



बेटी बचाओ
बेटी पढ़ाओ

भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/DCM/2024-25/112

DCM (CC) No.G-1/03.44.01/2024-25

April 01, 2024

The Chairman / Managing Director / Chief Executive Officer
All banks

Madam / Dear Sir,

Master Direction – Scheme of Penalties for bank branches and Currency Chests for deficiency in rendering customer service to the members of public

In terms of the Preamble to and Section 45 of the Reserve Bank of India Act, 1934 (RBI Act) and Section 35A of the Banking Regulation Act, 1949, Reserve Bank of India issues guidelines / instructions for realising the objectives of Clean Note Policy and enhancing the operational efficiency as part of currency management. In order to ensure that all bank branches provide proper customer service, the Bank has formulated a Scheme of Penalties for bank branches including Currency Chests, for deficiency in rendering customer service to the members of public.

2. The enclosed Master Direction incorporates updated guidelines / circulars on the subject.

Yours faithfully

(Sanjeev Prakash)
Chief General Manager

Encl: As above

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हिन्दी आसान है, इसका प्रयोग बढ़ाइए

Annex

Master Direction on the Scheme of Penalties for bank branches and currency chests for deficiency in rendering customer service to members of public

1. The Scheme of Penalties for bank branches including currency chests has been formulated in order to ensure that all bank branches / currency chests provide proper customer service to the members of public / linked bank branches keeping in view the objectives of Clean Note Policy and enhancing operational efficiency.

2. Penalties

Penalties to be imposed on banks for deficiencies in remittances sent to RBI, compliance with operational guidelines and Memorandum of Agreement, exchange of notes and coins, operations of currency chests, replenishment of cash in ATMs, etc., are as follows:

Sr. No.	Nature of Irregularity	Penalty
i.	Shortages of notes in soiled note remittances and shortages of notes and coins in currency chest balances	For notes in denomination up to ₹50 ₹50/- per piece in addition to the loss. For notes in denomination of ₹100 & above Equal to the value of the denomination per piece in addition to the loss. For coins in all denominations Equal to the value of the denomination per piece in addition to the loss. The recovery of loss and imposition of penalty shall be done immediately on detection of shortage, irrespective of number of pieces.
ii.	Counterfeit notes detected in soiled note remittances and currency chest balances	Penalty shall be levied in terms of the instructions issued by <u>DCM (FNVD) No. G-4/16.01.05/2024-25 dated April 01, 2024.</u>

iii.	<p>Mutilated notes (including deliberately cut notes and built-up notes) detected in soiled note remittances and currency chest balances</p>	<p>₹50/- per piece irrespective of the denomination in addition to the loss. The recovery of loss and imposition of penalty shall be done immediately on detection, irrespective of number of pieces.</p>
iv.	<p>Non-compliance with operational guidelines by currency chests detected by RBI officials e.g.</p> <ul style="list-style-type: none"> a) Non-functioning of CCTV, non-compliance with rules / guidelines pertaining to CCTV, recording preservation period and related issues b) Branch cash / documents kept in strong room (CC's vault) c) Non-utilisation of Note Sorting Machines (NSMs) for sorting of notes (NSMs not used for sorting of high denomination notes, i.e. notes of denomination ₹100 and above, received over the counter or not used for sorting notes remitted to chest / RBI) d) Non-conduct of surprise verification of currency chest balances - at (i) bimonthly intervals by officials unconnected with the operations of currency chest, and (ii) six-monthly intervals by officials from the Controlling Office 	<p>Penalty of ₹5,000/- for each instance of irregularity. Penalty shall be enhanced to ₹10,000/- in case of repetition / recurrence of irregularity in consecutive inspection cycles or earlier. Penalty shall be levied immediately.</p>

v.	<p>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.</p> <ul style="list-style-type: none"> 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) Denial of facilities / services to linked branches / linked CCs of other banks. d) Non acceptance of lower denomination notes (i.e. denomination of ₹50 and below) tendered by members of public and linked bank branches for exchange / deposit. e) Detection by RBI of mutilated, built up, counterfeit notes in re-issuable packets prepared by the currency chest branches. 	<p>₹10,000/- for any violation of agreement or deficiency of service.</p> <p>₹5 lakh in case there are more than 5 instances of violation of agreement / deficiency in service by the currency chest / branch in consecutive inspection cycles or earlier. The levy of such penalty shall be placed in public domain.</p> <p>Penalty shall be levied immediately.</p>
vi.	Non-replenishment of ATMs	<p>Penalty shall be levied in terms of provisions of circular DCM(RMMT) No. S153/11.01.01/2021-22 dated August 10, 2021 and instructions issued subsequently.</p>

3. Operational Guidelines on levy of penalties

3.1 Competent Authority

The Competent Authority to **decide upon the nature of irregularity** shall be the Officer-in-Charge of the Issue Department of the Regional Office under whose jurisdiction the defaulting currency chest / bank branch is located.

3.2 Appellate Authority

- i. Appeal against the decision of the Competent Authority may be made by the Controlling Office of the currency chest / branch to the Regional Director / Chief General Manager / Officer-in-Charge of the Regional Office concerned, **within one month from the date of debit**, who shall decide whether the same can be accepted / rejected. Penalty waiver request would be considered only if the application for the same is made in the CyM-CC portal within the prescribed timelines. Waiver requests in any other mode shall not be entertained. Appeals shall not be made in routine manner.
- ii. Appeals for waiver of penalty made on grounds such as staff being new / untrained, lack of awareness, corrective action having been taken / shall be taken, etc., shall not be considered.