

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:579

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Counterfeit Currency through Banking Channels

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Will the Minister of FINANCE be pleased to state:

- (a) whether a large number of incidents of circulation of counterfeit currency through banking channels including ATMs is reported in the country;
- (b) if so, the details thereof during the last three years and the current year;
- (c) whether the Government has taken action against the concerned banks and their employees in this regard;
- (d) if so, the details thereof along with the loss suffered by country's economy due to circulation of counterfeit currency; and
- (e) the steps taken by the Government to check recurrence of such incidents in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) & (b):Reserve Bank of India (RBI) does not have information about large number of incidents of circulation of counterfeit currency through banking channels including Automated Teller Machines (ATMs) in the country. However, data regarding year wise receipt of complaints of alleged dispensation of Fake Indian Currency Note (FICN) through ATMs, from the year 2011 onwards, is given below.

Calendar Year No. of complaints

2011 4

2012 12

2013 11

2014 9

2015 9

2016 (till date) 2

The data regarding FICN detected and impounded in the banking channel during the last 4 calendar years is given as under: -

Calendar year-wise data of detection of FICN in the banking channel

(1) (2) (3)

Calendar Year No. of Pieces of FICN detected Notional Value of FICN detected (Rs. in crore)

2012 500,024 24.85

2013 481,670 24.46

2014 572,913 28.28

2015 (Jan-Sept 2015) 471,307 21.62

(c) & (d):In all the cases of complaints of alleged receipt of fake notes through ATMs, the matter was taken up with the bank concerned by RBI for investigation of the facts. However, in none of the cases it was proved that the fake notes were dispensed by their ATMs. The notional value of counterfeit notes detected in the banking channel is indicated at column (3) of the above table.

(e):RBI has advised banks that banknotes tendered over the counter / received directly at the back office / currency chest through bulk tenders should be examined for authenticity through machines. Further, the RBI has also advised banks that In order to obviate complaints regarding receipt of counterfeit notes through ATMs, and to curb circulation of counterfeits, it is imperative to put in place adequate safeguards/checks before loading ATMs with notes and also that dispensation of counterfeit notes through the ATMs would be construed as an attempt to circulate the counterfeit notes by the bank concerned.
