

SB ORDER NO 12/2016

F. No. 116-11/2016-SB
Government of India
Ministry of Communication
Department of Posts (F.S. Division)

Dak Bhawan Sansad Marg
New Delhi- 110001

Dated: 8th November 2016

To,
All Heads of Circles/Regions
Addl. Director General, APS, New Delhi

Subject- Withdrawal of Legal Tender Character of existing Rs 500/- and Rs 1,000/- banknotes

Sir/Madam

In terms of Gazette Notification No 10/3/2016-CY.1 dated 8th November 2016 issued by Government of India, existing banknotes in the denominations of Rs.500/- and Rs1,000/- of Mahatma Gandhi Series issued from 2005 and also those issued prior to 2005, (hereinafter referred to as Withdrawn Old Series, WOS) shall cease to be legal tender in payment or on account at any place on the expiry of **the 08th** day of November, 2016 (D day) except to the extent provided in the Notification. A new series of banknotes (Mahatma Gandhi New Series) having different size and design, highlighting the cultural heritage and scientific achievements of the country including Rs. 2,000 notes, will be issued. Bank branches, **Head and Sub Post Offices** will be the agencies through which the members of public and other entities will be exchanging the WOS banknotes for banknotes in other bank notes having legal character **and** bank branches, **all post offices** for depositing the WOS banknotes for crediting to their **saving bank** accounts, within a period **from 10th of November,2016 till close of 30th of December 2016**, as prescribed in the Government of India Notification. Therefore, **HO/SO/BOs** have to accord highest priority to this work. In order to enable the members of public and other entities to exchange **or deposit** their existing Rs 500/- and Rs 1,000/- notes, the following arrangements have to be made by the Post Offices:

1. Action to be taken on 9th November, 2016

- i) November 9th, 2016 shall be a non-business working day for all **Post Offices**. However, **all POs** will function on that day to carry out preparations for implementing the scheme as per this circular.
- ii) The WOS banknotes stocked in ATMs **and Post Offices** attached to the **HO/SOs** will have to be called back forthwith. The **HO/SOs** will be responsible for recalling the WOS banknotes from them.
- iii) **HO/SOs** should hence take steps to stop issuing WOS banknotes through their branches, and Infosys should stop their ATM network switch on 9th November, 2016. All ATMs will have to be re-configured by Infosys to disburse only Rs 100/- and Rs.50/- denomination banknotes **until further orders**.

- iv) **HO/SOs** have to stock the ATMs with banknotes of Rs.100/- and Rs.50/- denominations and these machines have to be configured to disburse a maximum of Rs.2000/- per card per day till further instructions. ATMs will be made functional only after they are re-configured and stocked with banknotes of Rs 100/ and Rs 50/ denominations. Postmasters may check the same.
- v) Every **HO/SO/BO** shall prepare and send to its Divisional Office, a statement in the format provided in **Annexure-1**, showing details of WOS banknotes held by it as at the close of business of D Day, including the stock of WOS banknotes recalled from ATMs, **in SO/BOs etc.**
- vi) Arrangement should be made by the post offices to promptly deposit these WOS banknotes with the linked currency chest of **Banks/HO/SOs** and get the amount credited to their account.
- vii) **All Post Offices** should estimate their cash requirement and obtain from the linked currency chest, the banknotes of other valid denominations *at the one and half time of requirement.*
- viii) Mahatma Gandhi New Series bank notes **of Rs 500 and Rs 2000 denominations** should not be disbursed through ATMs until further orders.
- ix) Information Material for educating the public regarding withdrawal of Legal Tender character of the WOS banknotes and salient features of the new banknotes **released by RBI are required to be used for public education.**
- x) The HO/SOs should identify the staff for managing the exchange counters and brief them properly about the scheme and the procedure to be followed. A copy of the FAQ provided in **Annexure-5** may be supplied to the staff manning the exchange counters.

2. Action to be taken on 10th November, 2016

- i) **HO/SOs** have to accord top priority to provide facility for exchanging / accepting deposits of WOS banknotes **but BOs shall only accept deposits by individuals or entities in their own post office saving bank accounts** and HO/SO will open additional counters to meet the public demand and keep the counters open for extended hours, if necessary. Maximum staff should be deployed for this purpose. If necessary, **Post Offices** may consider hiring retired employees for a temporary period to take care of additional work load.
- ii) **Provision of Exchange Facility At Head Offices/ Sub Offices:** Members of public can exchange withdrawn old series (WOS) banknotes for banknotes having legal tender character at all branches of public sector banks, private sector banks, foreign banks, Regional Rural Banks, Urban Cooperative Banks and State Cooperative banks, **Head Post Office/ Sub Post Offices from 10th November 2016 to 24th November 2016**, up to an aggregate amount of Rs.4000/- per person against production of valid identity proof and filling up of a request slip as prescribed in **Annexure-2**. Such exchange facility is also available to all other legal entities / organizations such as corporates, Government departments, Societies, NGOs, firms, etc.
- iii) **Deposit of WOS Notes into POSB Accounts:**

- a. There is no upper limit for depositing such WOS banknotes to credit of the account of the tenderer. If the tenderer is having account with the same post office, he/she need not submit any identity proof for depositing these banknotes to his/her account. However, if he/she has account with **another HO/SO connected to the CBS**, the banknotes tendered can be accepted subject to his/her submitting the identity proof.
- b. In case the tenderer of the WOS banknotes is depositing the money in the account of another person or entity, a letter of authority from the account holder and identity proof of the tenderer are required to be produced. **POs** should retain a copy of the Identity Proof.
- c. All legal entities / organizations such as corporates, Government departments, Societies, NGOs, firms, etc. can deposit their WOS banknotes to their account without any limit. The tenderer of WOS notes for such entities should carry his identity proof as indicated in Annex-2 and a mandate/authority letter signed by the person authorized to operate the account clearly indicating the name of the bearer, account number and denomination wise details of the WOS banknotes for depositing the amount to the account.

3. **Restriction on Withdrawal of Cash by Cheque / Withdrawal Slip:**

Withdrawal of cash by cheque or withdrawal slip will be restricted to Rs 10,000/- per **day at HO/SO** and Rs 5000/- **at BOs** up to the close of working hours on **24th** November, 2016. Such withdrawal will be further restricted up to Rs. 20,000 per week.

4. **Reporting Mechanism**

Each **HO/SO** exchanging banknotes in the denominations of Rs.500/- and Rs1,000/- shall report at the close of business on each day starting from **10th** November, 2016 till the closure of the scheme on **30th** December, 2016 by email or Fax to their Divisional Office a statement as per **Annexure-3** showing the details of WOS Banknotes exchanged by it and the respective Divisional Offices will aggregate these as per **Annexure-3A** and report to the Divisional Office who will report to Regional Office who will in turn return the Circle Office and Circle Office to Directorate every day so as to reach by 8:00 pm to the control room set up at Directorate.

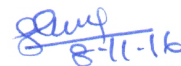
5. HO/SOs issue detailed instructions to the SO/BOs advising them to strictly adhere to the norms of the scheme and procedures laid down above. The staff at the Post Office level, particularly at the Counter, should be adequately sensitized. For this purpose, information as available at the website (www.rbi.org.in) may be used. Staff should familiarise themselves with the FAQ (as per Annex-4).
6. **Post Offices** should make copies of information material (As available at Annexure-5, Annexure-6 and Annexure-7) which will be circulated in a few hours and distribute these to the public.
7. **CPMsG/PMGs** should monitor the implementation of the scheme on a day to day basis through a monitoring cell headed by an Officer not below the rank of Director Postal Services, who will act as a Nodal Officer.

Directorate has opened a Control Room for monitoring the progress and providing guidance to HO/SO/BOs and members of public. The email address and telephone numbers of the Control room are as under:

Sachin Kishore, Director (CBS) email directorpbs-del@indiapost.gov.in Mobile No. 9711987350

Ashok Kumar, Director (RB), email directorrpb@indiapost.gov.in Mobile No. 9717937640

Yours faithfully



Assistant Director (SB-I)

Copy to:

All concerned