



SBI OFFICERS' ASSOCIATION : BHOPAL CIRCLE : BHOPAL

(Registered Under Indian Trade Unions Act 1926, Regd. No. 1562/BPL/73)

STATE BANK OF INDIA
Local Head Office
Mezzanine Floor
Hoshangabad Road
Bhopal - 462 011

All Letters to be Addressed
to the General Secretary

No. ASN/67

Date: 31.08.2022

To,
The Dy General Manager & CDO,
State Bank of India,
Local Head Office,
Hoshangabad Road,
Bhopal

Dear Sir,

SUSPECTED FRAUD AT ONE OF CURRENCY CHEST
RBI OBSERVATION ON FUNCTIONING OF CURRENCY CHESTS
ACTION POINTS OF OBSERVATIONS MADE BY RBI
AGENDA ITEM OF CNC 88
DUTIES & RESPONSIBILITIES OF JOINT CUSTODIANS OF CURRENCY CHEST
BRANCHES

Apropos above we would like to recall the Agenda Item raised by us in CNC 88th on "**Duties & Responsibilities of Joint custodians of Currency Chest Branches**", wherein we have mentioned , on the basis of RBI's questionnaire:-

"That whether the Joint Custodians of Currency Chest Branches have been entrusted with the task in their respective branches other than the Currency Chest work and the RBI has shown disappointment if the Joint Custodians have been entrusted with the Tasks other than the maintenance and duties related with Currency Chest. As per RBI's point of views it was presumed that Joint Custodians of Currency Chest Branches should only be assigned with the Maintenance of Currency Chest on the lines of RBI Directives. In our Currency Chest Branches the Joint Custodians are entrusted with so many tasks other than looking after the Currency Chest affairs only and this has become the biggest reason that our CC branches are being penalized for short comings and subsequently the Joint Custodians are subjected to be issuance of explanation/Charge-sheet/Punishment apart from recovery of cash penalties for no fault on their part."

We would also like to cite letter no. R&DB/ABD/PY/121 dated 22.06.2022 issued by Corporate Centre on the captioned subject, wherein it is clearly instructed vide point no. (iii) by the Corporate Centre that "**The Joint Custodians should not be assigned any work other than Currency Chest**", letter is enclosed for your ready reference.

Apart from this, the Corporate Centre has also issued other instructions in the same letter to safeguard the interest of the Bank.



Sir, as you are well aware and will also agree that the Joint Custodians in Currency Chest Branches are entrusted with the task of Maintenance of Currency Chest as per RBI directives as well as to perform many other routine tasks of the branch. In fact they are overburdened and have very less time/no time to adhere to the RBI Directives in-toto. This is precisely the reason that cash penalties imposed by the RBI have increased manifold for shortcomings observed in their inspections/audits of Currency Chest and the joint custodians are always held responsible for the same. Such penalties are subsequently recovered from them in addition to the departmental procedure like explanations/charge-sheets/punishments. Needless to mention that Joint Custodians are called upon every 2nd & 4th Saturday apart from the other days like on major Indian Festivals days falling on holidays to open Currency Chests for replenishment of Cash in Bank run ATMs.

We, on the backdrop of the above, request your good office to kindly arrange for issuance of necessary instructions to all the concerned to :-

1. To relieve Joint Custodians from Routine work of the branch so as to enable them to look after the maintenance of the Currency Chest as per RBI Directives and,
2. To arrange for posting of additional officers in Currency Chest Branches to look after the Branch's routine work and the Customer Service.

We are sanguine that your kind intervention will pay off and the issue will be resolved forever.

With assurance of our all time best support,

Yours faithfully,

Sd/-

(SANJEEV SABHLOK)
GENERAL SECRETARY
Encl:- as above

Copy to: Dy General Secretary, Bhopal / Indore / Jabalpur / Gwalior / Raipur / Bilaspur Module for information.


GENERAL SECRETARY
Encl:- as above



The Chief General Manager,
State Bank of India,
Local Head Office,
All Circles

No. R&DB/ABD/PY/121
Date: 22.06.2022

Madam/Dear Sir,

SUSPECTED FRAUD AT ONE OF CURRENCY CHEST
RBI OBSERVATIONS ON FUNCTIONING OF CURRENCY CHESTS
ACTION POINTS OF OBSERVATION MADE BY RBI

A suspected fraud of Rs 1.55 Crore by Cash Officer in Charge of one of the Currency Chest has been reported by one Circle. To discuss the matter, a meeting was called by RBI with our Bank officials. RBI expressed their displeasure on the continued incidents of shortages at Currency Chests of our Bank.

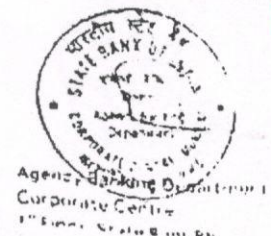
2. During the discussions, the following action points for the Circles have emerged for compliance.

- (i) System for frisking of all persons entering/exiting strong room of Currency Chests has already put in place vide our e-circular no: NBG/AGNYBKG-CC/8/2019-20 dated 19.06.2019 and being reiterated to the Circles from time to time, latest one being dated 19.03.2022. The Circles to ensure that women Cash Officer/Accountant functioning as Joint Custodian are to be mandatorily frisked by other women staff at the time of entering/exiting strong room of Currency Chests.
- (ii) Joint Custodian System to be meticulously complied and responsibilities of Joint Custodians to be fixed in case of any discrepancy in Cash Balance of Currency Chest. System of Joint Custody of strong room of vault has been described in Book of Instructions, Volume-1, Cash Department, System and procedures, Currency Chest, para 16, page no 237 to 239. Under book of instructions, responsibility of Cash officer and Joint custodian have been fixed in case of Currency Chest and para 16.8, page 239 specifically mentions that Cash Officer and the joint custodian of the Currency Chest will be responsible for examination and correctness of the notes and rupee coins deposited into or withdrawn from the coins.
- (iii) The Joint Custodians should not be assigned any work other than Currency Chest.

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एजन्सा डीप्टम किंगम
कॉर्पोरेट सेंटर
121 मजला स्टेट बैंक भवन

एजन्सी बैंकिंग विभाग
कॉर्पोरेट सेंटर
121 मजला स्टेट बैंक भवन





The Chief General Manager,
State Bank of India,
Local Head Office,
All Circles

No. R&DB/ABD/PY/121
Date: 22.06.2022

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SUSPECTED FRAUD AT ONE OF CURRENCY CHEST
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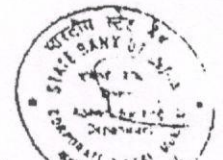
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एजन्सा डी.एम. विभाग
कॉर्पोरेट सेंटर
१, २/१ मजला सेंट्रल ई.ई. भवन

एजन्सी डी.एम. विभाग
कॉर्पोरेट सेंटर
१/१ मजला सेंट्रल ई.ई. भवन



Agency Banking Department
Corporate Centre
1/1, 2/1, 3/1, 4/1, 5/1, 6/1, 7/1, 8/1, 9/1, 10/1, 11/1, 12/1, 13/1, 14/1, 15/1, 16/1, 17/1, 18/1, 19/1, 20/1, 21/1, 22/1, 23/1, 24/1, 25/1, 26/1, 27/1, 28/1, 29/1, 30/1, 31/1, 32/1, 33/1, 34/1, 35/1, 36/1, 37/1, 38/1, 39/1, 40/1, 41/1, 42/1, 43/1, 44/1, 45/1, 46/1, 47/1, 48/1, 49/1, 50/1, 51/1, 52/1, 53/1, 54/1, 55/1, 56/1, 57/1, 58/1, 59/1, 60/1, 61/1, 62/1, 63/1, 64/1, 65/1, 66/1, 67/1, 68/1, 69/1, 70/1, 71/1, 72/1, 73/1, 74/1, 75/1, 76/1, 77/1, 78/1, 79/1, 80/1, 81/1, 82/1, 83/1, 84/1, 85/1, 86/1, 87/1, 88/1, 89/1, 90/1, 91/1, 92/1, 93/1, 94/1, 95/1, 96/1, 97/1, 98/1, 99/1, 100/1

(iv) Circle to form team of 3-4 trained officials at AO level for conducting Bi-monthly verification in line with Half yearly verification being conducted by dedicated cell at LHO. It is being observed that in present system of Bi-monthly verification of Currency Chest, verification is being conducted by the officials having little knowledge of functioning of Currency Chests. Bi-monthly verification by properly trained officials will lead to improvement in quality of Bi-monthly verification. Circle to ensure that Bi-monthly verification of CC to is being done meticulously.

teams to be formed at AO level.

(v) Circle to ensure that verification of Cash is done by the visiting officer as per procedure laid down as under:

a. Bi-monthly Verification of Balances of Currency Chest: At least two Percent (2%) of the balances held by the CC in all denominations should be subjected to detailed verification through Note Sorting Machines (NSMs) whereas the remaining shall be verified by counting bundles and packets.

b. Half Yearly Verification of Balances of Currency Chest: At least five Percent (5%) of the balances held by the CC in all denominations should be subjected to detailed verification through NSMs whereas the remaining shall be verified by counting bundles and packets.

(vi) Circles to identify the CCs having long gap of RBI verifications (gap of more than two years from last verification). Once CCs are identified, special one-time Chest verification in line of Half Yearly verification will be conducted by dedicated team at LHO.

(vii) Circles to identify the CCs which are sensitive and vulnerable. Once CCs are identified, special onetime Chest verification in the line of Half Yearly verification will be conducted by dedicated team at LHO. Special one-time security audit by Security officer also to be conducted in line with Annual verification of CCs by security officer.

(viii) Circles to ensure that Branch manager of Currency Chest is mandatorily checking recording of CCTV for half an hour on weekly basis of different dates and ensure that Bank instructions of System of joint custodians and frisking are being adhered. Value Statement is also incorporated in quarterly visit of CM (C&O) and half yearly visit of RM to Currency Chests to cover random verification of CCTV footage on different dates.



- (ix) Circle to ensure that officers posted as Joint Custodians in the currency chests should be sufficiently senior and should have also earlier worked in different capacities in the Cash Department.
- (x) Circles to identify the CCs where SNRs not lifted by RBI for at least for one year and take up matter with regional office of RBI.
- (xi) Circle to ensure that training programme for accountant and joint custodians are being conducted from time to time.
- (xii) Circles to identify Currency Chest Branches suitable for direct remittance from mint through Railway Route. Once CCs are identified, the details of CCs to be advised to RBI.

3. In view of the above, please arrange to take necessary action on the above action points and Confirm compliance to us by 30.06.2022.

Yours faithfully,



(S. Muralidharan)
Chief General Manager (Operations)