

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2557
ANSWERED ON:12.03.2010
FAKE CURRENCY IN BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) whether fake currency notes have been found in the coffers of the Reserve Bank of India (RBI) and the State Bank of India (SBI) over the years;
- (b) if so, the details thereof and reaction of the Government thereto;
- (c) the changes in colours of currency notes likely to be introduced in order to identify fake currency notes; and
- (d) the action/steps being taken to prevent circulation of the fake currency notes in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRINAMO NARAIN MEENA)

(a) & (b): No fake currency notes were found in RBI. However, during the year 2008-09, 11666 pieces of counterfeit notes were detected by RBI while processing the soiled note remittances received from the currency chests of SBI. SBI has reported detection of 76922 pieces of counterfeit notes at their branches / currency chests during the year 2008-09.

(c): As a part of the ongoing endeavour to stay ahead of the counterfeiters, RBI in consultation with the Currency and Coinage Division of the Department of Economic Affairs, Ministry of Finance makes necessary changes in the designs of the currency notes as and when required.

(d): RBI has taken the following steps to prevent circulation of fake currency notes in the country.

All Currency chest branches of banks (and certain identified non-chest branches which are close to international borders or have heavy cash transactions) have been equipped with Note Sorting Machines to detect and curb the circulation of counterfeit notes.

Forged Note Vigilance Cells have been formed at all the banks to pay focused attention to counterfeiting.

As a part of the ongoing endeavour to stay ahead of the counterfeiters, new security features/new designs in the banknotes in all denominations were introduced in 2005-06, incorporating improved anti-counterfeit ing design and security features. Further, process has been initiated for issuing new family of bank notes with new /additional features.

The Reserve Bank regularly conducts training programmes for employees of banks and other organizations handling bulk quantities of cash like Railways etc. as well as police authorities.

As a part of the public awareness campaign, the Reserve Bank has placed on its web site extensive information on security features of Indian Bank notes. Posters on `Know Your Banknotes` 1 are also displayed at bank branches. A film on `Know Your Banknotes` got prepared by RBI through Films Division, has been supplied across issue offices/Currency Chest, public utilities, theatres and other media for screening.

Under the project of Financial Literacy-Consumer Awareness, Reserve Bank of India in collaboration with Ministry of Consumer Affairs has released advertisements under `Jago Grahak Jago` campaign through DAVP in newspapers and Television.

RBI on November 19, 2009 has instructed all scheduled banks that bank notes in denominations of Rs.100/- and above should be reissued by banks over their counters or through ATMs only if these bank notes are duly checked for authenticity /genuine ness and fitness by machines. For this purpose, banks should

- (i) use such machines in all their branches having average daily cash receipts of Rs. 1 crore and above by March 2010 and
- (ii) use such machines in all their branches having daily average cash receipts between Rs. 50 lakh and Rs.1 crore by March 2011. A directive in this regard under Section 35A of Banking Regulation Act, 1949 has been issued to all scheduled banks.