

**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Rs1,000/- of Mahatma Gandhi Series issued from 2005 and also those issued prior to 2005, (hereinafter referred to as Withdrawn Old Series, WOS) shall cease to be legal tender in payment or on account at any place on the expiry of **the 08th** day of November, 2016 (D day) except to the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.

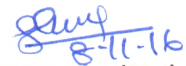
5. HO/SOs issue detailed instructions to the SO/BOs advising them to strictly adhere to the norms of the scheme and procedures laid down above. The staff at the Post Office level, particularly at the Counter, should be adequately sensitized. For this purpose, information as available at the website (www.rbi.org.in) 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

Annexure-1

Report from BO to SO as on 8.11.2016 (only for this date)

Sl No	Name of the BO	Denomination received from BO, which were available at the close of 8th November 2016 (D day)			Denomination at SO at the close of 8th November 2016 (D day)			Total
		500	1000	Total	500	1000	Total	

Name of SO

Dated

Sl No	No of notes received for exchange			No of notes deposited in one's own account			No of notes deposited in other account			Total (A+B+C)
	500	1000	Total (A)	500	1000	Total (B)	500	1000	Total ©	

Name of the SPM _____

Signature of the SPM _____

Date: _____

Place: _____

Report from HO to Divisional Office

Name of HO *

Dated

1	2			3			4			5			6
Sl No	Denomination available as on close of 8th November 2016 *			Denomination received from SO, which were available at the close of 8th November 2016 (D day)*			No of notes deposited in one's own account at HO			No of notes deposited in other account at HO			Total (A+B)
	500	1000	Total	500	1000	Total	500	1000	Total (A)	500	1000	Total (B)	

* Information to be given for 8th November only. From 10th November this will be blank and information from column 4 to 6 only to be provided

Name of the Postmaster _____

Signature of the Postmaster _____

Date: _____

Place: _____

Annexure-2

Request Slip for exchange of Withdrawn Old series of banknotes *
in denomination of Rs 500/- and Rs 1000/-

Name of the Post Office : _____

Name of the Tenderer (In capital Letters)			
Identity Proof Original to be shown at the counter (Tick the one applicable)	Aadhar Card, Driving License, Voter ID Card, Pass Port, NAREGA Card, PAN Card, Identity Card Issued by Government Department, Public Sector Unit to its Staff,		
Identification Number (Number mentioned in the Identity Proof submitted)			
Details of Withdrawn Old series Notes submitted for exchange	Denomination	No of Pieces	Value
	Rs. 500		
	Rs.1000		
	TOTAL		
	Total value in words:		
Signature of Tenderer			
Place: Date:			

* To be supplied to members of public

Annexure-3

Format for reporting daily exchange of bank notes in the denomination of Rs 500/- and Rs.1000/- to the Divisional Office

Name of the HO/SO: _____

The banknotes exchanged at the HO/SO on _____ are as under:

Denomination	Number of Pieces	Total value
Rs 500		
Rs 1000		
TOTAL		

Name and Designation of the Post Office In-charge _____

Signature of the Post Office In-charge _____

Date: _____

Place: _____

Statement enclosed in Annexure-3B, Annexure -3C & Annexure -3D

Annex-3A

Format for reporting to Circle Office on a daily basis the exchange of bank notes in the denomination of Rs 500/- and Rs.1000/- at the branches of the post office

Name of the PMG: _____

The bank notes exchange\ld during the day _____ are as under:

Denomination	Number of Pieces	Total value
Rs 500		
Rs 1000		
TOTAL		

Name and Designation of the Reporting Officer _____

Signature of the Reporting Officer _____

Date: _____

Place: _____

Division to Region (Annexure-3B)**Dated**

SI NO.	NO of HOs in the Division	Denomination received for exchange at HOs *			Deposit in once own account at HOs *			Deposit in accounts other than once own account at HOs *			Total (A) [Colmn 5+8+11]	No of SOs in the Division	Denomination received for exchange at SOs *			Deposit in once own account at SOs*			Deposit in accounts other than once own account at SOs*			Total (B) [Colmn 16+19+22]	Gr. Total (A)+(B) [Colmn 12+ 23]
		500	1000	Total	500	1000	Total	500	1000	Total			500	1000	Total	500	1000	Total	500	1000	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24

* Number of Notes

Region to Circle (Annexure-3C)**Dated**

SI NO.	NO of HOs in the Region	Denomination received for exchange at HOs *			Deposit in once own account at HOs *			Deposit in accounts other than once own account at HOs *			Total (A) [Colmn 5+8+11]	No of SOs in the Region	Denomination received for exchange at SOs *			Deposit in once own account at SOs*			Deposit in accounts other than once own account at SOs*			Total (B) [Colmn 16+19+22]	Gr. Total (A)+(B) [Colmn 12+ 23]
		500	1000	Total	500	1000	Total	500	1000	Total			500	1000	Total	500	1000	Total	500	1000	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24

* Number of Notes

Circle to Directorate (Annexure-3D)**Dated**

SI NO.	NO of HOs in the Circle	Denomination received for exchange at HOs *			Deposit in once own account at HOs *			Deposit in accounts other than once own account at HOs *			Total (A) [Colmn 5+8+11]	No of SOs in the Circle	Denomination received for exchange at SOs *			Deposit in once own account at SOs*			Deposit in accounts other than once own account at SOs*			Total (B) [Colmn 16+19+22]	Gr. Total (A)+(B) [Colmn 12+ 23]
		500	1000	Total	500	1000	Total	500	1000	Total			500	1000	Total	500	1000	Total	500	1000	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24

* Number of Notes

Frequently Asked Questions (FAQs) on Withdrawal of Legal tender Character of the Old High Denomination Bank Notes

1. Why is this scheme?

The incidence of fake Indian currency notes in higher denomination has increased. For ordinary persons, the fake notes look similar to genuine notes, even though no security feature has been copied. The fake notes are used for antinational and illegal activities. High denomination notes have been misused by terrorists and for hoarding black money. India remains a cash based economy hence the circulation of Fake Indian Currency Notes continues to be a menace. In order to contain the rising incidence of fake notes and black money, the scheme to withdraw has been introduced.

2. What is this scheme?

The legal tender character of the notes in denominations of Rs. 500 and Rs. 1000 stands withdrawn. In consequence thereof withdrawn old high denomination (OHD) notes cannot be used for transacting business and/or store of value for future usage. The OHD notes can be exchanged for value at any of the 19 offices of the Reserve Bank of India or at any of the bank branches and at any Head Post Offices /Sub-Post Offices.

3. How much value will I get?

You will get value for the entire volume of notes tendered at the bank branches / RBI offices/ Head Post Offices and Sub-Post Offices.

4. Can I get all in cash?

No. You will get upto Rs. 4000 per person in cash irrespective of the size of tender and anything over and above that will be receivable by way of credit to bank/post office account.

5. Why I cannot get the entire amount in cash when I have surrendered everything in cash?

The Scheme of withdrawal of old high denomination (OHD) notes does not provide for it, given its objectives.

6. Rs. 4000 cash is insufficient for my need. What to do?

You can use balances in bank accounts to pay for other requirements by cheque or through electronic means of payments such as Internet banking, mobile wallets, IMPS, credit/debit cards etc.

7. What if I don't have any bank account?

You can always open an account by approaching a bank branch/post office with necessary documents required for fulfilling the KYC requirements.

8. Where can I go to exchange the notes?

The exchange facility is available at all Issue Offices of RBI and branches of commercial banks/RRBS/UCBs/State Co-op banks or at any Head Post Office or Sub-Post Office.

9. Can I go to a Branch Post Office to exchange old High Denomination (OHD) Notes.

No.

10. Need I go only to my post office where I have the account?

For exchange upto 4000 in cash you may go to any H.O./S.O. with valid identity proof.

For exchange over 4000, which will be accorded through credit to Bank/POSB account only, you may go to the bank branch/post office where you have an account or to any other CBS Post Office.

In case you want to go to a branch of any other bank/post office where you are not maintaining an account, you will have to furnish valid identity proof and POSB account details required for electronic fund transfer to your account. Both the offices should be under CBS.

11. Can I go to any Post Office for this?

Yes, you can go to any post office provided both the POs (where your account stands and where you want to deposit) are under CBS.

12. Can OHD notes be accepted by non-CBS Post Offices?

Yes, they can accept OHD notes for exchange upto Rs. 4,000 with identity proof. Besides, they are also permitted to accept deposits of OHD notes in POSB accounts standing in their offices. OHD notes shall not be accepted in these offices for POSB accounts standing in other offices. All the conditions stipulated for identification/preparation of statement prescribed should be followed/submitted by these non-CBS offices.

13. I have no account but my relative / friend has an account, can I get my notes exchanged into that account?

Yes, you can do that if the account holder's relative/friend etc gives you permission in writing. While exchanging, you should provide to the post office, evidence of permission given by the account holder and your valid identity proof.

14. Should I go to post office personally or can I send the notes through my representative?

Personal visit to the post office is preferable. In case it is not possible for you to visit the post office you may send your representative with an express mandate i.e. a written authorisation. The representative should produce authority letter and his / her valid identity proof while tendering the notes.

15. Can I withdraw from ATM?

It may take a while for the vendor to recalibrate the ATMs. Once the ATMs are functional, you can withdraw from ATMs upto a maximum of Rs. 2,000/- per card per day upto 18th November, 2016. The limit will be raised to Rs. 4000/- per day per card from 19th November 2016 onwards.

16. Can I withdraw cash against cheque?

Yes, you can withdraw cash against withdrawal slip or cheque subject to ceiling of Rs. 10,000/- in a day within an overall limit of ₹20,000/- in a week (including withdrawals from ATMs) for the first fortnight i.e. upto 24th November 2016.

17. How much time do I have to exchange the notes?

The scheme closes on 30th December 2016. The OHD banknotes can be exchanged at branches of commercial banks, Regional Rural Banks, Urban Cooperative banks, State Cooperative Banks and RBI/and Departmental Post offices till 30th December 2016.

For those who are unable to exchange their Old High Denomination Banknotes on or before December 30, 2016, an opportunity will be given to them to do so at specified offices of the RBI, along with necessary documentation as may be specified by the Reserve Bank of India.

18. I am right now not in India, what should I do?

If you have OHD banknotes in India, you may authorise in writing enabling another person in India to deposit the notes into your post account. The person so authorised has to come to the post office with the OHD banknotes, the authority letter given by you and a valid identity proof (Valid Identity proof is any of the following: Aadhaar Card, Driving License, Voter ID Card, Pass Port, NREGA Card, PAN Card, Identity Card Issued by Government Department, Public Sector Unit to its Staff)

19. I am a foreign tourist, I have these notes. What should I do?

You can purchase foreign exchange equivalent to Rs. 5000 using these OHD notes at airport exchange counters within 72 hours after the notification, provided you present proof of purchasing the OHD notes.

20. I have emergency needs of cash (hospitalisation, travel, life saving medicines) then what I should do?

You can use the OHD notes for paying for your hospitalisation charges at government hospitals, for purchasing bus tickets at government bus stands for travel by state government or state PSU buses, train tickets at railway stations, and air tickets at airports, within 72 hours after the notification.

21. What is proof of identity?

Valid Identity proof is any of the following: Aadhaar Card, Driving License, Voter ID Card, Pass Port, NREGA Card, PAN Card, Identity Card Issued by Government Department, Public Sector Unit to its Staff.

22. Where can I get more information on this scheme?

Further information is available at website (www.rbi.org.in)

23. If I have a problem, whom should I approach?

You may approach the control room of RBI by [email](#) or on Telephone Nos 022 22602201/022 22602944. For issues relating to POSB transaction, you may contact control room functioning at the following telephone:

Postal Directorate – 011-23036967, 23036224