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HIGH COURT OF CHHATTISGARH, BILASPUR

WPC No. 1473 of 2019

1. Vikas Soni Damodar Das Soni, Aged About 42 Years R/o Ramadhin Marg, District- Rajnandgaon, Chhattisgarh.
2. Harish Shobhwani, Narayan Das Shobhwani, Aged About 46 Years R/o - Hig- C-17, Shailendra Nagar, Near Hdfc Bank, District- Raipur, Chhattisgarh.
3. Kachru Prasad Sharma, Late Ramji Lalji Sharma, Aged About 66 Years R/o- Near Manav Mandir, District- Rajnandgaon, Chhattisgarh.
4. Jitendra Jain, Gautam Chand Jain, Aged About 34 Years R/o- Near Manav Mandir, District- Rajnandgaon, Chhattisgarh.

---- Petitioners

Versus

1. Union of India Through Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi- 110001
2. Reserve Bank of India, Through Governor, Central Office Building, 18th Floor, Shahid Bhagat Singh Road, Mumbai- 400001

---- Respondents

WPC No. 2266 of 2019

Touchstone Services Pvt. Ltd. Through Director, Mr. Shrenik Parekh, S/o Mr. Udayraj Parekh, 1st Floor, Priyanshu Tower, Near Siddheswari Temple, Bhatagaon, Raipur, Chhattisgarh.

---- Petitioner

Versus

1. Union of India Through Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi. - 110001., District : New Delhi, Delhi
2. Reserve Bank of India Through Governor Central Office Building, 18th Floor, Shahid Bhagat Singh Road, Mumbai - 400001, Maharashtra., District : Mumbai, Maharashtra
3. State Bank of India Through Manager Main Branch Jai Stambh Chowk, Raipur Chhattisgarh., District : Raipur, Chhattisgarh

---- Respondents

For Petitioner	: Shri Siddharth Shukla, Advocate
For Respondent/UOI	: Shri B.Gopa Kumar, Assistant Solicitor General
For Respondents/RBI	: Shri B.P. Sharma, Advocate
For Respondent/SBI	: Shri Prafull N. Bharat, Advocate

<u>Hon'ble Shri P. R. Ramachandra Menon, Chief Justice</u>
<u>Hon'ble Shri Parth Prateem Sahu, Judge</u>

<u>Judgement on Board</u>

<u>P. R. Ramachandra Menon, Chief Justice</u>

<u>11.11.2019</u>

1. The Petitioners in Writ Petition (C) No.1473 of 2019 have moved this Court with the following prayers :

> "10.1 To declare the limitation for using the coins of any denomination in payment and on accounts stipulated under Section 6(1)(a)(b)(c) as unconstitutional and ultra-vires being in violation of the fundamental rights of the petitioners.
> 10.2 Pass any other relief/order or direction, as this Hon'ble Court may deems fit and Proper looking to the facts and circumstance of the case and in the interest of justice, along with cost of the proceedings."

2. The prayers in Writ Petition (C) No.2266 of 2019 read as follows :

> "10.1 To direct the Respondents to permit depositing the complete amount of coins accumulated with the petitioner during the course of business transactions in its Bank Accounts.
> 10.2 To direct the Respondents to formulated the long-term policy for deposition of coins into bank accounts for any sum.
> 10.3 Pass any other relief/order or direction, as this Hon'ble Court deems fit and proper looking to the facts and circumstance of the case and in the interest of justice, along with cost of the proceedings."

3. Shri B.P. Sharma, learned standing counsel for the Reserve Bank of India ('RBI', *for short*) submits that the version of the RBI has been put on record to the effect that a circular has been issued giving appropriate instructions to the Banks to accept coins of all denominations, which is virtually to the effect that there will not be any objection with regard to ceiling or limitation.

4. Shri Prafull N. Bharat, learned standing counsel for the State Bank of India ('SBI', *for short*) submits that in the circular issued by the RBI, the SBI has put no restriction in the matter of accepting coins and this being the position, no grievance remains to be considered or adjudicated by this Court. It is also added that the amounts sought to be deposited by the Petitioner by way of coins have already been accepted and the same has been put in credit, in the account of the Petitioner.

5. I.A. No.01 of 2019 dated 08.11.2019 has been filed on behalf of the Respondent/SBI, paragraphs- 1 and 2 of which read as follows :

> "1. The petitioner has filed the present writ petition seeking a relief for a direction to the respondents to permit deposit of complete amount of coins accumulated with the petitioner during course of business transaction in its Bank Accounts, with a further direction to frame a policy to deposit of coins into the Bank Accounts of any sum. To claim the aforesaid reliefs it is the case of petitioner that he is a private limited company engaged in sales and distributorship of FMCG Goods and Foods products. It is the further case of petitioner that about 30,000 retail and Wholesale stores are covered by the petitioner

wherein the average daily collection is about 80 lakhs out of which 60% of the same is in the forms of coins. It is the further case of petitioner that when he made an attempt to deposit large volume of coins with res. no.3, it was denied on the ground that res.no.2 had issued certain directions to accept coins to a certain extent only.

2. During the pendency of the writ petition, the petitioner had deposited about Rs. 40 lakhs(in the denomination of 1/2/5 and 10 in their current account No.3028906418. To substantiate the aforesaid fact the answering respondent are submitting a satisfaction letter dated 24.10.19 issued by the petitioner as 'Document-1'."

6. Paragraphs-4 and 5 of the additional return filed by the Respondent/RBI are relevant, which are extracted below for ready reference :

"4. As regards the Reserve Bank's instructions on the subject matter, it is submitted that due to complaints of non-acceptance of coins it was clarified vide our instruction in February 2018 that the bank branches should not refuse to accept small denomination notes and/ or coins tendered at their counters. A copy of the said notification dated February 15, 2018 is annexed herewith as Annexure R-1.

5. Further, the RBI has taken following specific steps in this regard:

a. Reserve Bank of India has advised all the banks to accept coins of all denomination at all their branches for transactions and exchange vide its Master Circular on " Facility for Exchange of Notes & Coins" dated July 02, 2018. A copy of the said

Master Circular dated July 2, 2018 is annexed herewith as Annexure R-2.

b. Reserve Bank of India has issued a press release on June 26, 2019 appealing to the members of public to accept coins as legal tender in all their transactions without any hesitation. A copy of the said press release dated June 26, 2019 is annexed herewith as Annexure R-3.

c. Reserve Bank of India has reiterated its instructions to banks to accept coins for transactions and exchange at all their branches vide its circular on "Acceptance of coins" dated June 26,2019. A copy of the said Circular dated June 26, 2019 is annexed herewith as Annexure R-4.

d. The above instructions have also been incorporated in the Master Circular on "Facility for Exchange of Notes & Coins" issued on July 1, 2019. A copy of the said Master Circular dated July 1, 2019 is annexed herewith as Annexure R-5."

7. In the above circumstance, we are of the view that the grievance put forth by the Petitioner in both the petitions stands redressed and the only remaining point to be considered, as raised by the Petitioner in Writ Petition (C) No.1473 of 2019, is with regard to the vires of the Section 6(1) of the Coinage Act, 2011. The Court is of the view that the said question has become rather academic in view of the turn of events and the circular issued by the RBI; followed by the decision taken by the Bank concerned to give effect to the circular issued by the RBI, virtually accepting of the amounts tendered by way of coins to be deposited.

8. In the said circumstance, the challenge against Section 6(1) of the Coinage Act, 2011 is left open and the matters are disposed off accordingly. It goes without saying that the Petitioners would be at liberty to approach the Court, if at all, further cause of action arises.

Sd/-	**Sd/-**
(P.R. Ramachandra Menon) **Chief Justice**	**(Parth Prateem Sahu)** **Judge**

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