, New Delhi - 110 001.

+1 cc to Mr.N.Shanmugaselvam ,Advocate, Sr.No: 34322

JAM/SS 2/19.09.16/ 15p-5c

PRE-DELIVERY ORDER MADE IN
W.P(MD)No.11553 of 2016
and
W.M.P(MD)No.8842 of 2016

01.09.2016