



NB.DoS.HO.POL.No. 3048/J-1/2016-17

21 December 2016

(Circular No.296/DoS-45 /2016)

The Managing Director
All State Cooperative Banks

The Chairman
All Regional Rural Banks

Dear Sir

**Demonetization of Specified Bank Notes (SBNs) –
Availability of Currency and Discrepancies in reporting**

Please refer to the various notifications issued by RBI since 8 November 2016 on the withdrawal of legal tender character of existing Rs.500/- and Rs.1000/- Bank Notes. The Ministry of Finance, Government of India, has observed the following issues on the demonetization of Specified Bank Notes (SBNs) :

A. Reporting Discrepancies

Double Counting – The reports of the Specified Bank Notes (SBNs) that have been deposited still have scope for double counting. Reports of double counting have been coming to notice in the following areas :

(a) between bank branches and currency chests – due to reporting by both the bank branch within its own bank system and through the currency chest being operated by a different bank.

(b) Due to the bank branch crediting the SBNs to their current accounts being operated in the currency chest branch; and thereafter, both the currency chest and the bank branch reporting the receipt of the SBNs.

It is, therefore, essential that the elements of double counting be identified so that there is clear picture of the actual number of SBNs deposited. You may relook into the branch-wise date-wise position of SBNs collected and revise Annexure 6A-Revised, if required, and intimate RBI under advice to us. Wherever required, necessary corrections may also be carried out in ENSURE.

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

पर्यवेक्षण विभाग

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B. Availability of Currency

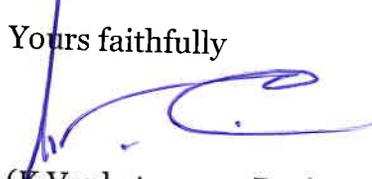
(i) There has been persistent reports that the ATMs are not being supplied with adequate currency since most bank branches prefer to keep a large portion of currency with their own branches. This is leading to frustration among the customers apart from increasing the crowd at the bank branches. It is requested that ATMs may also be loaded with cash, to the extent possible, wherever applicable.

(ii) There have also been persistent representations that there are certain pockets, especially in rural areas, where availability of cash seems to be constrained compared to other areas. It is requested that such specific rural pockets may be identified so that no area is left deficient for extended periods of time.

2. In view of the foregoing, sincere efforts may be made to make available sufficient currency in the ATMs of your bank and ensure availability of cash in rural branches.

3. Please acknowledge the receipt of the circular and action initiated on the above issues to the Regional Offices of NABARD.

Yours faithfully



(K Venkateswara Rao)
Chief General Manager