



**STATE BANK OF INDIA OFFICERS' ASSOCIATION
CHANDIGARH CIRCLE**

C/O State Bank of India, Local Head Office, Sector 17, Chandigarh
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Circular No. 2017/98

Date: 12.09.2017

TO ALL UNITS/MEMBERS,

AFTERMATHS OF DEMONETISATION – PENALTIES BY RBI

We have today sent a communication to the Management on the captioned subject. A copy of the same is enclosed for information.

2. All our members are requested to await further developments in this regard.

With greetings,

(Deepak K Sharma)
General Secretary

2017/09/96

12-09-2017

The Chief General Manager,
State Bank of India,
Local Head Office,
Chandigarh.

Dear Sir,

AFTERMATHS OF DEMONETISATION – PENALTIES BY RBI

It is very depressing to know about the aftermaths of demonetisation in the form of mammoth penalties being levied on hard working, innocent, sincere and duty bound employees who have played a substantial and pivotal role during the demonetisation period whole heartedly for their beloved organisation without even thinking about their health and family obligations. At no point the employees have rested, and they have worked with full vigour and energy to serve the people of the country. They have executed the instructions as and when received instantly facing the wrath of majority of people at the branches. The employees have never questioned the “ifs” and “buts” of the prevailing circumstances and have put in extraordinary efforts to tackle the situation to the best of their knowledge and skills in the absence of clear cut laid down instructions and at a time when instructions were dynamically changing with each passing day during demonetization period.

However, the rewards they have got after completion of this herculean task is not at all worthy of the sacrifices they have made in the form of time, energy, family priorities and in extreme cases even laying down their lives. Our people have fought like real fighters and instead of honouring them, the Bank is now recovering amount of penalties imposed by RBI on Banks from joint custodians which is bringing in negativity, de-motivation, distrust on the management and lack of zeal to perform. Sir, it will not serve the purpose of anyone but will only lead to frustration, demotivation and dissuasion. In many cases, the entire workforce at the branch including the probationary officers/Trainee Officers and officers handling other seats who have never worked in cash department before was deployed. When all such people who have no experience of working in cash were deployed as the situation so warrants, the chances of mistakes increases exponentially. In many branches, the employees have worked with insufficient number of scanner machines to detect forged/fake notes. There was non-availability of relieving hands to

enable them to attend to nature's call as well as to have their Tiffin. The inefficiencies, the incapacities, limited manpower, inadequate note counting and scanning machines, the unpreparedness were all being thrust upon the employees and they had gone many extra miles for the performance and execution of their duties. Whatever the resources were available, "as is" and on "where is" basis, the same were taken along and worked upon with. Had there been prior intimation, all these things could have been worked out and proper systems and procedures could have been employed. But due to certain reservations of the government, the demonetisation drive was kept a high time secret. However, it is then the duty of the Government and Management to factor in all the risks involved. It would not be out of place to mention here that the demonetisation task was over in almost 50 days by the bankers and RBI is still busy in counting the notes.

The branches have reported that the RBI officials have visited and checked in sample of the currency notes and no adverse features were reported by them during the sample check, then how can the staff be now treated as a culprit. Since, all are well aware that the currency needs to be thoroughly checked before deposit to RBI. The joint custodians are confident that they thoroughly checked the currency before handing over to Potdar for onward submission of currency to RBI. Further, has the instance been in one or two branches, the chances of deliberate negligence could have been looked into but how most of the branches have become negligent for huge cash shortages and counterfeit notes. After all, **the note sorting and scanning machines are provided at all the branches, the notes are thoroughly checked on the same and if those machines are at fault or are not as per the calibrated updated machines installed with RBI, then this is a mistake on part of machines, vendors and Bank, that the updated calibrated machines were not provided during the demonetisation drive. Merely, transferring the penalty on the employees does not absolve the Bank of its responsibility.** The Bank has to ascertain that the adequate and optimum resources have been provided and also look into that the systems and procedures are properly followed. Further, not all the employees can be at fault and there is high probability of default/error that exists on part of RBI as well.

Sir, the people are really frustrated and while venting out their heart they revealed that very unfair treatment was given to them at the time of deposition of Currency notes with RBI and going further, they have also apprised that no proper system and procedures was followed. While the staff members from the Bank has gone to RBI for deposit of currency notes, the notes were taken inside the rooms and no staff of the concerned branch was allowed to accompany, and whether the CCTV cameras were operating and working, no one knows. The bankers were made to sit outside all day long and at the end of day they were advised the shortfall in currency notes. If anyone from the Bank has asked to accompany, they were told in a authoritarian tone to wait outside and showed that cameras are installed but no monitors were provided to them to show as to how their Cash is being handled or checked and nobody knew what was going on inside. This is the time when employees expect the management to come forward, analyse the situation and circumstances under which this whole process was undertaken and take an informed and logical decision. **The issue is of a serious nature, therefore, you are requested to take up the matter with RBI to provide the CCTV coverage of counting of notes pertaining to these branches as there is possibility of error/mistake/embezzlement by RBI officials or the persons hired on contract basis by RBI also.**

Further, it has also come to the notice that RBI has asked the Banks to lodge FIR against the joint custodians. A First Information Report (FIR) is a written report prepared by the police when they receive information about the commission of a **cognisable offence**. What is the cognisable offence here? And who has committed this cognisable offence? The RBI has counted the notes in absence of the employees from concerned branches, they have declared the short cash/counterfeit notes, they have levied the penalties, and they have received the penalties from the Banks. What was the offence in the above process? There are many questions agitating their minds. After demonetisation, our worthy Chairman and Prime minister of the country have applauded for the huge task performed by the Bankers, then why such attitude of distrust and disbelief on employees today?

Sir, you will also appreciate that the demonetisation period was an extra-ordinary time under exceptional circumstances. There was tremendous pressure to finish the work in designated time with scarce resources and absence of extant written instructions from the Bank for dynamically changing instructions being issued by the Government and RBI with each passing day. Further, the things got aggravated when the people lost patience and vent their anger upon the employees. The task by all the employees was performed in official capacity with utmost sincerity and any risk arising out of the performance of official duty without any deliberate intention for the occurrence of that risk and in absence of adequate resources has to be mitigated or paid for by the organisation and not by the employees in individual capacities. If the mistakes are deliberate, the same should be dealt with proper investigation, enquiry and punishment may be awarded. It would not be out place to mention here that imposing penalty without providing an opportunity to delinquent officer is violation of Principles of Natural Justice. Further, one or two can have mala fide intention, but not majority of the branches, especially when the staff involved are, those, who have an undisputed background. The question of shortage of cash does not arise as the cash book and physical balance is tallied every day and even online reporting mechanism was also introduced during that period and all the three modes can be checked any time for any date. Further, as already explained above, the cash receiving and counting procedure by RBI officials was not at all transparent and it involved diluted systems and procedures. Our employees were also helpless at that time, because carrying with them crores of cash and bringing back to the branch on the context that RBI is not following proper system and procedure would have invited tongue lashing comments and atrocities from their bosses coupled with the risk of mishandling with such a large amount of cash. Henceforth, the laxity as pointed out by RBI on part of the branches does not hold any merits and it is mainly attributed to heavy work load, non-preparedness on the part of Banks, faulty/inadequate machines and dilution of systems and procedures on the part of RBI officials. Our employees have done a commendable task and the errors/omissions/mistakes as pointed out by RBI are neither deliberate nor intentional. The officers are innocent and have no fault for which the penalties have been imposed.

It is very much held by the ancient Vedas, Upanishads, and Courts have also ruled that, hundred culprits may be done away with but no single innocent should ever be punished, because when a true and pious heart is hurt, the ramification is disastrous and belief on humanity is done away with. We have presented before you the true picture of the ground realities during demonetisation period, which you may not be aware with a hope that as Head of the SBI family in our Circle, you will stand with them at the time of crisis and issue directions to the concerned authorities to stop for levying of penalties on officers. Further, the Bank may take up the matter with RBI and other senior functionaries in the government departments debaring them from issuing directions to lodge FIRs against the employees who have emerged as real fighters during the period of demonetisation.

Thanking you,

Yours faithfully,

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(DEEPAK K. SHARMA)
GENERAL SECRETARY