$~18

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

\+ W.P.(C) 12514/2022 & CM APPL. 37806/2022

LOKESH MITTAL .....Petitioner

Through: Mr. Parmod Kumar Bhardwaj, Advocate

versus

RESERVE BANK OF INDIA AND ORS .....Respondent

Through: Mr. Abhinav Sharma, Mr. Ayush Srivastava, Mr. Dipan Sethi and Mr. Snehashish B. Advocates for RBI

CORAM:
HON'BLE MR. JUSTICE MANOJ JAIN

O R D E R

% **09.01.2025**

1. The grievance of the petitioner is very limited.

2. He went to Karol Bagh Branch of Axis Bank where he is maintaining a Current Account and requested the bank to accept, deposit or exchange *soiled, torn and mutilated currency notes* with good quality notes.

3. According to the petitioner, the bank, orally, refused to either accept the deposit or exchange such currency notes.

4. He made a complaint but to no avail.

5. According to petitioner, he even filed a complaint with the *Banking Ombudsman* against Axis Bank for refusing to accept or refusing to exchange the currency notes but even the Ombudsman did not consider his such complaint.

6. According to petitioner, earlier also there was a policy in vogue for the purposes of such exchange of soiled and mutilated notes and RBI itself also

used to facilitate such exchange.

7. Reserve Bank of India came up with a *Master Circular – Facility For Exchange of Notes and Coins* on 01.04.2022 whereby such facility of exchange has been delegated to all the branches of all parts of the country and with respect to procedure for exchange of Soiled/Mutilated/Imperfect notes, the directions are contained under Clause-6 which read as under: -

"***6. Procedure for Exchange of Soiled/ Mutilated/Imperfect Notes***

6.1 Exchange of Soiled Notes

***6.1.1 Notes presented in small number**: Where the number of notes presented by a person is up to 20 pieces with a maximum value of ₹5,000 per day, banks shall exchange them over the counter, free of charge.*

***6.1.2 Notes presented in bulk**: Where the number of notes presented by a person exceeds 20 pieces or ₹5,000 in value per day, banks shall accept them against receipt, for value to be credited later. Banks shall levy service charges as permitted in Master Circular on Customer Service in Banks (DBR.No.Leg.BC.21/09.07.006/2015-16 dated July 1, 2015). In case tendered value is above ₹50,000, banks are expected to take the usual precautions.*

6.2 Exchange of Mutilated and Imperfect Notes

***6.2.1** While designated branches shall continue to follow the procedure as laid down in Part III of NRR, 2009 (www.rbi.org.in →Publications → Occasional) for exchanging mutilated and imperfect notes and issue receipt for the notes presented for adjudication, non-chest branches are required to follow the procedure mentioned in the following paragraphs 6.2.2 and 6.2.3 of this circular for notes presented in small numbers and in bulk respectively.*

***6.2.2 Notes presented in small number**: Where the number of notes presented by a person is up to 5 pieces, non-chest branches shall normally adjudicate the notes as per the procedure laid down in Part III of NRR, 2009 and pay the exchange value over the counter. If the non-chest branches are not able to adjudicate the mutilated notes, the notes shall be received against a receipt and sent to the linked currency chest branch for adjudication. The probable date of payment shall be informed to the tenderers on the receipt itself and the same shall not exceed 30 days. Bank* *account details shall be obtained from the tenderers for crediting the exchange value by electronic means.*

***6.2.3 Notes presented in bulk**: Where the number of notes presented by a person is more than 5 pieces but not exceeding ₹5,000 in value, the tenderer shall be advised to send such notes to nearby currency chest branch by insured post giving his/her bank account details (a/c no, branch name, IFSC, etc.) or get them exchanged thereat in person. All other persons tendering mutilated notes whose value exceeds ₹5,000 shall be advised to approach nearby currency chest branch. Currency chest branches receiving mutilated notes through insured post shall credit the exchange value to the account of sender by electronic means within 30 days of receipt of notes.*

***6.3 Grievance Redressal**: Tenderers aggrieved with the service provided by the banks and a related grievance not resolved to the satisfaction of the customers, or not replied to within a period of 30 days by the bank may approach the RBI Ombudsman under 'The Reserve Bank - Integrated Ombudsman Scheme, 2021'. Complaints can be filed online on https:/Icms.rbLorg.in and also through the dedicated e-mail or sent in physical mode to the 'Centralised Receipt and Processing Centre' set up at Reserve Bank of India, 4th Floor, Sector 17, Chandigarh - 160017 with the bank/ postal receipts as proof for necessary action.*

8. Learned counsel for petitioner, however, submits that despite there being aforesaid specific policy and Master Directions, banks are not accepting the exchange which is causing lot of discontentment to various customers, including the petitioner herein. It is, therefore, prayed that besides delegating the aforesaid powers, RBI should also have its own independent counter to facilitate such kind of exchange.

9. Learned counsel for RBI, however, submits that the abovesaid Master Directions are comprehensive enough and even the Grievance Redressal Mechanism has been specified appropriately and wherever any such bank refuses to comply with the directions contained in the Master Circular, appropriate action can be taken against it, by imposing penalty even. In this regard, attention has been drawn towards Scheme of Penalties which

stipulates as under:-

v.	*Violation of any of the terms of agreement with RBI (for opening and maintaining currency chests) or deficiency in service in providing exchange facilities, as detected by RBI officials e.g.* *a) Non-issue of coins over the counter to any member of public despite having stock.* *b) Refusal by any bank branch to exchange soiled notes/refusal by any currency chest branch to adjudicate mutilated notes tendered by any member of public.* *c) Non-conduct of surprise verification of currency chest balances – at (i) bimonthly intervals by officials unconnected with the custody of currency chest and (ii) six-monthly intervals by the officials from the Controlling Office.* *d) Denial of facilities/services to linked branches/linked CCs of other banks.* *e) Non acceptance of lower denomination notes (i.e. denomination of Rs. 50 and below) tendered by members of public and linked bank branches.* *f) Detection by RBI of mutilated/ counterfeit notes in re-issuable packets prepared by the currency chest branches.*	*₹ 10,000 for any violation of agreement or deficiency of service.* *₹5 lakh in case there are more than 5 instances of violation of agreement/ deficiency in service by the branch. The levy of such penalty shall be placed in public domain.* *Penalty shall be levied immediately.*

10. Learned counsel for petitioner, however, submits that whenever there is any such refusal on the part of any local branch or for that matter any *Currency Chest Branch* and any complaint is lodged with RBI, Ombudsman, such complaint is not even considered.

11. Learned counsel for RBI submits that in case there is any such violation, any such customer can always make a complaint to RBI and

Ombudsman shall certainly look into any such complaint and would pass appropriate order.

12. In view of the above, learned counsel for petitioner submits that at the moment, he does not press the present writ petition anymore. He, however, submits that in case his grievances are not taken care of in future and his complaint made to Ombudsman, if situation so arises, is not entertained, he may be permitted to knock the doors of this Court again.

13. In view of the above, present writ petition is disposed of as not pressed.

14. Liberty, as prayed, is granted.

MANOJ JAIN, J

JANUARY 9, 2025/*dr*