



ZOROASTRIAN BANK

The Zoroastrian Co-operative Bank Ltd.

(Multi-State Scheduled Bank)

The Bank that is Big on Tradition & Trust

FAQs Withdrawal of Legal Tender Character of the existing Bank Notes in the denominations of ₹ 500/- and ₹ 1000/- (Updated as on December 27, 2016)

1. Why is this scheme introduced?

The incidence of fake Indian currency notes in higher denomination has increased. For ordinary persons, the fake notes look similar to genuine notes, even though no security feature has been copied. The fake notes are used for antinational and illegal activities. High denomination notes have been misused by terrorists and for hoarding black money. India remains a cash based economy hence the circulation of Fake Indian Currency Notes continues to be a menace. In order to contain the rising incidence of fake notes and black money, the scheme to withdraw has been introduced.

2. What is this scheme?

The legal tender character of the existing bank notes in denominations of ₹ 500 and ₹ 1000 issued by the Reserve bank of India till November 8, 2016 (hereinafter referred to as Specified Bank Notes) stands withdrawn. In consequence thereof these Bank Notes cannot be used for transacting business and/or store of value for future usage. The Specified Bank Notes can be exchanged for value at any of the 19 offices of the Reserve Bank of India and deposited at any of the bank branches of commercial banks/ Regional Rural Banks/ Co-operative banks (only Urban Co-operative Banks and State Co-operative Banks) or at any Head Post Office or Sub-Post Office.

District Central Cooperative Banks (DCCBs) can allow their existing customers to withdraw money from their accounts upto ₹ 24,000 per week. No exchange facility against the specified bank notes (₹ 500 and ₹ 1000) or deposit of such notes should be entertained by DCCB's. The Reserve Bank has accordingly advised all banks to permit withdrawal of cash by DCCBs from their accounts based on need.

3. Does the scheme apply to pre 2005 banknotes of ₹ 500 and ₹ 1000?

Yes, specified banknotes (SBN) include pre 2005 banknotes in the denominations of ₹ 500 and ₹ 1000. Banks should accept deposits of pre-2005 bank notes in the denominations of ₹ 500 and ₹ 1000 under the scheme. However, these notes can be exchanged at RBI Offices only.

4. How much value will I get?

You will get value for the entire volume of notes tendered at the bank branches / RBI offices.

5. Can I get all in cash?

The Scheme does not provide for it, given its objectives. You can use balances in bank accounts to pay for other requirements by cheque or through electronic means of payments such as Internet banking, mobile wallets, IMPS, credit/debit cards etc.

6. Can I get cash in exchange for specified banknotes over the bank counter?

No. Over the counter exchange (in cash) of SBNs is not permitted from November 25, 2016. Members of public who approach the banks for over the counter exchange of SBN are encouraged to deposit SBNs into their bank accounts. Banks have been advised to facilitate opening of new accounts for unbanked people.

7. What if I don't have any bank account?

You can always open a bank account by approaching a bank branch with necessary documents required for fulfilling the KYC requirements.

8. What if, if I have only JDY account?

A JDY account holder can avail the deposit facility subject to the caps and other laid down limits in accord with norms and procedures.

With a view to protect the innocent farmers and rural account holders of PMJDY from activities of money launders and legal consequences under the Benami Property Transaction & Money Laundering laws, it has been decided to place certain limits, as a matter of precaution, on the operations in the PMJDY accounts funded through deposits of Specified Bank Notes (SBNs) after November 09, 2016. As a temporary measure, the banks have been advised that:

(1) Fully KYC compliant account holders may be allowed to withdraw ₹ 10,000/- from their account, in a month. The branch managers may allow further withdrawals beyond ₹ 10,000 within the current applicable limits only after ascertaining the genuineness of such withdrawals and duly documenting the same on bank's record.

(2) Limited or Non KYC compliant account holders may be allowed to withdraw ₹ 5,000 per month from the amount deposited through SBNs after November 09, 2016 within the overall ceiling of ₹ 10,000.

9. Where can I go to exchange the notes?

The exchange facility has been stopped at bank branches with effect from November 25, 2016.

10. Should I go to bank personally for deposit or can I send the notes through my representative?

Personal visit to the branch is preferable. In case it is not possible for you to visit the branch you may send your representative with an express mandate i.e. a written authorisation. The representative should produce authority letter and his / her valid identity proof while tendering the notes.

In case you want to go to a branch of any other bank where you are not maintaining an account, you will have to furnish valid identity proof and bank account details required for electronic fund transfer to your account.

11. Can I withdraw from ATM?

The ATMs are progressively getting recalibrated. As and when they are recalibrated, the cash limit of such ATMs will stand enhanced to ₹ 2500/- per day. This will enable dispensing of lower denomination currency notes for about ₹ 500/- per withdrawal. Other ATMs which are yet to be recalibrated, will continue to dispense ₹ 2000/- till they are recalibrated.

Banks have also been advised to increase the Business Correspondents' limit of dispensing cash to ₹ 2500/- for withdrawal from bank accounts.

12. What will be the levied ATM charges?

It has been decided that banks shall waive levy of ATM charges for all transactions (inclusive of both financial and non-financial transactions) by savings bank customers done at their own banks' ATMs as well as at other banks' ATMs, irrespective of the number of transactions during the month. This waiver is applicable on transactions done at ATMs from November 10, 2016 till December 30, 2016, subject to review.

13. Does the limit of ₹ 24000 withdrawal apply to withdrawals from bank account of one bank from another bank?

These limits are not applicable to cash withdrawal from a bank account by one bank from another

bank, Post Office, Money changers operating at International airports and operators of White Label ATMs. The branches maintaining Currency Chests have been advised to accommodate the requests from other branches in their vicinity – linked or otherwise – for supply of cash.

14. Can I withdraw cash against cheque?

Yes, you can withdraw cash against withdrawal slip or cheque subject to a weekly limit of ₹ 24000/- (including withdrawals from ATMs and over the counter) from the bank accounts.

Business entities having Current Accounts which are operational for last three months or more will be allowed to draw ₹ 50,000/-per week. This can be done in a single transaction or multiple transactions. This facility has been extended to Overdraft and Cash Credit accounts and traders registered with the Agricultural Produce Market Committee (APMC) markets or mandis. Accordingly, holders of current / overdraft / cash credit accounts, which are operational for the last three months or more, may withdraw upto ₹ 50000 in cash, in a week. Such withdrawals may be disbursed predominantly in ₹ 2000 denomination bank notes. This enhanced limit for weekly withdrawal is not applicable for personal overdraft accounts. Farmers are allowed to draw upto ₹ 25000/- per week in cash from their loan (including Kisan Credit Card limit) or deposit accounts subject to their accounts being compliant with the extant KYC norms.

15. Can I withdraw a higher amount for the purpose of my ward's wedding?

With a view to enable members of the public to perform and celebrate weddings of their wards it has been decided to allow a cash withdrawal of maximum ₹ 250000/- from their bank deposit accounts till December 30, 2016 out of the balances at credit in the account as at close of business on November 08, 2016 to meet wedding related expenses. This is subject to the following conditions:

- i. Withdrawals are permitted only from fully KYC compliant accounts.
- ii. The amounts can be withdrawn only if the date of marriage is on or before December 30, 2016.
- iii. Withdrawals can be made by either of the parents or the person getting married. (Only one of them will be permitted to withdraw).
- iv. Since the amount proposed to be withdrawn is meant to be used for cash disbursements, it has to be established that the persons for whom the payment is proposed to be made do not have a bank account.
- v. The application for withdrawal shall be accompanied by following documents:
 - a. [An application as per the format](#)
 - b. Evidence of the wedding, including the invitation card, copies of receipts for advance payments already made, such as Marriage hall booking, advance payments to caterers, etc.
 - c. A detailed list of persons to whom the cash withdrawn is proposed to be paid, together with a declaration from such persons that they do not have a bank account, where the amount proposed to be paid is ₹ 10,000/- or more. The list should indicate the purpose for which the proposed payments are being made.

Banks may keep a proper record of the evidence and produce them for verification by the authorities in case of need. The scheme will be reviewed based on authenticity/ bona fide use thereof. Yet, banks should encourage families to incur wedding expenses through non-cash means viz. cheques /drafts, credit/debit cards, prepaid cards, mobile transfers, internet banking channels, NEFT/RTGS, etc. Therefore, members of the public should be advised, while granting cash withdrawals, to use cash to meet expenses which have to be met only through cash mode.

16. What is being done for the farmers?

Farmers are allowed to draw upto ₹ 25000/- per week in cash from their loan (including Kisan Credit Card limit) or deposit accounts subject to their accounts being compliant with the extant KYC norms. Specified banknotes in the denomination can be used for making payments towards purchase of seeds from the centres, units or outlets belonging to the Central or State Governments, Public Sector Undertakings, National or State Seeds Corporations, Central or State Agricultural Universities and the Indian Council of Agricultural Research, on production of proof of identity.

Towards ensuring unhindered farming operations during the Rabi crop season, NABARD would be utilizing its own cash credit limits up to about ₹ 23,000 crore to enable the DCCBs to disburse the required crop loans to PACS and farmers. Banks with currency chests have been advised to ensure adequate cash supply to the DCCBs and RRBs. Adequate cash supply should also be ensured for rural branches of all commercial (including RRBs). Bank branches located in APMCs may also be given adequate cash to facilitate smooth procurement.

17. Can I deposit Specified Bank Notes through ATMs, Cash Deposit Machine, cash Recycler and bank branches multiple times?

Yes, Specified Bank Notes can be deposited in Cash Deposits machines / Cash Recyclers or at bank branches more than once till December 30, 2016. At bank branches, customers should use separate pay-in-slips for depositing specified bank notes and other legal tender bank notes. (If a depositor has a mixed bunch of SBN and legal tender notes, he has to segregate them and submit two separate Pay-in slips).

18. Can I make use of electronic (NEFT/RTGS /IMPS/ Internet Banking / Mobile banking etc.) mode?

You can use NEFT/RTGS/IMPS/Internet Banking/Mobile Banking or any other electronic/ non-cash mode of payment. In order to meet the transactional needs of the public through digital means, additional measures have been introduced by way of special dispensation for small merchants and enhancement in limits for semi-closed Prepaid Payment Instruments (PPIs).

PPIs issuers can issue PPIs to such merchants. While balance in such PPIs cannot exceed ₹ 20,000/- at any point of time, the merchants can transfer funds from such PPIs to their own linked bank accounts upto ₹ 50,000/- per month, without any limit per transaction. Merchants only need to provide a self-declaration in respect of their status and details of their bank account.

The limit of semi-closed PPIs issued with minimum details has been enhanced to ₹ 20,000/- from the existing ₹ 10,000/-. The total value of reloads during any given month has also been enhanced to ₹ 20,000/-.

Extant instructions for other categories of PPIs remain unchanged. Full KYC PPIs with balance upto ₹ 1,00,000/- can continue to be made available by authorised PPI issuers. The above measures will be effective from November 21, 2016 till December 30, 2016, subject to review.

Relaxation in Additional Factor of Authentication (AFA) for payments upto ₹ 2000/- for card network provided authentication solutions has been permitted for the Card Not Present (CNP) transactions. For details please refer [RBI DPSS circular dated December 6, 2016](#).

19. I am right now not in India, what should I do?

If you have Specified banknotes in India, you may authorise in writing enabling another person in India to deposit the notes into your bank account. The person so authorised has to come to the bank branch with the Specified banknotes, the authority letter given by you and a valid identity proof (Valid Identity proof is any of the following: Aadhaar Card, Driving License, Voter ID Card, Pass Port, NREGA Card, PAN Card, Identity Card Issued by Government Department, Public Sector Unit to its Staff)

20. I am an NRI and hold NRO account, can the exchange value be deposited in my account?

Yes, you can deposit the Specified banknotes to your NRO account.

21. I am a foreign tourist, how much Indian currency can I get after the announcement of withdrawal of legal tender status for specified banknotes?

Foreign citizens will be permitted to exchange foreign currency up to ₹ 5000 per week. Necessary entry to this effect will be made in their passports.

22. I have emergency needs of cash (hospitalisation, travel, life saving medicines) then what I should do?

Exemptions for the use of specified banknotes have been discontinued with effect from December 16, 2016

23. Can I deposit the Specified banknotes to my account?

Deposits of Specified bank Notes into all types of deposit/loan accounts of Public Sector Banks/ Private Sector Banks / Foreign Banks/Regional Rural Banks / Urban Cooperative Banks/ State Cooperative Banks is allowed subject to CTR/STR reporting. Certain restrictions have been imposed on deposits of SBNs into non KYC compliant bank accounts as indicated below:

Tenders of SBNs in excess of ₹ 5000 into a non KYC compliant bank account will be received for credit only once during the remaining period till December 30, 2016. The credit in such cases shall be afforded only after questioning tenderer, on record, in the presence of at least two officials of the bank, as to why this could not be deposited earlier and receiving a satisfactory explanation. The explanation will be kept on record to facilitate an audit trail at a later stage.

Even when tenders smaller than ₹ 5000 are made in a non KYC compliant bank account and such tenders taken together on cumulative basis exceed ₹ 5000 they may be subject to the procedure to be followed in case of tenders above ₹ 5000, with no more tenders being allowed thereafter until December 30, 2016.

The above restrictions shall not apply to tenders of SBNs for deposits in KYC compliant account and deposits under the Taxation and Investment Regime for the [Pradhan Mantri Garib Kalyan Yojana, 2016](#)

The equivalent value of specified bank notes tendered will be credited to an account maintained by the tenderer at any bank in accordance with standard banking procedure and on production of valid proof of Identity.

The equivalent value of specified bank notes tendered may be credited to a third party account, provided specific authorisation therefor accorded by the third party is presented to the bank, following standard banking procedure and on production of valid proof of identity of the person actually tendering, as indicated in [Annex-5](#) of our circular [DCM \(Plg\) No.1226/10.27.00/2016-17 dated November 08, 2016](#)

Anybody depositing more than ₹ 50,000/- in cash in their bank account has to submit a copy of the PAN card in case the bank account is not seeded with PAN.

24. Can I deposit SBN to Small Savings Scheme?

Government of India has decided that subscribers of Small Savings Schemes may not be allowed to deposit SBNs in Small Savings Schemes. Banks have been advised not to accept SBNs for deposits in Small Saving Schemes with immediate effect. However deposits into Post Office Savings account are permitted

25. What is proof of identity?

Valid Identity proof is any of the following: Aadhaar Card, Driving License, Voter ID Card, Pass Port, NREGA Card, PAN Card, Identity Card Issued by Government Department, Public Sector

Unit to its Staff.

26. Where can I get more information on this scheme?

Further information is available on our website (www.rbi.org.in) and the website of the Government of India (www.finmin.nic.in)

27. What steps have been taken for queue management?

Banks have been advised to make arrangements for separate queues for Senior citizens and Divyang (disabled) persons. Similarly, separate queues should also be arranged for those who come to exchange SBN for cash and those who come to deposit into bank accounts.

The last date for submission of the annual life certificate for the government pensioners which is to be submitted in November every year has been extended upto January 15, 2017 to facilitate.

The Reserve Bank assures members of the public that enough cash in small denominations is also available at the Reserve Bank and banks. The Reserve Bank urges that public need not be anxious; need not come over to banks repeatedly to draw and hoard; Cash is available when they need it.

Also see:

[All You wanted to know from RBI about: Withdrawal of Legal Tender Status of ₹ 500 and ₹ 1000 Notes](#)

28. If I have a problem, whom should I approach?

You may approach the control room of RBI by [email](#) or on Telephone Nos 022 22602201/022 22602944

29. Can payments towards tax, penalty, surcharge and deposit under PMGKY be made in SBNs?

The Central Government has decided that up to 30.12.2016, the payment towards tax, surcharge, penalty and deposit under the Pradhan Mantri Garib KalyanYojana (PMGKY), can be made in Old Bank Notes of ₹ 500 and ₹ 1,000 denomination issued by the RBI. The Taxation and Investment Regime for Pradhan Mantri Garib KalyanYojana (PMGKY), 2016 has commenced on 17th December, 2016 and is open for declarations upto 31st March, 2017. The payment of tax, surcharge and penalty under the Scheme is to be made through challan ITNS- 287 and the deposits are to be made in the Pradhan Mantri Garib Kalyan Deposit Scheme,2016. The notifications relating to PMGKY are available on the website www.incometaxindia.gov.in