



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2016-17/160

DCM (Plg) No. 1430/10.27.00/2016-17

November 27, 2016

The Chairman / Managing Director/ Chief Executive Officer,
Public Sector Banks/ Private Sector Banks / Foreign Banks/ Regional Rural
Banks / Urban Cooperative Banks/ State Cooperative Banks

Dear Sir,

Chest Guarantee Scheme for Specified Bank Notes (SBNs) - CGSS

Please refer to our [circular DCM \(Plg\) No.1383/10.27.00/2016-17 dated November 24, 2016](#) on "Specified Bank Notes (SBNs) - Deposit under Guarantee Scheme to decongest the storage facilities at banks".

2. In continuation to the above, it has now been decided to introduce a new scheme for depositing SBNs with designated currency chest at the district level, under guarantee agreement similar to the current facility available at RBI offices.

3. Instructions pertaining to the scheme are at the Annex.

Yours faithfully,

(P Vijaya Kumar)
Chief General Manager
Encl: As above

Chest Guarantee Scheme for SBN Deposits (CGSS) at District Level – Guidelines

1. Scheme

- i. The scheme will be operational at Districts Head Quarters where secured storage facility will be made available for storing of SBNs. A currency chest operating at the place to be called Designated Chest (DC) will be required to operate a separate vault to be called Chest Guarantee Vault (CGV) as an extended arm of it. Banks, preferably those not having any currency chest will deposit SBNs into it on said to contain basis in sealed boxes and will get the value of the notes to the credit of their current a/c with the chest branch. The facility will also be available to Post Offices, if they are maintaining current account with the chest branch managing CGV.
- ii. DC will execute a guarantee bond on stamp paper with RBI as per the format in **Annex I**. Banks/ Post offices willing to avail the facility from DC will have to execute a guarantee bond as per format in **Annex II** with them. The amount of non-judicial stamp to be affixed will depend on the Stamp Act of the State concerned.
- iii. The designated currency chest will be in charge of the CGV and a separate set of joint custodians will be in charge of it.
- iv. For each district, one officer from RBI, will be the Nodal officer (NO) who will supervise the overall operations.
- v. Concerned Regional Offices of RBI will identify DC for each district.

2. Authorisation

- i. The banks have to authorise an official / officials, for making such deposits, through a mandate.
- ii. The signature of officials so authorised should be verified / confirmed by the DC from the officials of the same bank / post office whose signature/s is / are registered with DC. Only such authorised officials will be permitted to deposit SBNs into CGV.

3. Periodicity of CGSS

- i. On being operational, banks will approach DC with details of SBNs to be deposited. Thereafter, DC should schedule receipt of SBNs in consultation with the tendering banks / Post offices.

- ii. The entire scheme for accepting SBNs, under this scheme, will be operation for 7 working days from the date it commences in a district.

4. Receipt of SBNs under CGSS

- i. SBNs should be tendered in bundles of 10 packets each of 100 pieces with details of total number of SBNs in each box in triplicate as per **Annex III**. Separate boxes should be used SBNs in the denominations of ₹ 500 and ₹ 1000.
- ii. The boxes should be delivered by the banks with double lock and proper seal along with duly filled form.
- iii. The boxes with SBNs will be received from the tendering banks / post office on said to contain basis after prima facie checking. Thereafter, the boxes should be locked and sealed by the tendering bank in the presence of joint custodians of the bank (DC) concerned. The keys will be kept with the tendering bank/post office. There will be no Preliminary Verification and / or checking of bundles and packets.
- iv. On receipt of locked and sealed boxes and subject to the satisfaction of the joint custodians the tender should be accepted and acknowledgement on the copy of **Annex III** will be given. The other two copies of Annex III will be in the respective custody of the DC and RBI Nodal Officer.

5. Storage

- i. Boxes containing should be kept in the strong room in a segregated manner, tender wise and bank wise.
- ii. On completion of each day's work, the CGV will be put under lock and seal by the joint custodians as well as the RBI Nodal officers. On completion of the 7th day of the accepting SBNs deposits the CGV should be locked and sealed by all the three officials and thereafter, RBI Nodal Officer will return to his/her headquarters.

6. Accounting

- i. On receipt of SBN, current account of the tendering banks / Post office should be credited by the DC and these balances will be shown as chest balances under soiled note category.
- ii. An entry in the chest book should be made every day with date and time stamp for the consolidated amount of the day's receipts.

7. Reporting

- i. Appropriate reporting should be done by the DC, through ICCOMS – CCRS. Similar reporting should also be done while sending SBNs to RBI.
- ii. During the seven days, when SBN deposits will be accepted, the DC should send a daily report in the enclosed format **Annex IV** by [mail](#).
- iii. A consolidated report in **Annex V** should also be sent by [mail](#) at the end of the 7th day.

8. Security

- i. Arrangement to be made for round the clock guarding of CGV by the police.
- ii. If the CGV has CCTV coverage the same should be activated.

9. Evacuation and Processing

- i. RO of RBI will arrange to evacuate SBNs from CGV on priority basis.
- ii. Thereafter, SBNs will be subjected to detailed examination in Currency Verification and Processing Systems (CVPS).
- iii. Detection of deficiencies viz. shortage, counterfeit notes, mutilated note, etc. during processing at RBI will be recovered from DC who in turn will recover the same from the tendering bank / post office.

10. Inspection

- i. CGV should be subjected to inspection by controlling authority and Nodal officer of RBI, every fortnight.
- ii. State Police will also be requested to subject CGV premises to periodical checking.

11. Expenses

- i. If necessary, expenses relating to round the clock guarding will be borne by RBI.
- ii. Expenses relating to remittance of SBNs to RBI, will be borne by RBI.

Annex I
Guarantee Bond Format

To
The Chief General Manager
Reserve Bank of India
Depart of Currency Management
Central Office
Mumbai

Dear Sir,

In consideration of the Reserve Bank of India consenting to make an immediate payment of the value of exchange for the Legal Tender withdrawn notes in the denominations of ₹ 500 and ₹ 1000, hereafter referred as specified Bank Notes (SBNs) received by us from the banks / post offices (Name of the Bank) pending detailed examination of the tender, we the said (Name of the Bank) hereby agree to abide by the conditions imposed by the Chief General Manager, DCM, CO as under:

- i. Boxes of SBNs accepted by us, on said to contain basis, shall be securely stored and accounted as per the guidelines of RBI and remitted to RBI on receipt of instructions from the Issue Office concerned.
- ii. Make good, without demur, any deficiency that may be found to exist in such tenders is SBNs including shortages, mutilated notes, built up notes, counterfeit notes, etc.
- iii. Reserve Bank of India is authorised to recover the shortages and other deficiencies by debit to our current account maintained with the Reserve Bank.

2. The undertaking will remain in force until revoked by a notice in writing.

Yours faithfully,

For and on behalf of
(Name of the bank)

(Signature of the authorised official)
(Designation of the Authorised Official)
(Official ID / Seal No.)

Dated the (Date) day of
(Month) (Year)

Annex II
Guarantee Bond Format

The (Name / address of DC)

Dear Sir,

In consideration of the (Name of DC) consenting to make an immediate payment of the value of exchange for the Legal Tender withdrawn notes in the denominations of ₹ 500 and ₹ 1000, hereafter referred to as Specified Bank Notes (SBNs) tendered by us (Name of the Bank) pending detailed examination of the tender, we (Name of the Bank) hereby agree to abide by the conditions imposed by the (Name of DC) in such cases and at once make good, without demur, any deficiency that may be found to exist in such tenders in SBNs including shortages, mutilated notes, built up notes, counterfeit notes, etc. at a later date either by (name of the DC) or Reserve Bank of India. We also authorise (name of the DC) to recover the shortages and other deficiencies by debit to our current account maintained with the (name of the DC). The undertaking will remain in force until revoked by a notice in writing.

Yours faithfully,

For and on behalf of (Name of the bank)

(Signature of the authorised official)

(Designation of the Authorised Official)

(Official ID / Seal No.)

Dated the (Date) day of (Month) (Year)

Annex III

(To be submitted along with tender of SBNs)

Name of the Bank/Post Office		
Date of Deposit	DD/MM/YYYY	
Details of SBN		
Denomination	Boxes	Pieces deposited
500		
1000		
Total Number of pieces		
Total Number of boxes		

(Signature of the Authorised bank official)

Name:

ID Details:

Received () boxes of SBNs said to contain () pieces of ₹ 500 and () pieces of ₹ 1000

(Signature and Details of the joint custodians of DC)

(To be submitted in duplicate, one copy to be returned to the bank concerned)

Annex IV

Receipt of SBNs under CGSS - Daily Reporting

At the close of business, every day, DC s should send a report in the format as under:

DC (CC) NAME	CC CODE	NAME OF TENDERING BANK	DEPOSIT DATE	DEPOSIT OF ₹ 500 SBN IN PIECES	DEPOSIT OF ₹ 1000 SBN IN PIECES	TOTAL DEPOSITS IN PIECES

To be prepared in excel format and [mailed](#) by 0800 hrs on the next working day.

Annex V

Receipt of SBNs under CGSS – Consolidated Reporting

DC (CC) NAME	CC CODE	OPERATIONS FROM OPENING DATE IN DDMMYY	OPERATIONS TO CLOSING DATE IN DDMMYY	NAME OF TENDERING BANK	DEPOSIT OF ₹ 500 SBN IN PIECES	DEPOSIT OF ₹ 1000 SBN IN PIECES	TOTAL DEPOSITS IN PIECES

We undertake that all the boxes have been kept in CGV in safe and secured manner.

(Name of Joint 1)

(Name of Joint Custodian 2)

To be prepared in excel format and mailed by 1200 hrs on the next working day after closure of acceptance of SBSs at the end of 7th day. Report to be [emailed](#).