

Stapling of Note Packets – Removal

Reserve Bank of India
Central Office
Department of Banking Operations and Development
Centre - 1, World Trade Centre
Cuffe Parade, Colaba, Mumbai - 400 005

November 7, 2001
Kartika 16, 1923(S)

DBOD No. Dir. BC. 43/13.03.00/2001-02

All Commercial Banks (Including RRBs & LABs)

Dear Sirs,

It is observed that banks still continue to follow the practice of stapling of fresh note packets and multiple stapling of re-issuable note packets. The practice has come under criticism from various quarters. Apart from damaging notes, multiple stapling reduces life span of notes and renders it difficult for customers to open note packets easily. Further, it enables unscrupulous persons to insert half notes pasted on papers into note packets.

2. It is also observed that banks do not sort notes into re-issuables and non-issuables, and issue soiled notes to public. Banks also continue to follow the practice of writing number of note pieces in loose packets on watermark window of notes which disfigures watermark impression and renders it difficult for easy recognition.

3. It has been therefore decided that hereinafter and with immediate effect :

- a. banks should do away with stapling of any note packet and instead secure note packets with paper bands,
- b. banks should sort notes into re-issuables and non-issuables, and issue only clean notes to public. Soiled notes in unstapled condition may be tendered at Reserve Bank in inward remittances through Currency Chests; and,
- c. banks should forthwith stop writing of any kind on watermark window of bank notes.

4. Accordingly, our Directive DBOD No. Dir. BC. 42 /13.03.00/2001-02, dated November 7, 2001 is enclosed.

5. Please acknowledge receipt.

Yours faithfully,

(M.R.Srinivasan)
Chief General Manager-in-Charge

Encl.: As above