

**Penalties for bank branches including currency chests based on performance in rendering customer service to members of public**

(RBI/2024-25/112 DCM (CC) No.G-1/03.44.01/2024-25 April 01, 2023)

<b>Particulars</b>	<b>Penalty</b>
Shortages in soiled note remittances and currency chest balances	<p><b>For notes in denomination up to ₹ 50</b> ₹ 50/- per piece in addition to the loss</p> <p><b>For notes in denomination of ₹ 100 &amp; above</b> Equal to the value of the denomination per piece in addition to the loss.</p> <p>For Coins: Equal to value of denomination per piece in addition to loss.</p> <p>he recovery of loss and imposition of penalty shall be done immediately on detection of shortage, irrespective of number of pieces.</p>
Counterfeit notes detected in soiled note remittances and currency chest balance	Penalty shall be levied in terms of the instructions as <i>is given in this book at section A 3.11.</i>
Mutilated notes detected in soiled note remittances and currency chest balance	₹ 50/- per piece irrespective of the denomination In case of mutilated notes detected in soiled note remittances and currency chest balances, the amount of loss thereof and penalty will be recovered immediately.
<p>Non-compliance with operational guidelines by currency chests detected by RBI officials</p> <p>a) Non-functioning of CCTV, non compliance regarding recording preservation etc.</p> <p>b) Branch cash/documents kept in strong room of CC.</p> <p>c) Non-utilization of NSMs for sorting of notes (NSMs not used for sorting of high denomination notes received over the counter or not used for sorting notes remitted to chest/RBI)</p> <p>d) Non conduct of surprise verification of CC (i) Bimonthly intervals by officials unconnected with CC operations, (ii) six monthly intervals by officials from Controlling Offices.</p>	<p>Penalty of ₹ 5000 for each irregularity.</p> <p>Penalty will be enhanced to ₹ 10,000 in case of repetition.</p> <p>Penalty will be levied immediately.</p>
<p>Violation of any term 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</p>	<p>₹ 10,000 for any violation of agreement or deficiency of service.</p> <p>₹ 5 lakhs in case there are more than 5 instances of violation of agreement/deficiency in service by the branch. The levy of such penalty will be placed in public domain.</p> <p>Penalty will be levied immediately.</p>

<p>mutilated notes tendered by any member of public</p> <p>c) Denial of facilities/services to linked branches of other banks.</p> <p>d) Non acceptance of lower denomination notes (i.e. denomination of ₹ 50 and below) tendered by members of public and linked bank branches</p> <p>e) Detection of mutilated /counterfeit notes in re-issuable packets prepared by the currency chest branches</p>	
<p>Non Replenishment of cash at ATM</p>	<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, which is as under:-</p> <p>Cash-out at any ATM of more than ten hours in a month will attract a flat penalty of ₹ 10,000/- per ATM. In case of White Label ATMs (WLAs), the penalty would be charged to the bank which is meeting the cash requirement of that particular WLA. The bank, may, at its discretion, recover the penalty from the WLA operator.</p>

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

**Appellate Authority:** 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.

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