

(1999) 10 CAL CK 0025

Calcutta High Court

Case No: Writ Petition No. 11085 (W) of 1999

Santragachi Co-operative Bank
Ltd.

APPELLANT

Vs

Reserve Bank of India

RESPONDENT

Date of Decision: Oct. 10, 1999

Acts Referred:

- Banking Regulation Act, 1949 - Section 23, 23(1), 23(2), 35, 35A
- Companies Act, 1956 - Section 58A
- Reserve Bank of India Act, 1934 - Section 17, 18(1)

Citation: (2000) 1 ILR (Cal) 485

Hon'ble Judges: Basudeva Panigrahi, J

Bench: Single Bench

Advocate: Milan Bhattacharya and Kartick Bhattacharya, for the Appellant; Soumen Sen, Prasun Ghosh and S.N. Patra Bhatta, R.B.I., for the Respondent

Final Decision: Dismissed

Judgement

Basudeva Panigrahi, J.

The order passed by the Respondent No. 3, the Deputy General Manager, Reserve Bank of India, u/s 23 of the Banking Regulation Act, 1949, rejecting the prayer for opening a collection centre at G.I.P. Colony, has been assailed in this case.

2. The Petitioner who is a registered co-operative Society under the West Bengal Co-operative Societies" Act has applied for opening a collection centre at G.I.P. Colony, Santragachi. The Santragachi Co-operative Society being a primary society has been functioning u/s 5(b) of the Banking Regulation Act, 1949, hereinafter referred to as the said Act. For regulating the business of the Primary Co-operative Bank and their administrative control, special provisions has been made in part 5 of the said Act. The transaction of the Banking capital account reserve is not less than Rs. 1 lakh and bye-laws of the Society do not permit admission of any person in a

Co-operative Society as a member, provided that other sub-clauses therein of the Bank has subscribed the share capital of the said Go-operative Bank out of the funds, provided by the State Government.

3. In Section 23 of the said Act, there has been a provision that without obtaining permission from the "R.B.I, no banking company shall open a business in India or change otherwise than within the same city, town or village the collection of whose business is situated in India. No banking company incorporated in India shall open a new place of business outside India or change otherwise than within the same city, town or village.

4. The Petitioners, with an idea of mobilisation of deposit have intended to expand their business and to give and/or render more effective service to the consumers, so they feel it imperative to open a collection centre at Jagacha, Ichhapur, Choshpara, and Dharsa G.I.P. colony at all these places situated at Howrah district. There was a high level meeting at the writers' Buildings sometimes in January, 1996, wherein the Joint Secretary, Co-operative Department, Joint Registrar, Co-operative Societies (Urban Credit West Bengal), Assistant General Manager (Urban Bank Department), R.B.I., were present. A consensus was arrived that the Co-operative Banks should be given more freedom for mobilisation of deposit which a view for expansion of their business and reach the viability for which the R.B.I., might not have serious objection to this effect. The Respondent No. 5 who was eventually present at the meeting is said to have issued specific instructions on the matter and had issued letters that he would communicate the R.B.I.'s reaction in the matter within a fortnight.

5. In this background the Co-operative registrar of the Government of West Bengal had specifically written that they would have no objection to the proposal to open collection centres at the above places subject to the observance of the guidelines issued by the R.B.I., in this regard. Pursuant to the receipt of the aforesaid letter from the Co-operative Registrars the Petitioner No. 1 had opened a cash collection centre at Dharsa, Monsatala, G.I.P. Colony, Howrah on and from February 19, 1996. As a matter of fact the opening of such branch was also duly informed to the Respondent No. 5. The said collection centre has been very smoothly and effectively functioning.

6. The Respondent No. 2 communicated a letter dated July 21, 1997, to the Petitioners by stating that the latter have no right u/s 23 of the said Act to the opening of the said collection centre without the express Permission from the R.B.I., and advised them to immediately close down such collection centre. The Petitioner thereafter has stated to have clarified the position by their letter dated August 29, 1997, to the Respondent No. 5 by stating inter alia that since there has been no branch of any bank and there is an increasing pressure from its members for opening a collection centre at Dharsa, in order to meet such demand necessary permission had, however, been obtained from Registrar Co-operative Society, West

Bengal and after obtaining due permission from the said Authority the collection centre was opened at Dharsa. The Petitioner expressed their anguish and sorrow for the alleged communication gap as regards obtaining prior permission from the R.B.I. The R.B.I., again in their letter dated September 16, 1997, informed the Petitioner No. 2 that they have not received any reply to their letter dated July 21, 1997, and further made a query to let them know the nature and volume of business transaction of the Petitioner. The Petitioner No. 2 again reiterated the previous letter. Therefore, for sometime correspondences continued between the Petitioners on one hand and the Respondent Nos. 1 to 5 at the other.

7. Ultimately the Reserve Bank Authorities have asked the Petitioner to close down the collection centre. Being aggrieved by such direction from the R.B.I., the Petitioners, however, challenged the action of the Respondent Nos. 1 to 5 by filing a case in this Court being W.P. No. 6163(W) of 1999. The aforesaid writ petition was, however, disposed of by one of the Learned Single Judge of this Court on April 29, 1999, by directing the Respondent Nos. 1 to 5 to consider the representation and/or application of the writ Petitioners which was annEx. "N" in the aforementioned case and shall pass a reasoned order, till then, there was a direction of maintaining status quo.

8. The Petitioner No. 2 had sent a representation to the Chief General Manager, R.B.I., on April 19, 1999, by stating the detail facts and circumstances for which the Co-operative Bank needed for opening a collection branch at Dharsa, G.I.P. Colony, Santragachi. The Respondent No. 3, however, was inclined to reiterate his own previous view without granting permission for opening a collection centre to the Petitioners.

9. The Respondent Nos. 1 to 5 have inter alia, denied allegations of the Petitioner by stating that since the opening of collection centre would involve financial transaction and play a key role in the mobilisation and distribution of field resources, in case, such opening shall not be economically viable, then, there would be economic disaster which will affect to multitude of depositors. The R.B.I., has been vested with the responsibility of superintendence and control of the banking business including Co-operative banks of the country under the provisions of the said Act. Till the year 1965 the Co-operative Banks were not regulated by the R.B.I., so, therefore, sending certain benefits like extention of deposit cover issued by the deposits insurance and Credit Guarantee Cooperation and their nomination as a scheduled bank etc. were not available to those banks. Therefore, in the year 1965, the Parliament deemed it proper to bring in all the Co-operative Banks under the purview of B.R. Act, as a reason whereof a large number of Co-operative Societies carrying on banking business to prevent the emergence of weak urban banks and also to ensure growth of Co-operative Banking on sound lines were protected. In 1966 part 5 of the said Act was introduced to bring in all Cooperative Banks within its folds.

10. From the provision of Section 23 of the said Act, it has been made clear that no Co-operative Bank can open a new place of business without obtaining prior permission of the R.B.I. Therefore, before opening a new place of business it is implicit on the part of the Co-operative Bank to obtain the necessary permission from the R.B.I. u/s 35 of the Act the R.B.I. has unbridled and unfettered power to conduct inspection/scrutiny of the accounts of a Co-operative Bank and also issued necessary instructions for their compliance. Such control vested with the R.B.I. is only to ensure financial discipline and regularity in the larger public interest and to prevent from financial collapse which may act prejudicial and detrimental to the interest of the depositors.

11. When there was appropriate direction from the Court to consider the representation of the Petitioners, the R.B.I. Authority has closely and strictly considered the scope and feasibility of granting permission for opening a collection centre at Dharsa, Monsatala, G.I.P. Colony, Howrah. But to their utter dismay they found that the bank's non-performing assets (N.P.A.) stood at 39.5 per cent of total loan and advance as on March, 31, 1998. Therefore, such a high rate of N.P.A. was regarded as a drag and unhealthy sign for the growth of the banking system. The general character of the management has ostensibly appeared weak since it did not have a full time paid executive officer. The internal compliance of the bank was slack. The collection of huge deposits by such a bank was considered not desirable hence the bank was advised to close its collection centre as it had significantly failed to meet the requirements u/s 23(2) of the said Act to entitle to open a branch.

12. It has been strongly denied that Mr. K.B. Subba Rao, Deputy General Manager, Urban Bank Department, Central Office communicated the letter on his behalf. It was submitted that the matter was duly considered by the Chief General Manager and also the R.B.I. after denying its acceptance for granting permission to open a collection centre, the letter was, however, communicated on behalf of the R.B.I. to the Petitioners. Therefore, it shall not be construed that it was communicated out of own volition of Mr. K.B. Subba Rao. The wording of Section 23 also is explicit that in any event even in case of opening of a collection centre at a new place the permission u/s 23 of the Act was imperative and mandatory.

13. Mr. Bhattachariya, the learned Advocate appearing for the writ Petitioners has critically placed his submission that the Respondent Nos. 1 to 5, particularly Respondent No. 3 had intentionally and deliberately flouted the orders of this Court inasmuch as he considered the case in a closed mind and not within the purview of Section 23. It was strongly urged that the Respondent No. 3 was very rigid in his stand and only reaffirmed his stand by giving few more reasons but did not consider the Petitioner's case pragmatically. Such pedantic, inflexible and narrow approach has caused immense loss not only to the Society but also to its depositors and the public at large. The Respondent No. 3 has considered the profit of the society for the year 1996-97 and 1997-98 but has neglected to consider the profit earned during

1998-99.

14. The Respondent Nos. 1 to 5 has wrongly construed that opening of a collection centre would amount to opening of a branch. The society has never meant to earn any profit out of opening such collection centre, besides, facilitating its depositors to bring them within their reach. If the collection centre is within the same area of operation then no permission is necessary. The Petitioners wanted to open the centre within the same municipal ward, therefore, it would not come within the mischief of Section 23 of the said Act. Deposits are only receipt, therefore, the opening collection centre does not earn any profit. N.P.A. level was undoubtedly 39.5 per cent at that time but it has been brought down to 29.5 per cent at the moment.

15. Therefore, the Respondent No. 1 to 5 should have taken into account the present N.P.A. level. As per the R.B.I. guidelines, it has been stated that N.P.A. level should not exceed 15 per cent. Assuming such guidelines has to be accepted how Baranagar Co-operative Bank whose N.P.A. level was 31 per cent, could be granted permission to open a new branch office. The appointment of Chief Executive is not at all under the control of the Bank Authorities. The State Government may in suitable case appoint some Chief Executives in Co-operative Banks. Therefore, non-appointment of whole time Chief Executive cannot be regarded as stumbling block for granting the right of opening of collection centre.

16. Mr. Sen, the learned Advocate appearing for the Respondent Nos. 1 to 5 while refuting the allegations of the Petitioners has submitted that the administrative action of the R.B.I. is not justiciable. The R.B.I. on due consideration of the facts and circumstances and also the inspection report of the Petitioner's bank have expressed their view that it is not desirable to permit them for opening a collection centre. The collection centre is as good as of an opening of a new branch. Thus in the aforesaid situation the action of the R.B.I. by refusing to open a collection centre should not be characterised as arbitrary, illogical or illegal acts. Accordingly, the writ petition should be dismissed.

17. It is necessary to quote few provisions of Banking Regulations Act, 1949.

Banking means accepting for the purpose of lending or investing of deposits of money from the public, repayable demand or otherwise and withdrawal by cheque, draft, order or otherwise.

5. C.C. branch or branch office in relation to a Cooperative Bank means any branch or branch office whether called a pay-office or sub-pay office or by any other name at large deposits are received cheques cashed or monies lent or for the purpose of Section 35 includes lent or for the purpose of Section 35 any place or business where any other firm or business regard to in Sub-section 1 of Section 6 is transacted.

Section 23 is quoted as follows:

Restrictions on opening of new, and transfer of existing places of business:

(1) Without obtaining the prior permission of the Reserve Bank, no co-operative bank shall open a new place of business or change otherwise than within the same city, town or village, the location of an existing place of business:

Provided that nothing in this Sub-section shall apply to:

(a) the opening for a period not exceeding one month of a temporary place of business within a city, town or village or the environs thereof within which the co-operative bank already has a place of business for the purpose of affording banking facilities to the public on the occasion of an exhibition, a conference or a mela or any other like occasion;

(b) the opening or changing the location of branches by a central co-operative bank within the area of its operation.

(2) Before granting any permission under this section, the Reserve Bank may require to be satisfied by an inspection u/s 35 or otherwise as to the financial condition and history of the co-operative bank, the general character of its management, the adequacy of its capital structure and earning prospects and that public interest will be served by the opening or, as the case may be, change of location of the place of business.

(3) The Reserve Bank may grant permission under Sub-section (1) subject to such conditions as it may think fit to impose either generally or with reference to any particular case.

(4) Where, in the opinion of the Reserve Bank, a cooperative bank has, at anytime, failed to comply with any of the conditions imposed on it under this section, the Reserve Bank may, by order in writing and after affording reasonable opportunity to the Co-operative bank for showing cause against the action proposed to be taken against it, revoke any permission granted under this section.

(4A) Any co-operative bank other than a primary cooperative bank requiring the permission of the Reserve Bank under this section shall forward its application to the Reserve Bank through the National Bank which shall give its comments on the merits of the application and send it to the Reserve Bank:

Provided that the co-operative bank shall also send an advance copy of the application directly to the Reserve Bank.

(5) For the purpose of this section "place of business" includes any sub-office, pay office, sub-pay office and any place of business at which deposits are received, cheques cashed or monies lent.

Section 35A, is quoted hereunder:

Power of the Reserve Bank to give directions:

1. Where the Reserve Bank is satisfied that-

(a) in the public interests: or

(aa) in the interest of banking policy; or

(b) to prevent the affairs of any co-operative bank being conducted in a manner detrimental to the interests of the depositors or in a manner prejudicial to the interests of the co-operative bank; or

(c) to secure the proper management of the banking business of any co-operative bank generally; it is necessary to issue directions to co-operative banks generally or to any co-operative bank in particular, it may, from time to time, issue such directions as it deems fit, and the co-operative banks or the co-operative bank as the case may be shall be bound to comply with such directions.

(2) The Reserve Bank on representation made to it or on its own motion, modify or cancel any direction issued under Sub-section (1), and in so modifying or cancelling any direction may impose such conditions as it thinks fit, subject to which the modification or cancellation shall have effect.

Section 36 is quoted hereunder:

Further powers and functions of Reserve Bank:

(1) The Reserve Bank may-

(a) caution or prohibit co-operative banks generally or any co-operative bank in particular against entering into any particular transaction or class of transactions, and generally give advice to any cooperative bank ;

(b) give assistance to any co-operative bank by means of the grant of a loan or advance to it under Clause (3) of Sub-section (1) of Section 18 of the Reserve Bank of India Act, 1934;

(c) at any time if it is satisfied that for the reorganisation or expansion of co-operative credit on sound lines it is necessary so to do, by an order in writing and on such terms and conditions as may be specified therein.

(i) depute one or more of its officers to watch the proceedings of any meeting of the Board of directors of the co-operative bank or of any other body constituted by it and require the co-operative bank to give an opportunity to the officer so deputed to be heard at such meetings and to offer such advice on such matters as the officer may consider necessary or proper for the organisation and expansion of co-operative credit on sound lines, and require such officer to send a report of such proceedings to the Reserve Bank;

(ii) appoint one or more of its officers to observe the manner in which the affairs of the co-operative bank or its offices or branches are being conducted and made a report thereon;

(2) The Reserve Bank shall make an annual report to the Central Government on the trend and progress of banking in the country, with particular reference to its activities under Clause (2) of Section 17 of the Reserve Bank of India Act, 1934, including in such report its suggestions, if any, for the strengthening of banking business throughout the country.

(3) The Reserve Bank may appoint such staff at such places as it considers necessary for the scrutiny of the returns, statements and information furnished by co-operative banks under this Act, and generally to ensure the efficient performance of its functions under this Act.

18. I find from the correspondence between the banks and the Respondent Nos. 1 to 5 that the Joint Registrar of Co-operative Society has directed the Chairman of Co-operative Bank Santragachi, Co-operative Bank to open collection offices at several places including Dharsa area subject to the observance of the guidelines issued by the R.B.I. in this regard. Therefore, such permission granted by the Joint Registrar does not confer unlimited powers to the co-operative bank for opening a collection centre even at G.I.P. Colony, Santragachi. From time to time the R.B.I. had advised the Petitioners for closing down the collection centre as it did not satisfy the requirements u/s 23 of the said Act. They have also cautioned the Petitioners for having contravened the provision of Section 23 of the said Act and informed of the consequential penalty which could be imposed u/s 46(4) of the said Act. The matter, however, continued till first round of litigation started between the parties by filing a writ in this Court as a reason whereof this Court had directed the authority of the R.B.I. to pay due consideration whether the Petitioners could open a branch at G.I.P. Colony. Finally they advised the Petitioners to close down the said collection centre. Several grounds of objections have been raised by the R.B.I. for withholding permission to open a collection centre at G.I.P. Colony:

(i) That the bank has not appointed a full time paid Chief Executive;

(ii) The failure of recovering its dues;

(iii) Non-compliance of the R.B.I.'s inspection report;

(iv) Non-performing assets stood 39.5 per cent at the time of communicating their view.

19. Mr. Bhattachariya has submitted on instruction from the internal audit report that the N.P.A. level has come down to 29.5 per cent at the moment from 39.5 per cent. Even assuming the N.P.A. level has been brought down to 29.5 per cent then also it is no higher side. The R.B.I. has expressed its view that 15 per cent upper limit can be tolerated but such a high staggering figure of N.P.A. level was not at all

advisable for granting permission to open even a collection centre.

20. It is undoubtedly true that the view which was communicated to the Petitioners for withholding permission of an opening counter does not specifically reflect as to what was the amount it had gained during 1998-99 possibly the figures may not be available with the Respondent No. 3, however, for that reason the report cannot be characterised lopsided, unilateral, arbitrary and also unreasonable.

21. The appointment of a whole time executive is not within the domain of the Petitioners. It, at the best can communicate to the Registrar, co-operative Society for sparing a suitable officer to be appointed as Chief Executive. But several factors have to be borne in mind, such as the (i) financial viability of the bank to meet the salary of the Chief Executive; (ii) ready availability of an officer; (iii) the policy decision. However, since the Reserve Bank has a matter of policy expressed its view for deputing a whole time Chief Executive, the Registrar by taking the economic viability of the bank may take steps for sparing an officer for the aforesaid purpose. It has been brought to my notice by the Petitioners that the Baranagar Co-operative Bank had been permitted to open a collection branch for facilitating the deposit then why such discriminatory attitude was expressed by the R.B.I, to the Petitioners. It is true that the R.B.I. being a statutory organ should not have such discrimination. But even assuming such discrimination was exhibited, but, that by itself, shall not be a ground to claim permission from the R.B.I.

22. It has been submitted by Mr. Bhattachariya, the learned Advocate appearing for the Petitioners that since opening of a collection centre does not amount to open a new branch or upgrade their extension counter, therefore, the permission as required u/s 23 may not strictly be necessary. On a reading of the provisions of Section 23 I, however, find that the word "otherwise" has been used in relation to change of office from one place to another but shall not be applicable in case of opening a collection centre at a new place. Therefore, Section 23 has particularly mandated to a primary bank to obtain necessary permission before opening a collection centre. On reading of the definition it is also made clear that any deposit offered to a primary bank also amount to business of the Society which required the prerequisite permission u/s 23. In this regard special reference may be made to Sub-section C.C. of Section 5 which in unequivocal terms states that any pay-office or sub pay-office or by any other name at which deposits are received then it is to be named as the branch or branch office. In that regard even the collection centre where the deposits are received by opening a branch, as per the definition of Sub-section C.C. of Section 5 of the said Act, it also becomes unavoidable to bring permission u/s 23 of the Act.

23. In this regard a Division Bench judgment of this Court may be quoted here, case of S.B.I.S.A. Cooperative Bank v. Tarun Kumar Saha 1999 (1) C.L.J. 31 (where I was also a party). It has been held as follows:

Banking Regulation Act was enacted to consolidate and amend the law relating to banking Section 23 of the said Act reads thus:

Restrictions on opening of new, and transfer of existing places of business. Without obtaining the prior permission of the Reserve Bank-

(a) No banking company shall open a new place of business in India or change otherwise than within the same city, town or village, the location of an existing place of business situated in India and;

(b) No banking company incorporated in India shall open a new place of business outside India or change, otherwise than within the same city, town or village in any country or area outside India, the location of an existing place of business situated in that country or area:

Provided that nothing in this Sub-section shall to the opening for a period-not exceeding one month of a temporary place of business within a city, town or village or the environs thereof within which the banking company already has a place of business, for the purpose of affording banking facilities to the public on the occasion of an exhibition, a conference or a mela or any other like occasion.

24. It is, thus, evident that the Appellant bank could not have opened a new branch without the permission of the Reserve Bank of India. It is further true that interviews have been held and appointments have been made after the Reserve Bank directed closure of the said branch by its letter dated July 6, 1988, and August 11, 1988. A question, however, arises that does it mean that the appointments of the writ Petitioners were illegal? The Appellants in their affidavit-in-opposition merely stated that such alleged unlawful activities on the part of the Board of Directors led to its supersession.

25. Therefore, from the aforesaid Division Bench judgment it is no longer res integra that permission u/s 23 of the said Act is necessary even before opening a collection centre as claimed by the Petitioners. Next question shall, however, appear as to the competency of the Court while deciding jurisdiction to interfere the administrative action of the R.B.I. In the case of [Peerless General Finance and Investment Co. Limited and Another Vs. Reserve Bank of India](#), a Division Bench of the Hon'ble Supreme Court decided on January 30, 1999, by holding that:

26. Before examining the scope and effect of the impugned para. 6 and 12 of the directions of 1987, it is also important to note that Reserve Bank of India Which is bankers bank is a creature of statute. It had large contingent of expert advice relating to matters affecting the economy of the entire country and nobody can doubt the bona fides of the Reserve Bank in issuing the impugned directions of 1987. The Reserve Bank plays an important role in the economy and financial affairs of India and one of its important functions is to regulate the banking system in the country. It is the duty of the Reserve Bank to safeguard the economy and financial

stability of the country.

27. While examining the power conferred by Section 58A of the Companies Act, 1956 on the Central Government to prescribe the limits upto which, the manner in which and the conditions subject to which deposits may be invited or accepted by non banking companies, this Court in [Delhi Cloth and General Mills Co. Ltd. and Others Vs. Union of India \(UOI\) and Others](#), observed as under:

Mischief was known and the regulatory measures was introduced to remedy the mischief. The conditions which can be prescribed to effectuate this purpose must a fortiori, to be valid, fairly and reasonably, relate to checkmate the abuse of juggling with the depositors/investors' hard earned money by the corporate sector and to confer upon them a measure of protection namely availability of liquid assets to meet the obligation of repayment of deposit which is implicit in acceptance of deposit. Can it be said that the conditions prescribed by the Deposit Rules are so irrelevant or have no reasonable nexus to the objects sought to be achieved as to be arbitrary? The answer is emphatically in the negative. Even at the cost of repetition, it can be stated with confidence that the rules which prescribed conditions subject to which deposits can be invited and accepted do operate to extend a measure of protection against the notorious abuses of economic power by the corporate sector to the detriment of depositors/investors, a segment of the society which can be appropriately described as weaker in relation the might corporation. One need not go so far with Ralph Nadar in "America Incorporated" to establish that political institutions may fail to arrest the control this ever widening power of corporations. And can one wish away the degree of sickness in private sector companies? To the extent companies develop sickness, in direct proportion the controllers of such companies become healthy. In a welfare state it is the constitutional obligation of the state to protect socially and economically weaker segments of the society against the exploitation by corporations. We therefore, see no merit in the submission that the conditions prescribed bear no relevance to the object or the purpose for which the power was conferred u/s 58A on the Central Government.

28. The function of the Court is to see that lawful authority is not abused but not to appropriate to itself the task entrusted to that authority. It is well settled that a public body invested with statutory powers must take care not to exceed or abuse its power. It must keep within the limits of the authority committed to it. It must act in good faith and it must act reasonably. Courts are not to interfere with economic policy which is the function of experts. It is not the function of the Courts to sit in judgment over matters of economic policy and it must necessarily be left to the expert bodies. In such matters even experts can seriously and doubtlessly differ. Courts cannot be expected to decide them without even the aid of experts.

29. Therefore, on a careful reading of the above judgment it leaves no room for doubt that the Court while exercising its writ jurisdiction shall be slow to encroach upon or transgress into the advisory function of the R.B.I. while discharging their

fiscal duty. In the case of [Joseph Kuruvilla Vellukunnel Vs. The Reserve Bank of India and Others](#), has also delineated the limitation of the Courts to consider about the administrative function of the executive bank where it held that:

These observations lay down clearly that there may be occasions and situations in which the legislature may, with reason, think that the determination of an issue may be left to an expert executive like the Reserve Bank rather than to Courts without incurring the penalty of having the law declared void. The law thus made is justified on the ground of expediency arising from the respective opportunities for action. Of Course, the exclusion of Courts is not lightly to be inferred nor lightly to be conceded. The reasonableness of such a law in the total circumstances will, if challenged, have to be made out to the ultimate satisfaction of this Court and it is only when this Court considers that it is reasonable in the individual circumstance that the law will be upheld.

30. In the case Life Insurance Corporation of India AIR 1996 S.C. 1370, the Supreme Court has also carefully considered the nature and scope of the judicial interference into the reports submitted by the expert body like Respondent No. 4.

31. Therefore, from the totality of the facts and circumstances of this case I find there is little scope for interference by the Court to go into that question of granting or refusing permission for opening a collection centre by the Petitioner. The Petitioners have never stated in their application regarding the bias or malafide against Respondent No. 3. In such situation I do not find there is any scope for me to interfere with the order of the Reserve Bank.

32. On a careful reading of the observation of the R.B.I. it is found that it was not individual decision of the Respondent No. 3 but he was only an instrumental to communicate the views of the R.B.I. My observation shall not, however, mean the right of opening a collection centre by the Petitioners closed for all times to come. The R.B.I. in their circular dated June 9, 1993, have expressed their view for facilitating to open extension counter.

33. In case of Petitioners desire to request further to the R.B.I. to re-examine their issue on the basis of the present data and in the light of the above notification for opening of an extension counter, then, it is expected that the R.B.I. authorities shall consider the prayer in a more pragmatic manner with utmost reasonableness and pass appropriate order.

34. But I do not find any justifiable grounds to interfere with the order of the R.B.I. at the moment. Accordingly, the writ petition is dismissed without any order as to costs.