

P.S. Subramaniam Vs Reserve Bank of India and Another

Court: Supreme Court of India

Date of Decision: Jan. 16, 1990

Acts Referred: Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 1973 " Section 45I

Citation: (1992) 4 SCC 117

Hon'ble Judges: N. M. Kasliwal, J; K. N. Singh, J

Bench: Division Bench

Final Decision: Allowed

Judgement

@JUDGMENTTAG-ORDER

1. THIS appeal is directed against the division bench judgment of the High court of Madras dated 7/11/1984 affirming the order of a learned

Single Judge dismissing the appellant's writ petition made under Article 226 of the Constitution for the issue of mandamus restraining the

respondents from enforcing the Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 1973 against the appellant.

2. The respondent Reserve Bank of India, and its Deputy Chief Officer in the Department of Non Banking Companies (Reserve Bank of India)

filed a criminal complaint before the XVI Metropolitan Magistrate, Madras under S. 58-B(5 and 58-E of the Reserve Bank of India Act, 1934

and Section 190(I)(a) of the Criminal Procedure Code against the appellant for contravention of provisions of the Miscellaneous Non- Banking

Companies (Reserve Bank) Directions, 1973 hereinafter referred to as the 1973 Directions and issued under the Reserve Bank of India Act,

1934. During the pendency of the criminal proceedings the appellants who are accused in the aforesaid criminal case filed a writ petition under

Article 226 of the Constitution before the High court for the issue of a mandamus restraining the respondents, namely, the Reserve Bank of India

from enforcing the 1973 Directions against the appellants. In the writ petition validity of the aforesaid Directions issued by the Reserve Bank was

challenged on a number of grounds. The learned Single Judge dismissed the writ petition by an elaborate judgment, dated 9/02/1983. On Letters

Patent Appeal the division bench considered the matter again in detail and it affirmed the order of the learned Single Judge by upholding the validity

of the 1973 Directions. Hence this appeal by special leave.

3. AFTER hearing learned counsel for the parties at length and having considered the provisions of the Directions and the provisions of the Act, we

agree with the view taken by the High court in upholding the validity of 1973 Directions. We are further of the opinion that the provisions of

Section 45-I(bb) defining the expression "deposit" by the Amending Act (Act 51 of 1974 the Reserve Bank (Amendment) Act, 1974 does not at

all affect the validity as of the 1973 Directions. There is no merit in the appeal, it is accordingly dismissed. There will be no order as to costs. The

interim orders, stand discharged. The court before which the criminal proceedings are pending should proceed with the case in accordance with

law and dispose of the same expeditiously as the trial has not proceeded for more than 9 years on account of stay in writ proceedings.