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

\+ W.P.(C) 5809/2020, CM APPL. 21017/2020 (interim directions), CM APPL. 4403/2021 (deletion of respondent nos.5 & 6 from array of parties) & CM APPL. 4404/2021 (vacation of stay).

VALUE LINE INTERIORS PRIVATE LIMITED ..... Petitioner

Through: Mr. Namit Suri, Ms. Purnima Singh & Ms. Shivani Malik, Advs.

versus

UNION OF INDIA & ORS. ..... Respondents

Through: Mr.Ramesh Babu MR, Ms.Manisha Singh, Ms.Nisha Sharma, Ms.Sanya Panjwani, Advs. for R-2**.**

Mr. Ashwini Chalwa, Adv. for R-4

CORAM:
HON'BLE MS. JUSTICE REKHA PALLI

O R D E R

% **18.04.2022**

1. The petitioner has approached this Court being aggrieved by the action of respondent no.4 in returning two cheques dated 20.02.2020 which were deposited by the petitioner with its banker/respondent no.3 on 18.05.2020 and were presented for clearance to the respondent no.4 on 19.05.2020 but have been returned with remarks “Instruments Outdated”.
2. It is the petitioner’s case that the action of respondent no.4 in returning the cheques on 20.05.2020 on the ground of being out dated is not only in gross violation of the circular issued by the Reserve Bank of India (RBI)/respondent no.2 but also *mala fide.*
3. On 24.01.2022, this Court, after considering the submissions of

learned counsel for the petitioner, had granted time to learned counsel for respondent no.4 to place on record judgments based on which he had sought to contend that the cheques were already outdated on the date of presentation i.e. 19.05.2020. Pursuant thereto, copies of certain judgments have been filed, none of which in any manner supports the case of the respondent no.4 as those decisions deal with the issue as to in which situation the 3 months period is to be treated as 90 days.

4. In the present case, since it is the respondent no.4's own admission that the cheques were presented before the said respondent on 19.05.2020 i.e. within the 3 months period, the question whether the period between the date of presentation of the cheques should be 90 days or 3 months is immaterial as the petitioner's case falls both within the period of 90 days as also three months. Moreover the RBI has taken a categorical stand before this Court that the cheques dated 20.02.2020 were prescribed by the petitioner well within time.

5. Learned counsel for respondent no.4, however, seeks to contend that the cheques were outdated when they were returned on 20.05.2020.

6. I am unable to appreciate this plea of respondent no.4. The question before this Court is not whether the cheques were outdated when they were returned by respondent no.4 but as to whether they were outdated when they were presented. It prime facie appears that the respondent no.4 is functioning as a banker without taking into account the guidelines by respondent no.2/RBI.

7. At this stage, learned counsel for respondent no.4 submits that the action of respondent no.4 in returning the cheques can otherwise not

to be faulted as there was insufficient balance in the accounts of respondent nos.5 & 6 on the date of return of the cheques.

8. In my view, this ground also does not, in any manner, forward the case of respondent no.4 and on the contrary *prima facie* suggests connivance of some of the officials of respondent no.4 with respondent nos.5 & 6. If the cheques were sought to be returned on account of insufficient funds in the account of the drawer of cheques i.e. respondent nos.5 & 6, there is no reason as to why the respondent no.4 had not returned these cheques with the remarks 'insufficient funds'.

9. At this stage, learned counsel for the respondent no.4 prays for time to obtain instructions.

10. At request, list on 22.04.2022, on which date the Branch Manager of respondent no.4 will remain present in Court.

REKHA PALLI, J

APRIL 18, 2022
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