

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1960
ANSWERED ON:08.03.2013
CIRCULATION OF FAKE CURRENCY THROUGH BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has issued any directions / guidelines to the Scheduled Commercial Banks regarding circulation of fake notes through banks/ATMs in the country;
- (b) if so, the details thereof;
- (c) whether complaints of non-adherence of these guidelines by banks have come to the notice of the Government/RBI during the last three years and the current year; and
- (d) if so, the details thereof, year-wise and bank-wise along with the action taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b) : From time to time instructions have been issued by the Reserve Bank of India (RBI) to banks regarding note issued by them through their counters/ATM. Some of which are enumerated below:

Incorporating new security features/new designs in the banknotes.

Instructions have been issued to banks to disburse only sorted and genuine notes through their counters/ATMs.

Regularly conducts training programmes.

Instructed all scheduled banks that banknotes in denominations of Rs.100/- and above should be re-issued by banks over their counters or through ATMs only if these banknotes are duly checked for authenticity/genuineness and fitness by machines.

A multimedia, multi lingual awareness campaign has been launched from August 15, 2010 titling "Paisa Bolta Hai".

All cases of detection of counterfeit notes at the bank branches / treasuries are required to be promptly reported to Police Authorities in the following manner:

i) For cases of detection of counterfeit notes upto 4 pieces, in a single transaction, a consolidated report should be sent to the police authorities at the end of the month.

ii) For cases of detection of counterfeit notes of 5 or more pieces, in a single transaction, FIRs should be lodged with the Nodal Police Station/Police Authorities as per jurisdiction.

The banks have been advised to ensure that the notes received over the counters are re-circulated only after ensuring their proper authentication through machines.

RBI is holding one-to-one meetings with a view to sensitize the Chairman/Managing Directors of banks on the problems relating to counterfeit notes.

The banks have been advised that wherever, counterfeit notes are detected but not impounded and reported, it will be construed as wilful involvement of the bank concerned in circulating counterfeit notes and may attract penal measures.

(c) & (d) : As per information furnished by Reserve Bank of India (RBI) 28 complaints have been received about circulation of fake currency through Banks/ATMs. Year-wise details are as under:

Year	No. of Complaints
01.07.2009 to 30.06.2010	4
01.07.2010 to 30.06.2011	9
01.07.2011 to 30.06.2012	11
01.07.2012 to 31.01.2013	4

