



**Citation :** CDJ 2017 MHC 570

**Court :** Before the Madurai Bench of Madras High Court

**Case No :** Suo Motu W.P.[MD].No. 21985 of 2016

**Judges :** THE HONOURABLE MR. JUSTICE S. NAGAMUTHU & THE HONOURABLE MR. JUSTICE M.V. MURALIDARAN

**Parties :** The Registrar (Judicial), Madurai Bench of Madras High Court, Madurai Versus The Union of India, Rep. by its Secretary, Ministry of Finance, Department of Economics Affairs, New Delhi & Others

**Appearing Advocates :** For the Appearing Parties: N. Tamilmani, G. Rajagopalan, G.R. Swaminathan, D. Saravanan, K.R. Laxman, M. Govindan, Advocates.

**Date of Judgment :** 30-11-2016

**Head Note :**

Comparative Citation:  
2017 (3) LW 527,

**Judgment :**

(Prayer: Writ Petition is filed under Article 226 of the Constitution of India to issue a Writ of Mandamus, to direct the respondents to issue suitable orders to exempt / regulate the exchange demonetized currency notes of the value Rs.500/- and Rs.1000/- lying in the hands of Subordinate Courts of Tamil Nadu as cash properties involved in cases in trial / enquiries / investigation, after the 31st December 2016 or 31st March 2017.)

1. After notification issued by the Union of India, demonetizing Rs.1,000/- and Rs.500/- currency notes, this Court received report from the District Judges of the Districts falling with the territorial jurisdiction of this Bench. It is reported that the demonetized Rs.1,000/- and Rs.500/- currency notes in huge quantities are now in the custody of the Courts as case properties. It was also reported that it may take months or even years for these cases to get disposed of and then, for the Courts to pass orders disposing of these currency notes. For any reason, if these currency notes are ordered to be returned to the parties concerned, it would not be possible for them to exchange the same as these currency notes have been demonetized. Similarly, even if the Courts pass order confiscating these currency notes in favour of the State Government, the State Government would not be in a position to exchange these notes due to demonetization. As a result, the legally earned money of the parties will not go to the hands of the aggrieved who are already victims of the crimes. Considering these situations, this Court took this Writ Petition suo motu on 16.11.2016. We ordered notice to the respondents. We have also heard the learned Assistant Solicitor General of India appearing for the Union of India, the learned counsel appearing for the Reserve Bank of India and the learned Special Government Pleader appearing for the various Departments of the State Government.

2. Today, when the matter was taken up for hearing, the learned Additional Solicitor General of India, Mr.G.Rajagopal representing the Central Government filed a memo before this Court on behalf of the respondents 1 and 2 viz., the Union of India, represented by its Secretary, Ministry of Finance, Department of Economic Affairs, New Delhi and the Director of Department of Economic Affairs, New Delhi. In that memo, he has stated as follows;

“It is respectfully submitted that in respect of cash lying in Court custody (as on 08.11.2016), the Courts concerned may be directed to note the number of currency and subject to final orders that may be made by the concerned Court, if the currency is returned to any party, he will be entitled to exchange the same in any nationalized bank upon production of the Court

Order. This Hon'ble Court may be pleased to record the same and pass appropriate order. If the cash is ordered to be forfeited, the State Government is entitled to exchange it. Hence, this Hon'ble Court may be pleased to record the memo and thus render justice.”

3. The learned counsel appearing for the Reserve Bank of India would submit that the Reserve Bank of India would adopt the said memo filed by the learned Additional Solicitor General of India.

4. In view of the above stand of the respondents 1 to 3, we dispose of this Public Interest Litigation in the following terms:

a) The demonetized currency notes of Rs.500/- and Rs.1000/- denominations, as per the notifications issued by the Government of India, on 08.11.2016, which are in the custody of various Courts in the State of Tamil Nadu as well as even in the Union Territory of Pandichery as on 08.11.2016, in the event of the said currency notes being returned to the parties concerned on the orders of the Courts, the same shall be exchanged in any of the Nationalised Banks and the value thereof can be secured by the parties concerned.

b) The Courts, while returning the said demonetized currency notes to the parties concerned, shall, in the order itself, mention the numbers of the currency notes, which will be returned to the parties and there shall also be a direction for the exchange of the said currency notes in any of the Nationalised Banks.

c) If these demonetized currency notes are confiscated in favour of the State Government, the State Government officials concerned may tender the same before the Nationalised Banks and exchange the same so as to realise the value thereof in favour of the State Government.

d) If any such demonetized currency notes have already been returned on temporary basis under Section 451 Cr.P.C as on 08.11.2016, in the event the very same currency notes are returned to the Court with the details of the numbers, the said currency notes can also be exchanged in the Nationalised Banks, as indicated above, provided the Courts mention the numbers of the currency notes in the order itself, while ordering return of the same finally under Section 452 Cr.P.C..

e) It is further clarified that this order shall not be applicable to the demonetized currency notes, which are produced before the Courts on or after 09.11.2016. In respect of these currency notes, we hope that the Government will take appropriate action in due course of time.

f) The Registry is directed to forward copies of this order to all the Courts subordinate to this Court within two weeks so that the Subordinate Courts could scrupulously follow the above directions.