

# STATE BANK OF INDIA OFFICERS' ASSOCIATION

## (BENGAL CIRCLE)

(Registered under Trade Unions Act 1926-Regd. No. 6908)

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Circular No. 96/2022

Date : 30.06.2022

### To All Members (Please Circulate)

We reproduce hereunder the Circular No. 47 dated 30.06.2022 issued by the General Secretary, All India State Bank Officers' Federation, the contents of which are self-explicit.

With revolutionary greetings,

**Shubhajyoti Chattopadhyay**  
(General Secretary)

### PENALTY IMPOSED BY RBI ON CURRENCY CHEST BRANCHES RECOVERY FROM JOINT CUSTODIANS BY THE BRANCHES

We have sent a communication to the Dy. Managing Director (HR) & Corporate Development Officer, State Bank of India, on the captioned subject.

A copy is enclosed for information.

Yours comradely,

**(Soumya Datta)**  
**General Secretary**

NO.6180/25/22

Date: 29/06/2022

The Deputy Managing Director (HR) &  
Corporate Development Officer  
State Bank of India  
Corporate Centre  
Madame Cama Road  
Mumbai- 400 021

Dear Sir,

### PENALTY IMPOSED BY RBI ON CURRENCY CHEST BRANCHES RECOVERY FROM JOINT CUSTODIANS BY THE BRANCHES

We refer to the penal provision inflicted by the Reserve Bank of India on Currency Chest Branches. Of late, it has been observed that RBI has been inflicting cash penalties on Currency Chest Branches on various parameters such as for reporting of daily transactions on a consolidated basis in the e-Kuber portal instead of individual/real-time basis, exchange facility for soiled/mutilated Note not being found to exist at the Chest, Small coins not being distributed over the counter or to linked branches, Defective bins/Non-CC items kept in the chest, non-availability of 90 days back up of CCTV footage, Hotline/Fire Alarm System/ Security Alarm not installed/found dysfunctional, Defective NSM/NCM, bank branch attached to the CC not providing the exchange facility for the soiled notes to the general public, the CC not having Vault Fitness Certificate, daily CC transactions (deposit/withdrawal/remittance/diversion / opening-closing balances) not verified by the bank's Concurrent Auditors on a weekly basis etc.

**Shubhajyoti Chattopadhyay**

General Secretary  
Mobile : 9434551152

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02. We have been advised by our affiliates from various circles that the penalty so inflicted by RBI is being recovered from the joint custodians without conducting an investigation and also without the custodian being given the opportunity to place his submissions as regards the irregularities observed by RBI. While some of the irregularities observed by RBI are serious in nature but on the other hand, many of the irregularities are routine in nature or in some cases beyond the control of joint custodians such as the availability of 90 days back up of CCTV footage not found, Hotline/Fire Alarm System/ Security Alarm not found functional, Defective NSM/NCM, bank branch attached to the CC not providing the exchange facility for the soiled notes to the general public, the CC not having Vault Fitness Certificate etc. You are aware that services of many logistical support providers are outsourced and the custodians are totally dependent on the vendors for required services. The non-availability of links is also one of the areas which cause consolidated reporting through the e-Kuber portal instead of on an individual/real-time basis. The incumbents are being penalized even for the faults which are not attributable to them on account of any sort of lacunae on their part. In certain cases, the penalty has been levied and the joint custodians have been asked to make good the penalty amount for no fault on their part and even where there has been controlling failure or for that matter lack of synergy in what RBI expects us to do and what the prevailing practices in the bank have been. Further, the **SOP set by Bank vide Circular No. NBG/AGNYBKG-CC/3/2016 – 17 dated April 16, 2016 in terms of currency chest management does not prescribe adherence to the procedures by the joint custodians as the RBI auditor found lacking. Such kind of arbitrary recovery of the penalty amount from the Joint Custodians is also beyond the scope of Circular no. NBG/AGNYBKG-CC/6/2013 – 14 Tuesday, October 01, 2013.**

03. Hence, inflicting a cash penalty on joint custodians without invoking the due procedure in no uncertain terms is iniquitous, regressive and unjustified.

04. We append herein under a few instances of impositions which you will surely appreciate that in those cases the joint custodian had very little or no role to play and therefore the penalty imposed on them had been totally irrational and unjustified.

SI No	Particular	CCIT observation	Penalty Rs.	Our Observation
1	Whether the CC is maintaining the charge certificate of the Joint Custodian	No	5000	Sir, there is no system of issuance of charge certificates to the joint custodians in vogue. A joint custodian's posting is done by the bank as an assignment.
2	Whether the Bank is having a system of rotation of staff	No	10000	A joint Custodian is posted for a particular tenure; staff rotation is not applicable for officers posted as joint custodians.
3	The concurrent auditor is required to verify (on weekly basis) the daily transaction done by CC	No	5000	The fault if any should not be made attributable to the joint custodians. It falls within the duty of the concurrent auditor and for any fault on the part of the incumbent the joint custodians should not be held responsible.
4	Whether the controlling head visiting the CC	No	5000	The responsibility lies with the controller to make visits. It is unjustified to impose a penalty on the joint custodians for the lapses on the part of the controller
5	Whether the Fire audit of CC has been done. Whether the CC has complied with the observation of Fire Audit.	No	5000	It falls within the responsibility of the controller/branch head since it needs an external agent of the State Fire Deptt. Thus the Joint Custodians should not be made accountable for the lapses.
	Whether Security Officer visited the branch	No	5000	
6	Whether all CC staff/visitors are subjected to frisking	No	10000	It is the responsibility of the Security Personnel and joint custodians should not be held responsible in case of any dereliction of duty by the Security Guard/Personnel.
7	Whether 2% or 5% of the balances in all denominations were subject to detailed verification in bi-monthly/half-yearly reports.	No	5000	It is the responsibility of the verifying official to ensure meticulous follow-up of the extant instruction of the Bank in terms of the bi-monthly/half-yearly verification and the joint custodian should not be made accountable for the same.
8	Whether CCTV coverage/resolution are observed to be adequate & appropriate, especially in cash handling areas. If No, indicate the area that required improvement	No	5000	Again it does not fall within the capacity to gauge the resolution of the CC TV camera, nor does it fall within the responsibility of the joint custodian to decide on its position.
9	Whether the CC officials provided with training on CC portal operation. Whether the members of staff handling cash have been imparted training on the security features of bank notes. Whether the members of the staff have been trained to follow the procedures laid down for detection and impounding of FICNs. Whether the members of staff have been imparted training in adjudicating of mutilated notes	No	5000 (in Each of the cases)	Sir, you will surely appreciate that imparting training to its staff falls within the responsibility of the Bank and the individuals concerned are not to be made accountable if it is not imparted upon.

**Shubhajyoti Chattopadhyay**

General Secretary  
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05. It would be pertinent to mention that joint custodians of the Currency Chest Branches are shouldering a tremendous workload and are working under severe constraints. The RBI carries out an inspection on the perception that the Currency Officer i.e. the joint custodians are specifically posted to manage the affairs of the Chest whereas in the majority of the chest in our Bank there is no provision for exclusive joint custodians of the chest. The RBI inspection reports are testimony of this fact as in each and every inspection report they have raised such objection. The post of Dy. Head Cashier has been done away with and many of the currency chest branches do not have the support of a cash coolie or any permanent messenger.

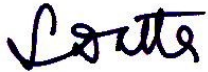
06. We have noted with consternation that our bank without ascertaining the ground reality and without addressing the root cause of delayed reporting, is deducting the penal amount from the accounts of the concerned joint custodians who are toiling hard for ensuring fine cash management in the interest of bank as also to ensure better customer service. Besides sacrificing their casual leaves, many joint custodians have to work on most of the holidays sacrificing their work-life balance. The penal amount being recovered from them has thus caused much angst and resentment.

07. We are of the considered view that we need to introspect the system and find out the root cause for such penal action by RBI and put in place a robust system to address the plight of joint custodians of currency chest branches. In order to understand the real issue, our Patna affiliate has conducted a survey from joint custodians which reveals the ground reality existing. A copy of the report is being shared for your reference. The survey report unveils that the root cause of the issue related to currency chest is the deployment of adequate manpower.

08. As such, we would like to request your august authority to kindly intervene and do the needful to mete out some sort of respite to the joint custodians by not making them pay the price for no fault on their part and the penalty may kindly be absorbed from Bank's exchequer as the lapses/shortcomings do not pertain to an individual but due to the lacunae in the adopted system and procedures of Currency Chest management if any. Moreover, imposition of penalty will be tantamount to punishment without trial which will definitely go against the cardinal principle of Natural justice within the scope of circular instruction as enumerated in Circular **No. R&DB/AGNYBKG-RBI-I/2/2021 – 22 Dated: Mon 26 Apr 2021.**

With regards

Yours sincerely,



(Soumya Datta)  
General Secretary

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**Shubhajyoti Chattopadhyay**

General Secretary

Mobile : 9434551152