



THE ZOROASTRIAN CO-OPERATIVE BANK LIMITED

CLEAN NOTE POLICY

2024-2025

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1. Facility for Exchange of Notes and Coins

With respect to the Facility for Exchange of Notes and Coins, the Bank shall adhere to the below mentioned instructions:

- a. It will be preferable to accept coins, particularly, in the denominations of Re 1 and Rs 2, by weighment. However, accepting coins packed in sachets of 100 pieces each would perhaps be more convenient for the cashiers as well as the customers. Such sachets may be kept at the counters and made available to the customers. Coins, in the denominations of Re 1 and Rs 2 shall be accepted by weightment.
- b. All branches should provide the above facilities to members of public without any discrimination on all working days.
- c. The availability of the above-mentioned facilities at the bank branches shall be given wide publicity for information of the public at large.
- d. None of the bank branches should refuse to accept small denomination notes and / or coins tendered at their counters. All coins in the denomination of 50 paise, Re 1, Rs 2, Rs 5, Rs 10 and Rs 20 of various sizes, theme and design issued from time to time by the Government of India continue to be legal tender.

2. Reserve Bank of India (Note Refund) Rules, 2009 [as Amended by Reserve Bank of India (Note Refund) Amendment Rules, 2018] - Delegation of Powers

(a) In terms of Section 28 read with Section 58 (2) of Reserve Bank of India Act, 1934, no person is entitled as a right to recover from the Government of India or RBI the value of any lost, stolen, mutilated or imperfect currency note of the GOI or banknote. However, with a view to mitigating hardship to the public in genuine cases, it has been provided that the RBI may, with prior sanction of the Central Government, prescribe the circumstances in, and the conditions and limitations subject to which, the value of such currency notes or bank notes may be refunded as a matter of grace.

(b) With a view to extending the facility for the benefit and convenience of public, all branches of banks have been delegated powers under Rule 2(j) of Reserve Bank of India (Note Refund) Rules, 2009 [as amended by Reserve Bank of India (Note Refund) Amendment Rules, 2018] (hereinafter referred to as NRR, 2009) for exchange of mutilated / defective notes free of cost.

(c) The NRR, 2009 were amended to enable the public to exchange mutilated notes in Mahatma Gandhi (New) series, which are smaller in size compared to the earlier series. The minimum area of the single largest undivided piece of the note required for payment of full value for notes of rupees fifty and above denominations were also revised. The Reserve Bank of India (Note Refund) Amendment Rules, 2018 were notified in the Gazette of India on September 6, 2018.

3. Liberalized Definition of a Soiled Note

In order to facilitate quicker exchange facilities, the definition of soiled note has been expanded. A 'soiled note' means a note which has become dirty due to normal wear and tear and also includes a two piece note pasted together wherein both the pieces presented belong to the same note and form the entire note with no essential feature missing. These notes should be accepted over bank counters in payment of Government dues and for credit to accounts of the public maintained with banks. However, in no case, these notes should be issued to the public as re-issuable notes and shall be deposited in currency chests for onward transmission to RBI offices as soiled note remittances for further processing.

4. Mutilated Notes – Presentation and Passing:

A mutilated note is a note of which a portion is missing or which is composed of more than two pieces. Mutilated notes may be presented at any of the Bank branches. The notes so presented shall be accepted, exchanged and adjudicated by the branches in accordance NRR, 2009. The branches shall take steps to see that the exchange facilities are not cornered by private money changers or professional dealers of defective notes.

5. Extremely Brittle, Burnt, Charred, Stuck-Up Note

Notes which have turned extremely brittle or are badly burnt, charred or inseparably stuck up together and, therefore, cannot withstand normal handling, shall not be accepted by the Bank branches for exchange. Instead, the holders may be advised to tender these notes to the concerned Issue Office of the Reserve Bank of India concerned where they will be adjudicated under a Special Procedure.

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 should 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 Rs. 5,000/- in value per day, banks shall accept them against receipt for value to be credited later. Banks shall levy of 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, bank is expected to take the usual precautions.

6.2 Exchange of Mutilated and Imperfect Notes

While designated branches shall continue to follow the procedure as laid down in Part III of NRR, 2009 (www.rbi.org.in→Publications→Occassional) 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 (a) (b) of this circular for notes presented in small numbers and in bulk respectively.

a) **Notes presented in small number:** Where the number of notes presented by a person is up to 5 pieces, 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 of the currency chest bank for adjudication. The probable date of payment should be informed to the tenderers on the receipt itself and the same should not exceed 30 days. Bank account details shall be obtained from the tenderers for crediting the exchange value by electronic means.

- b) **Notes presented in bulk:** Where the number of notes presented by a person is more than 5 pieces but not exceeding Rs.5000 in value, branches to send such notes to nearby currency chest branch of Banks by insured post giving the customers Bank account details (a/c no, branch name, IFSC, etc.) or get them exchanged there at in person. All other persons tendering mutilated notes whose value exceeds Rs.5000 should be advised to approach the nearby currency chest branch of Bank. 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.

7 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://cms.rbi.org.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 Notes Bearing "PAY" / "PAID" / "REJECT" Stamps

- (a) Every Officer-in-charge of the branch i.e. the Branch Manager and every Officer-in-charge of the Accounts or Cash Wing of the Branch shall act as 'Prescribed Officer' in each branch to adjudicate the notes received at the branch for exchange in accordance with NRR, 2009. After adjudicating mutilated notes, the Prescribed Officer is required to record his order by subscribing his initials to the dated 'PAY' / 'PAID' / 'REJECT' stamp. The 'PAY' / 'PAID' & 'REJECT' stamps should also carry the name of the bank and branch concerned and such stamps held under the custody of the 'Prescribed Officer' to avoid misuse.
- (b) Mutilated / defective notes bearing 'PAY'/'PAID' (or 'REJECT') stamp of any RBI Issue Office or any bank branch, if presented for payment again at any of the bank branches should be rejected under Rule 6(2) of NRR, 2009 and the tenderer should be advised that the value of such note/s cannot be paid since the same has already been paid as is evident from the PAY/ PAID stamps affixed on it/ them. All bank branches have instructions not to issue notes bearing PAY/ PAID stamps to the public even through oversight. The branches should caution their customers not to accept such notes from any bank or anybody else.

9 Notes with Slogans/ Scribbling/ Stain etc.

- a) Notes with slogans, political or religious messages, scribbling, stain (including colour stain) etc. are unfit for usage and circulation and go against Clean Note Policy of RBI.
- b) Such notes received from members of public may not be reissued for circulation. They may be remitted to currency chest for onward remittance to RBI offices.
- c) Any note with slogans and message of a political or religious nature written across it ceases to be a legal tender and the claim on such a note will be rejected under Rule 6(3) (iii) of NRR, 2009. Similarly, notes which are disfigured may also be rejected under Rule 6(3) (ii) of NRR, 2009.

- d) All Bank notes with scribbling / stain (including colour stain) on them continue to be legal tender. Such notes can be deposited or exchanged in any bank branch.

10 Deliberately cut notes:

The notes, which are found to be deliberately cut, torn, altered or tampered with, if presented for payment of exchange value should be rejected under Rule 6(3)(ii) of the NRR, 2009. Although it is not possible to precisely define deliberately cut notes, a close look at such notes will clearly reveal any deliberate fraudulent intention, as the manner in which such notes are mutilated will follow a broad uniformity in the shape/location of missing portions of the notes, especially when the notes are tendered in large numbers. The details of such instances together with the name of the tenderer, the number of notes tendered and their denominations should be reported thereafter to the Deputy/General Manager, Issue Department, Reserve Bank of India. The matter should also be reported to local police in case a large number of such notes are tendered.

11 Training

RBI Issue Offices conduct training programmes for 'Prescribed Officers' of bank branches on a periodic basis. As the training programmes are intended to provide knowledge and instil confidence in the Prescribed Officers in the process of adjudication of defective notes, it is imperative that the Prescribed Officers of the branches are deputed for such programmes.

12 Display of Notice Board

All bank branches are required to display at their branch premises, at a prominent place, a board indicating the availability of note and coin exchange facility with the legend, "SOILED/ MUTILATED NOTES AND COINS ARE ACCEPTED AND EXCHANGED HERE" for information of general public. Banks shall ensure that all their branches provide facility for exchange of notes and coins not only to their customers but also others.

13 Disposal of Notes Adjudicated at Bank Branches

Regarding audit of the notes adjudicated by bank branches, the full value paid notes have to be remitted by all branches to the chest branches with which they have been linked and therefrom to the RBI Issue Offices concerned together with the next soiled note remittance in the manner already laid down. The half value paid notes and rejected notes, which are held by the chest branches in their cash balance, may either be remitted separately packed together with the full value paid notes or sent by registered and insured post as and when required. The full value paid notes will be treated as chest remittance by the RBI Issue Office while the half value paid notes and rejected notes will be treated as notes tendered for adjudication and processed accordingly. All chest branches are required to submit to the RBI Issue Offices a monthly statement showing the number of notes adjudicated during the month.

- 14 Cashiers at branches to do away with stapling of note packets and shall band the packets with paper/polythene bands so that the life of the currency notes is increased.
- 15 Branch Managers / Cashiers to educate the members of public, not to write on the currency notes to provide unrestricted facility for exchange of soiled and mutilated notes.
- 16 Branch Managers / Cashiers to exclusively provide currency exchange and distribution of small coins to suck out the bad notes.

17 Pre-2005 bank notes if received shall not be exchanged as legal tender across the counter, and the cashiers/Branch Managers shall guide such customers to exchange such notes at the Issue Office of Reserve Bank of India.

18 Uncurrent Coins

The coins of 25 paise and below, issued from time to time have ceased to be legal tender with effect from June 30, 2011 in terms of Gazette Notification No. 2529 dated December 20, 2010 issued by the Government of India.

19. Monitoring and Control:

(a) The Senior Executives of the bank shall pay surprise visits to the branches and report the position of compliance in this regard to the Head Office which will review such reports and take prompt remedial action, wherever necessary.

(b) Any non-compliance in this regard shall be viewed as violation of instructions issued by the Reserve Bank of India.

Detection and Impounding of Counterfeit Notes:

1. Authority to Impound Counterfeit Notes :

The Counterfeit Notes can be impounded by

- (i) All Banks
- (ii) Issue Offices of Reserve Bank of India.

2. Detection of Counterfeit Notes :

With respect to the detection and impounding of counterfeit notes, the Bank shall adhere to the below mentioned instructions:

- 1. Banknotes tendered over the counter shall be examined for authenticity through note counting machines. Similarly, banknotes received directly at the back office / currency chest through bulk tenders shall also be examined through machines.
- 2. No credit to customer's account is to be given for counterfeit notes, if any, detected in the tender received over the counter or at the back-office / currency chest.
- 3. In no case, the counterfeit notes should be returned to the tenderer or destroyed by the bank branches. Failure of the banks to impound counterfeit notes detected at their end will be construed as wilful involvement of the bank concerned, in circulating counterfeit notes and penalty will be imposed.

3. Impounding of counterfeit notes :

Notes determined as counterfeit shall be stamped as "COUNTERFEIT NOTE" and impounded in the prescribed format (Annex I). Each such impounded note shall be recorded under authentication, in a separate register.

4. Issue of Receipt to Tenderer :

When a banknote tendered at the counter of a Bank branch is found to be counterfeit, an acknowledgement receipt in the prescribed format (Annex II) shall be issued to the tenderer, after stamping the note as in para 3 ibid. The receipt, in running serial numbers, shall be authenticated by the cashier and tenderer. Notice to this effect shall be displayed prominently at the branches notice boards for information of the public. The receipt is to be issued even in cases where the tenderer is unwilling to countersign it.

5. Detection of Counterfeit Notes - Reporting to Police and other bodies :

The following procedure should be followed while reporting incidence of detection of counterfeit note to the Police:

1. For cases of detection of counterfeit notes upto 4 pieces, in a single transaction, a consolidated report in the prescribed format (Annex III) should be sent by the Nodal Bank Officer to the police authorities or the Nodal Police Station, along with the suspect counterfeit notes, at the end of the month.
2. For cases of detection of counterfeit notes of 5 or more pieces, in a single transaction, the counterfeit notes should be forwarded immediately by the Nodal Bank Officer to the local police authorities or the Nodal Police Station for investigation by filing FIR in the prescribed format (Annex IV).
3. A copy of the monthly consolidated report / FIR shall be sent to the Forged Note Vigilance Cell constituted at the Head Office of the Bank.

The name of the Designated Officer is as under:

Name : Mr. Zubin Mogrelia
Designation : Senior Exec. & Head Operations
Contact No. : 9820144001
Email ID : Zubin.mogrelia@zubl.in

4. Acknowledgement of the police authorities concerned has to be obtained for note/s forwarded to them (both for consolidated monthly statement and for filing FIR). If the counterfeit notes are sent to the police by insured post, acknowledgement of receipt thereof by the police should be invariably obtained and kept on record.
A proper follow-up of receipt of acknowledgement from the police authorities is necessary. In case, any difficulty is faced by the Offices / Branches due to reluctance of the police to receive monthly consolidate statement / file FIRs, the matter may be sorted out in consultation with the Nodal Officer of the police authority designated to coordinate matters relating to investigation of counterfeit banknotes cases. The list of Nodal Police Station may be obtained from the respective Regional Office of Reserve Bank of India.
5. In order to facilitate identification of people abetting circulation of Counterfeit Notes, bank to cover the banking hall / area and counters under CCTV surveillance and recording as per their internal policy.
6. Branches to monitor the patterns / trends of such detection and suspicious trends / patterns should be brought to the notice of RBI /Police authorities immediately.
7. The progress made by banks in detection and reporting of Counterfeit Notes to Police, RBI etc. and problems therein, should be discussed regularly in the meetings of Audit Committee of the Board.
8. The data on detection of counterfeit Indian notes at branches should be included in the monthly Returns forwarded to the Reserve Bank Issue Offices as indicated in para 10 below.
9. The definition of “counterfeiting” in the Indian Penal Code covers currency notes issued by a foreign government authority as well. In case of suspected foreign currency note received for opinion from the police and government agencies, etc. they should be advised to forward the case to the Interpol Wing of the CBI, New Delhi after prior consultation with them.

10. The Government of India has framed Investigation of High Quality Counterfeit Indian Currency Offences Rules, 2013 under Unlawful Activities (Prevention) Act (UAPA), 1967. The Third Schedule of the Act defines High Quality Counterfeit Indian Currency Note. Activity of production, smuggling or circulation of High Quality Counterfeit Indian Notes has been brought under the ambit of UAPA, 1967.

6. Examination of the Banknotes before Issuing over Counters, Feeding ATMs and Remitting to Issue Offices of the Reserve Bank :

6.1 The branches should re-align their cash management in such a manner so as to ensure that bank notes in the denominations of Rs 100 and above are not put into re-circulation without the notes being machine processed for authenticity. The said instructions shall be applicable to all branches, irrespective of the volume of daily cash receipt. Any non-compliance will be construed as violation of the Directive No.3158/09.39.00(Policy)2009-10 dated November 19, 2009 issued by the Reserve Bank.

6.2 In order to obviate complaints regarding receipt of counterfeit notes through ATMs and to curb circulation of counterfeit notes, branches to take adequate safeguards/checks before loading ATMs with notes. Dispensation of counterfeit notes through the ATMs would be construed as an attempt to circulate the counterfeit notes by the Bank concerned. This shall also be applicable to White Level ATM Operators in terms of [circular DPSS.CO.OD.No.1916/06.07.011/2018-19 dated March 7, 2019](#).

6.3 Detection of Counterfeit Notes in chest remittances is also liable to be construed as wilful involvement of the chest branches concerned in circulating Counterfeit Notes and may attract special investigation by police authorities, and other action like suspending the operation of the chest concerned.

6.4 Penalty at 100% of the notional value of counterfeit notes, in addition to the recovery of loss to the extent of the notional value of such notes, will be imposed under the following circumstances:

- a) When counterfeit notes are detected in the soiled note remittance of the bank.
- b) If counterfeit notes are detected in the currency chest balance of a bank during inspection / Audit by RBI.

7. Designating Nodal Bank Officer :

The Bank shall designate a Nodal Bank Officer, district-wise and notify the same to the Regional Office of RBI concerned and Police Authorities. All cases of reporting of Counterfeit Note detection as indicated in **Para 5** should be done through the Nodal Bank Officer. The Nodal Bank Officer will also serve as the contact point for all Counterfeit Note detection related activities.

8. Establishment of Forged Notes Vigilance Cell at Head Office of Bank :

Each Bank shall establish at its Head Office, a Forged Note Vigilance Cell to undertake the following functions:

- i. Dissemination of instructions issued by the Reserve Bank on counterfeit notes to Bank's branches. Monitoring the implementation of these instructions. Compilation of data on detection of counterfeit notes, and its submission to Reserve Bank, FIU-IND and National Crime Records Bureau(NCRB) as per extant instructions. Follow-up of cases of counterfeit notes, with police authorities / designated nodal officer.

- ii. Sharing of the information thus compiled with Bank's Designated Nodal Officer and report to him / her all cases of acceptance / issue of counterfeit notes over the counters.
- iii. Conducting periodic surprise checks at branches where shortages/ defective /counterfeit notes etc. are detected.
- iv. Ensuring operation of Note Sorting Machines of appropriate capacity at all the branches and closely monitoring the detection of Counterfeit Notes and maintaining the record of the same.
- v. Ensuring that only properly sorted and machine examined banknotes are fed into the ATMs / issued over the counters and to put in place adequate safeguards, including surprise checks, both during the processing and in transit of notes.

Forged Note Vigilance Cell shall submit status report on a quarterly basis by email, covering the aforesaid aspects to the Chief General Manager, Department of Currency Management, Reserve Bank of India, Central Office, Amar Building, Fourth Floor, Sir P. M. Road, Fort, Mumbai 400 001, and to the Issue Office of the Regional office of Reserve Bank under whose jurisdiction the FNV Cell is functioning, within a fortnight from the conclusion of the quarter under report.

In order to update the record of the addresses of the Forged Note Vigilance Cells, the Bank shall furnish by e-mail, in the prescribed format (Annex V), the Chief General Manager, Department of Currency Department, Reserve Bank of India every year as on 1st April.

9. Provision of Ultra-Violet Lamp and Other Infrastructure :

1. With a view to facilitating the detection of Counterfeit Notes, all bank branches should be equipped with ultra-violet lamps / other appropriate banknote sorting / detection machines. In addition, all currency chest branches shall be equipped with verification, processing and sorting machines and shall be used to their optimum capacity. Such machines shall conform to the guidelines on "Note Authentication and Fitness Sorting Parameters" prescribed by the Reserve Bank of India.
2. The Bank shall maintain a daily record of the notes processed through the Note Sorting machines, including the number of counterfeit notes detected.
3. The banks shall also consider providing at least one counting machine (with dual display facility) for public use at the counter.

10. Reporting of Data to RBI/NCRB/FIU-IND :

Data on Counterfeit Notes detected by all the branches of the bank shall be reported in the prescribed format, on a monthly basis. The report (Annex VI) showing the details of Counterfeit Notes detected in the bank branches during the month shall be compiled and forwarded to the Issue Office of Reserve Bank concerned so as to reach them by 7th of the next month. A "nil" report may be sent in case no counterfeit note has been detected during the month.

Under Rule 8 (1) of Prevention of Money Laundering (Maintenance of Records) Amendment Rule, 2013, Principal Officers of the banks shall report information on cash transactions where forged notes have been detected to FIU-IND by the 15th day of the succeeding month, **by uploading the information on the FINnet Portal**. Similarly, data on Counterfeit Note detection is also to be uploaded on the web-enabled software of National Crime Records Bureau, New Delhi **at their website**.

11. Preservation of Counterfeit Notes Received from Police Authorities:

- a. Counterfeit Notes received back from the police authorities / courts may be carefully preserved in the safe custody of the Bank and a record thereof be maintained by the branch concerned. FNV Cell of the Bank shall also maintain a branch-wise consolidated record of such Counterfeit Notes.
- b. These Counterfeit Notes at branches should be subjected to verification on a half-yearly basis (on 31st March and 30th September) by the Officer-in-Charge of the Bank office concerned, They shall be preserved for a period of three years from the date of receipt from the police authorities.
- c. Counterfeit Notes, which are the subject matter of litigation in the court of law should be preserved with the branch concerned for three years after conclusion of the court case.
- d. After the preservation period, such notes may be sent to the concerned Issue Office of Reserve Bank of India with full details of the case.

12. Detection of Counterfeit Notes-Training of Staff:

1. It is necessary to ensure that the cash handling staff in the Bank are fully conversant with the security features of a banknote.
2. With a view to educating the branch staff on detection of Counterfeit Notes, the design and security features of all the banknotes shown in Annex VII are to be displayed prominently the New Design banknotes of Rs 2000, Rs 500, Rs 200, Rs 100, Rs 50, Rs 20 and Rs 10 for information of the public are available at the link <https://paisaboltahai.rbi.org.in>.
3. The Controlling Offices/Training Centres shall also organise/conduct training programmes on the security features of genuine Indian banknotes for all bank personnel handling cash to enable detection of Counterfeit Notes at the point of receipt itself. These trainings shall cover detection, impounding and reporting of Counterfeit Notes. The Reserve Bank of India will provide faculty support and training materials, whenever necessary.

13. 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 better 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 upto ₹50 ₹50/- per piece in addition to the loss. For notes in denomination upto ₹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-1/16.01.05/2023-24 dated April 03,2023.</u>

iii	Mutilated notes (including deliberately cut notes and built-up notes) detected in soiled note remittances and currency chest balances	<p>₹50/-per piece irrespective of the denomination in addition to the loss.</p> <p>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> <p>a) Non-functioning of CCTV, non-compliance with rules/guidelines pertaining to CCTV, recording preservation period and related issues.</p> <p>b) Branch cash/documents kept in strong room (CC's vault).</p> <p>c) Non-utilization of Note Sorting Machines (NSMs) for sorting of notes (NSMs not used for sorting of high denomination ₹100 and above, received over the counter or not used for sorting notes remitted to chest/RBI)</p> <p>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>	<p>Penalty of ₹5,000 for each instance of irregularity.</p> <p>Penalty shall be enhanced to ₹10,000 in case of repetition / recurrence of irregularity during a financial year.</p> <p>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> <p>a) Non-issue of coins over the counter to any member of public despite having stock.</p> <p>b) Refusal by any bank branch to exchange soiled notes/refusal by any currency chest branch to adjudicate mutilated notes tendered</p>	<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 branch, during a financial year. The levy of such penalty shall be placed in domain.</p> <p>Penalty shall be levied immediately.</p>

	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, build up, counterfeit notes in re-issuable packets prepared by the currency chest branches.	
iv	Non-replenishment o ATMs	Penalty shall be levied in terms of provisions of <u>circular DCM(RRMT) No. S153/11.01.01/2021-22 dated August 10, 2021</u> and instructions issued subsequently.

With regard to Master Circular on Detection and Impounding of Counterfeit Notes, the branches of the Bank shall display on their respective notice boards the name of designated Officer and single point of contact for all counterfeit note detection related activity. The name of the designated Officer is as under:

Name : Mr. Zubin Mogrelia
Designation : Senior Exec & Head Operations
Bank's Name : The Zoroastrian Co-operative Bank Limited
Bank's Address : Radha Bhavan, 2nd floor, Fort, Mumbai: - 400 001.
Contact No. : 022-61109252
Email ID : zubin.mogrelia@zcbl.in

3. Operational Guidelines on levy of penalties

3.1 Competent Authority

The Competent Authority to **decide 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 Registered Director/Chief General Manager/Officer-in-Charge of the Regional Office concerned, **within one month form 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.

Counterfeit Banknote Stamp

Each banknote, which on examination of various security features / parameters, is determined as a counterfeit one, shall be branded with a stamp "COUNTERFEIT BANKNOTE". For this purpose, a stamp with a uniform size of 5 cm x 5 cm with the following inscription may be used.

COUNTERFEIT BANKNOTE IMPOUNDED BANK BRANCH / CURRENCY CHEST NAME OF THE BANK SIGNATURE DATE
--

Format – Acknowledgement Receipt to be issued to the tenderer of counterfeit notes

Name of the Bank

Address:

Serial Number of the Receipt: _____

Date: _____

The note (s) described below received from.....(Name and Address of the tenderer) is/are counterfeit and has/have therefore been impounded and stamped accordingly.

Serial number of the note deemed as counterfeit	Denomination	Parameter on which the note is deemed as counterfeit

Total number of counterfeit notes:

(Signature of the Tenderer)

(Signature of the counter staff)

(Office Seal)

Consolidated Monthly Report to the Police

1. Name of the Bank :
2. District:
3. Name and Address of the Nodal Officer
4. Ref No. : _____

The Inspector of Police

_____ Police Station,

Consolidated Report for the month of _____

3. Detail of counterfeit notes:

Date of detection	Name of branch / currency chest	Details of tenderer	Denominations / pieces / serial numbers	Security features breached	Unique Reference Number (URN) generated by the NCRB Portal

4. The counterfeit notes are enclosed for information and necessary action.

5. Kindly acknowledge receipt.

Yours faithfully,

Authorised signatory

Official Seal

Encl:

Date : _____

Request for FIR to the Police.

Name of the Bank:

District:

Name and Address of the Nodal Bank Officer:

Ref. No. _____

The Sr. Inspector of Police
_____ Police Station,

Dear Sir,

Detection of counterfeit note/s – Request for investigation

We enclose the following counterfeit notes detected in our office on _____. The details of the counterfeit notes are furnished below.

Denomination / Number of pieces	Serial number of Counterfeit Note	Notional Value	Details of tenderer	Name & address of the branch /currency chest where detection took place	Bank's Entry No.	Unique Reference Number (URN) generated in the NCRB Portal

2. As the printing and/or circulation of forged Indian Currency Notes is an offence under Sections 489A to 489E of the Indian Penal Code, we request you to lodge FIR and conduct the necessary investigation. In case it is decided to file criminal proceedings in the court of law, you may first arrange to send the notes to any of the Note Printing Presses, Forensic Science Laboratories etc. in terms of the provisions of Section 292(1) and 292(3) of the Code of Criminal Procedure) for examination. The expert opinion furnished may be produced in the court as evidence under Section 292 of the Criminal Procedure Code. The forged notes may please be returned to us after the completion of the investigation and/or proceedings in the court of law along with the detailed report of the investigation/decision of the court.

3. Please acknowledge receipt.

Yours faithfully,

Authorized Signatory

Official Seal

Encl:

Particulars of Forged Note Vigilance Cell (FNVC) To RBI

(TO BE FURNISHED BY E-MAIL ON 1ST APRIL EVERY YEAR)

NAME OF THE BANK	ADDRESS OF FNVC (WITH PIN CODE)	NAME AND DESIGNATION OF OFFICER-IN-CHARGE	TELEPHONE NO (WITH CODE).	FAX NO. (WITH CODE)	E-mail Address of the FNVC

We note to intimate immediately the changes, if any, in the particulars furnished above

Name of Authorised Official:

Designation:

Date:

NB.: The completed format in MS-Excel shall be transmitted by e-mail.

Monthly Report to RBI on Counterfeit Notes

Date: _____

Name of the bank _____

District _____

Report showing the details of Counterfeit Banknotes detected in the _____ during the month of _____

A. Details of Counterfeit Notes detected:

Name of branch / currency chest	Type of detection	Denomination-wise Details in pieces												Total pieces	
		10 Old	10 New	20 Old	20 New	50 Old	50 New	100 Old	100 New	200	500 Old	500 New	1000		2000
	FIR (FICN pieces)														
	Non-FIR (FICN pieces)														
	Total Pieces of banknotes processed														

B) Details of FIR cases filed with police:

B) Details of FIR cases filed with police:

	Pending with Police at the beginning of the month (Cumulative Total)	Sent to Police during the month	Returned by the Police during the month	Pending with the Police at the end of the month (Cumulative Total)
No. of cases* where FIR was filed				
Total pieces of Counterfeit Notes involved in all the cases of FIR				

* Each FIR lodged comprises one case.

Forwarded to: -

1. The General Manager/Deputy General Manager, Reserve Bank of India, Issue Department, _____

(Signature)

Name & Designation of the Authorised Official

Official Seal