

**Clean Note Policy - Banding of Note Packets - Use of Stickers, etc.**

DCM(NPD) No.317/09.39.00/2003-04

October 11, 2003

The Chairman/Managing Director,  
All Public/Private Sector Banks/ Foreign Banks/  
Co-operative Banks/ Regional Rural Banks

Dear Sir,

**Clean Note Policy - Banding of Note Packets - Use of Stickers, etc.**

Please refer to our Circular DCM(Plg)No.474/10.36.00/2002-03 dated September 13, 2002 in which banks were advised to use paper/polymer bands for securing the note packets.

2. While we appreciate the efforts made by the banks in implementing the Clean Note Policy by doing away with stapling of soiled notes remitted to the RBI Offices, it is observed that some banks have been securing the note packets with adhesive stickers/gummed labels which get stuck on the top and/or bottom pieces of the note packets. While opening such note packets, RBI Offices, banks and bank customers are finding it difficult to remove the stickers/gummed labels from the note packets and in the process, some of the notes are getting damaged. Further, note packets with stickers or gummed labels stuck on the top and the bottom pieces of the packets are causing difficulties for processing of the notes in the Currency Verification and Processing System (CVPS). We therefore, request you to advise all your branches including currency chest branches not to use stickers/gummed labels and secure the note packets by paper/polymer/twine only. The note packets found secured by adhesive stickers / gummed labels shall be returned to the local chest of the bank by debiting the amount thereof to the account of the bank.

3. It has also been observed that quite a few chests have been clandestinely mixing stapled note packets in the soiled note remittances sent to RBI Issue Offices. This is considered violation of the directive dated November 7, 2001 issued by RBI under Section 35A of the Banking Regulation Act, 1949 and it has, therefore, been decided to impose cash penalty in respect of such violations. You may please, therefore, once again caution your currency chest branches to remit soiled notes to RBI/other currency chests only in unstapled condition. Please acknowledge receipt of this letter.

Yours faithfully,  
**(V.R. Gaikwad)**  
Chief General Manager