

\$~23

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 1629/2018 & CM Nos. 6694/2018 & 25599/2018

GODAVARI NUTRIFOODS PVT LTD

..... Petitioner

Through: Mr Vikas Singh, Sr. Advocate, Mr
Arvind Nayar, Sr. Advocate with Ms
Nanda Devi Deka, Mr Kapish Seth
and Ms Sristi Bannerjee, Advocates.

versus

RESERVE BANK OF INDIA & ORS

..... Respondents

Through: Mr H. S. Parihar and Mr Kuldeep S.
Parihar, Advocates for RBI/R-1.
Mr Lovleen R. Goyal, Advocate for
R-2/AXIS Bank with Mr Raghu
Sharma, Branch Manager, AXIS
Bank/R-2.
Mr Akshay Deep Singhal, Advocate
for R-3 with Mr Nitin Goel, Chief
Manager, SBI.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

ORDER

% **03.07.2018**

1. The petitioner has filed the present petition under Article 226 of the Constitution of India, *inter alia*, praying as under:-

- “i) To issue writ, order or direction in the nature of certiorari to quash/set aside the circular no. DCM (NE) No.G-1/08.07.18/2017-18 dated 3rd July 2017 issued by respondent no.1 Reserve Bank of India;
- ii) To issue writ, order or direction in the nature of mandamus directing the Respondents especially,

Respondent No.2 to allow the petitioner to deposit coins in the bank account held by the petitioner with Respondent No.2 without any hindrance;

- iii) Issue such other or further orders and / or directions in favour of the petitioner and against the respondents as this Hon'ble Court may deem fit, just and proper."

2. The petitioner's principal grievance is that respondent no.2 (AXIS Bank) has refused to accept the deposit of coins, which are, admittedly, legal tender. The petitioner states that it carries a business of manufacturing of ready to eat snacks, which are distributed through various dealers. The petitioner claims that it collects the amounts collected by various dealers and deposits the same in its accounts. The manner in which the petitioner carries on its business results in the petitioner receiving a substantial amount of the consideration for its products in currency notes of small denomination and coins.

3. The petitioner has filed the present petition assailing the RBI's circular dated 03.07.2017, particularly, for the reason that the said circular indicates that the banks would accept coins and notes either in transactions or for exchange, including coins of any denomination not lower than one rupee, for any sum not exceeding one thousand rupees. The said circular was interpreted to mean that a bank could refuse acceptance of coins in excess of the aggregate sum of rupees one thousand.

4. The aforesaid circular has been subsequently clarified by the Reserve Bank of India by a circular dated 15.02.2018. The Reserve Bank of India has also suggested that coins be packed in polythene sachets of 100 each and that such coins be accepted by weight. The learned counsel for the Reserve

Bank of India has also clarified that the circular dated 03.07.2017 cannot be read to mean that it imposes any restriction as to the amount of coins that can be transacted by any bank. It is thus clear that there is no restriction on any bank in accepting coins from its customers in excess of the amounts as indicated in the circular dated 03.07.2017. In view of the above clarification, this Court finds no reason to interfere with the circular dated 03.07.2017.

5. Insofar as the petitioner's prayer that respondent no.2 (AXIS Bank) be directed to accept the coins tendered to it is concerned, the same is liable to be allowed. Plainly, in view of the clarification issued by the Reserve bank of India, AXIS Bank would be obliged to accept legal tender in all denominations including any coins that may be deposited by its customers. Accordingly, respondent no.2 is directed to accept all amounts tendered by the petitioner so long as the petitioner continues to remain its customer.

6. The petitioner seeks no relief against respondent no.3 and it is not necessary to issue any directions to respondent no.3.

7. The petition is disposed of in the aforesaid terms. All applications are also disposed of.

VIBHU BAKHRU, J

JULY 03, 2018
MK