

leave being granted by the Lok Sabha to withdraw the Bill further to amend the Arms Act, 1959, which was passed by the Rajya Sabha on the 8th September, 1981 and laid on the Table of the Lok Sabha on 10th September, 1981."

#### BILLS, AS PASSED BY RAJYA SABHA

SECRETARY : Sir, I lay on the Table of the House the following Bills, as passed by Rajya Sabha :-

- (a) The Administrators-General (Amendment) Bill, 1983.
- (2) The Delegated Legislation Provisions (Amendment) Bill, 1983.

12.15 hrs.

#### ARREST OF MEMBER

MR. SPEAKER : I have to inform the House that I have received the following telegram dated the 31st July, 1983, from the District Magistrate, Allahabad, today :—

"In contravention of section 144 Cr. P.C., Shri R.N. Rakesh, Member of Parliament, alongwith six persons have been arrested on 31-7-83 at 10.45 a.m. by Shaganj Police, District Allahabad, under section 188 I.P.C."

*(Interruptions)*

MR. SPEAKER : Not allowed. Calling-Attention...

*(Interruptions)*

MR. SPEAKER : We shall take proper action, make proper enquiry.

PROF. RUP CHAND PAL (Hooghly) : Are you looking into it ?

MR. SPEAKER : It is under my consideration.

SHRI SUDHIR GIRI (Contai) : Sir, I want to...

MR. SPEAKER : Not allowed. Mr. Banatwalla.

#### CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

*Reported printing and circulation of counterfeit hundred rupee currency notes and withdrawal of money from SBI through counterfeit demand drafts.*

SHRI G.M. BANATWALLA (Ponnani): Sir, I call the attention of the Minister of Finance to the urgent public importance and I request that he may make a statement thereon :—

"Reported printing and circulation of counterfeit hundred rupee currency notes and withdrawal of money from several branches of State Bank of India through counterfeit demand drafts and the action taken by Government in the matter."

*(Interruptions)*

SHRI SUDHIR GIRI : \*

MR. SPEAKER : Not allowed.

The hon. Minister,

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : At the outset I wish to allay the apprehensions of the Members about the existence of a large number of counterfeit 100-rupee notes in circulation...

*(Interruptions)*

MR. SPEAKER : The hon. Minister is on his legs...

*(Interruptions)*

MR. SPEAKER : I have allowed everybody...

*(Interruptions)*

MR. SPEAKER : Mr. Giri, I will have to name you if you go on interrupting. ...Be patient.

SHRI S.B. GIRI : I have all along been patient...

MR. SPEAKER : I want you to sit down... Please sit down.

12.17 hrs.

[MR. DEPUTY SPEAKER *in the chair*]

SHRI JANARDHANA POOJARY : Mr. Speaker, Sir, at the outset I wish to allay the apprehensions of the Members about the existence of a large number of counterfeit 100-rupee notes in circulation. Cases of counterfeiting of currency notes including Rs. 100 denomination are detected and investigated from time to time by the State Police and CBI. Prosecutions are launched wherever necessary. Thus steps are being taken to unearth such cases and prosecute the guilty.

The Calling Attention Notices are probably based to the extent they relate to counterfeit notes of Rs. 100/- denomination, on a newspaper item which appeared in, among others, the Hindustan Times dated July 10, 1983. The facts of the case are that the Delhi Police arrested one Shri Nanak Singh alias Gurnam Singh on 9.6.1983. He tried to present a 100-rupee note to a shop-keeper in the NDSE Part I Market, which was found to be counterfeit. The accused was apprehended and preliminary investigations were conducted by the Delhi Police,

The Delhi Police was able to seize counterfeit notes of the face value of Rs. 90,600 and have made further investigations into the case. On the basis of the information gathered by the Delhi Police, Delhi Police felt that the case had national and possibly international links and they transferred the case to the CBI for further investigation on 16.6.1983. So far 8 people associated with the counterfeiting operation have been arrested. Six more cases of counterfeiting of 100-rupee notes belonging to the same series of numbers have since been taken up by the CBI for investigation.

RBI have cautioned their offices and currency chests to exercise greater care while examining rupee 100 notes. The case is being investigated in collaboration with Interpol. It is not in public interest to disclose any further information about this case at this stage.

As regards the case of counterfeit Demand Drafts, Chief Regional Manager State Bank of India (SBI) at Chandigarh registered a complaint with the Central Bureau of Investigation (CBI) on the 6.7.1983 alleging that fake Demand Drafts purported to have been issued by some Branches of SBI, had been presented to Punjab National Bank, Millerganj, Ludhiana in three separate accounts. The Demand Draft forms used by miscreants were similar to the Bank standard forms though a close scrutiny revealed that they were fake. The signatures of the signing officers were forged. There were 74 fake drafts in all amounting to a total of Rs. 54 lakhs. On realisation of this amount, withdrawals were made which amounted to a total of Rs. 52 lakhs.

CBI is investigating the case. They have so far arrested six persons in this connection. Rs. 19,78,100 (including FDs of Rs. 40,000/-) have been recovered so far from 3 persons. In addition, further efforts to recover the balance amount and to arrest the remaining miscreants are continuing.

In conclusion, I wish to assure the Members that the cases are being actively investigated and all possible efforts are being made to prosecute the guilty.

SHRI G.M. BANATWALLA : Mr. Deputy-Speaker, Sir, we are thankful to the hon. Minister for assuring this House that there are not many fake notes under circulation. We are also thankful to him for having assured us that an effective investigation is in progress. With respect to both the questions of counterfeit currency notes and the counterfeit bank/demand drafts of the S.B.I., we thank the Government for these assurances. We note what the statement says :

“At the outset, I wish to allay the apprehensions of the Members about the existence of a large number of counterfeit 100-rupee notes in circulation.”

It is, therefore, the contention that there are no large number of 100-rupee notes in circulation. Thank you very much.

There is no room for any sense of complacency in the matter. We have to be vigilant and I cannot help go feeling that despite all these assurances of Government, there is an underplaying of the entire issue.

As far as currency notes are concerned, we have several issues like the pilferage of soiled notes earmarked for destruction, the question of freak notes, the question of fake notes—all these put together and the pilferage of soiled notes which have come back to circulation illegally as also the counterfeit currency notes, have seriously undermined the monetary system. The matter, therefore, had to be viewed with grave concern. It is not a reference to a more solitary incident stated in the statement made by the Minister. We do not refer merely to the incidence of 9th of June 1983. The hon. Minister simply referred to one incident and has tried to underplay the entire issue. I admit that upto now fake notes were not on a very large scale. But, during the past six months or more or one year or so, the question of fake notes in circulation is becoming a national question of a very large scale. I may refer to a number of incidence happening one after the other but, because of brevity of time, I cannot do so.

We have, for example, not only this incident of the 9th of June mentioned in the statement but also of the 4th June. The police seized the counterfeit 100-rupee notes and raids were conducted in various localities of Shillong. Then, Sir, we also find that no or about 30th of March, the police had seized a huge quantity of counterfeit currency notes. And roundabout the month of May or so, in Kerala, there was a scare. The police there reportedly believed that at least Rs. 2 crores worth of fake 100-rupee notes have reached the State circulated by gangs operating in Maharashtra, Karnataka, Andhra Pradesh, Tamilnadu, Kerala and also various other places.

Therefore, Sir, I urge upon the Government to take this matter very seriously and not pooh-pooh the whole issue has been sought to be done by referring only to one solitary incident. Even the Additional Chief Metropolitan Magistrate, Shri J.M. Malik, found that a fake currency note of rupees one hundred was deposited in his court as a fine by an accused. So, they are finding place in our courts also. We would like to know what investigations have been made and what is the nature of those investigations? What is the total amount of fake currency notes recovered by the police, CBI, etc. during the last one year? How many cases have been recorded during the last year? How many people have been arrested or are being tried and how many have been convicted?

Sir, we find that there are international links. In the present case just read out by the hon. Minister we are told that the printing press was outside the borders of India. Has the matter been taken up with the Government there? You cannot imagine that if you get 20 hundred rupee fake notes there are only twenty hundred rupee fake notes. The printing press will not put out only twenty notes. The fact is that even if only one fake note is recovered that shows that there is much more than what meets the eye. Accordingly, the matter must be taken up seriously.

Then, Sir, how are you warning the people with respect to these fake currency notes? Have any warnings been given to

the people to verify the notes in particular series in which the fake notes have been found ?

Sir, we also have another question about the bank drafts. Bank frauds are on the increase. Am I right when I say that every year Rs. 100 crores are lost as a result of bank frauds ? The matter, therefore, is of great importance. What procedures have been outlined especially with the increase in the number of bank frauds in order to prevent them and whenever they occur in order to see that expeditious action is taken ?

Sir, in the present case, we find that there are 74 fake bank drafts of the State Bank of India. Not one or two or three or five, but 74 bank drafts of the value of Rs. 52 lakh or Rs. 54 lakh, whatever is given there, were fake. These bank drafts were encashed during a long period of three months. Sir, 74 drafts were being encashed over a period of three months. What was the State Bank of India doing ? Did they not realise the fraud when draft after draft forged, counterfeited and faked-were being presented ? Is there not any procedure, by which when a bank draft is encashed, a sort of verification is made ? If there is any procedure followed, certainly they should have realised that the drafts not issued by them are being encashed, are being presented to them for encashment, one after the other. I must therefore say that there is delay on their part in this direction. I must point out that this particular nature shows that rules have been flouted. There was not a little carelessness but a major carelessness on the part of the State Bank that they did not detect that over a period of three months one after the other 74 fake drafts have been encashed in spite of the fact they had never issued those drafts.

MR. DEPUTY SPEAKER : Are you making any suggestions ?

SHRI G. M. BANATWALLA : I will come to that. So, I was saying that flouting of rules and procedural lapses were there in the State Bank. Why this delay ? Has that been ascertained ? It was after three months or four months that in the month of July,

the matter was reported. Who is responsible for this delay in reporting the matter ? This is a serious issue because even the Reserve Bank of India earlier in its reports have said that the banks' delay in reporting of bank frauds to the Reserve Bank of India have come to their notice. So, in this case, who is responsible for this delay ? What action has been taken against the erring officials ? I need hardly stress that all the loopholes with respect to the procedure have to be plugged and action has to be taken against the erring and careless officers responsible for procedural lapses and flouting of rules. There is also a need for tightening of the vigilance apparatus.

One would therefore like to know from the Government as to what steps are being taken in order to see that such types of flouting of rules do not recur. What action has been taken against the officers responsible for delay in reporting the matter ? Of course, the C.B.I. deserves our congratulations because in the present case of the State Bank of India, they were very swift in moving, after the matter was entrusted to them.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : Sir, I share the concern with the hon. Member, Mr. Banatwalla. In fact, we have been vigilant and we have also taken this matter very seriously.

We have not been complacent and we are not going to be complacent also. I can assure the Hon. Member and also the House through you, Sir, that the Government has taken all the steps which I am going to narrate.

The Hon. Member would appreciate, if I say that if he harps much on the exaggerated reports appearing in the press saying that there has been a large number of counterfeit notes and also the bank notes in circulation in the country, then there will be a cause for panic. I appeal to the Hon. Member not to create such a panic in the country on the contrary, it is going to be counter-productive.

Sir, I share the Hon. Member's concern regarding the counterfeiting of notes.



(Shri Janardhana Poojary)

He also wanted to know from us as to the number of cases reported in the last one year. I may give him the figures that have been reported and also investigated by the State Police and also the CBI of this country. In 1980, counterfeit notes worth Rs. 22,261 were seized.

In 1982, counterfeit notes worth about 11,073 rupees were seized. From January 1983 to March 1983 such notes worth about Rs. 2,256 have been recovered.

Sir, the steps which have been taken by the Government to check or to control the counterfeit notes are that the thickness of the currency and bank notes has already been increased. As you know already, in the notes of Rs. 5 and higher denominations there are security threads and also that there is existence of watermark. It is easily distinguishable to find out whether it is counterfeit note or not. It is easily distinguishable. There is a thread here and if we hold the note like this, it is easily visible. This thread is not found in any counterfeit note.

(Interruptions)

MR. DEPUTY SPEAKER : No. You cannot interrupt. In the Calling Attention, the Minister is replying.

SHRI DHARM BIR SINHA (Barh) : I am rising on a point of order.

MR. DEPUTY SPEAKER : You cannot interrupt him also.

SHRI DHARAM BIR SINHA : I am rising on a point of order. How can you say ?

SHRI ATAL BIHARI VAJPAYEE (New Delhi) : Demonstration is not allowed in the House.

MR. DEPUTY SPEAKER : He is explaining the position. He is explaining his own reply. Why can't you hear that ? Why do you oppose this ?

SHRI DHARAM BIR SINHA : I am on a point of order.

MR. DEPUTY SPEAKER : What is your point of order ? He is explaining the position and you cannot raise a point of order during Calling Attention. Don't record anything. Go through the rules.

(Interruptions)\*\*

MR. DEPUTY SPEAKER : You cannot interrupt. In Calling Attention only such of those Members whose have been listed can speak. I will not allow.

(Interruptions)\*\*

MR. DEPUTY SPEAKER : I don't allow, Mr. Minister, you reply. I said I would not allow. I will not allow Members other than those who have been listed. Sit down.

(Interruptions)\*\*

MR. DEPUTY SPEAKER : I am not allowing you.

SHRI DHARAM BIR SINHA : I am on a point of order.

MR. DEPUTY SPEAKER : What is the rule ? You are not on the list. How can you rise on a point of order ? How is that ? The Minister is replying. What is your point of order ? I am allowing it as a special case.

SHRI DHARAM BIR SINHA : The Minister is exhibiting something in the House. It is not permitted. Have you permitted him to exhibit that with the permission of the House ?

MR. DEPUTY SPEAKER : Sit down. He is not exhibiting. He is explaining a point of view. Please listen. He said : there is a thread in the currency note, and he is explaining that point of view.

**SHRI ATAL BIHARI VAJPAYEE :** That he could have done without exhibiting the note. If you allow the Minister to exhibit, how can you prevent me from exhibiting it ?

**MR. DEPUTY SPEAKER :** He is explaining a point of view. He is not exhibiting it.

**SHRI ATAL BIHARI VAJPAYEE :** This is not the way to explain.

**MR. DEPUTY SPEAKER :** If he exhibits it, he must take my permission. He can explain his point of view. He is not exhibiting anything.

**SHRI ATAL BIHARI VAJPAYEE :** You cannot permit him.

**SHRI DHARAM BIR SINHA :** You are setting a very bad precedent. You will put the Chair into trouble.

**MR. DEPUTY SPEAKER :** Please sit down. That is all right. I know. I can face all troubles. Mr. Minister, please explain. The Minister is explaining a point of view. He is explaining a point of view. That is all right. He is not exhibiting anything.

**SHRI BHIKU RAM JAIN (Chandni Chowk) :** Even revolvers have been exhibited.

**SHRI JANARDHANA POOJARY :** There was no other intention, but only to explain. If I had made any mistake, please excuse me. What I said was that there is a thread.....(Interruptions)\*\*

**MR. DEPUTY SPEAKER :** That is all right. I know this. Please sit down. I cannot conduct the House according to your wishes. Mr. Minister, you carry on. You reply to the Calling Attention.

(Interruptions)\*\*

**MR. DEPUTY SPEAKER :** Don't record anything.

**SHRI JANARDHANA POOJARY :** As I said earlier, there is a security thread in the Bank note and also.....

**SHRI ATAL BIHARI VAJPAYEE :** In the genuine note or counterfeit note ?

**SHRI JANARDHANA POOJARY :** No ; in the genuine notes. There is also.....

**MR. DEPUTY SPEAKER :** All those who have got currency notes may exhibit them and give them to the Deputy Speaker. I will scrutinize them, and if they are good. I will take them !

**SHRI JANARDHANA POOJARY :** There is also a water mark in the Bank and currency note. I do not want to exhibit that also. But I want to explain that it is easily distinguishable. And even by an ordinary, lay man, if he examines it carefully, it is identifiable and also distinguishable. It can also be easily detected. If we don't examine it properly, that difficulty may arise.

Apart from increasing the thickness of the paper—that also I do not want to exhibit.

The currency and bank notes paper is treated with melamine, that is to strengthen it ; it is only to make it strong, distinct and hence difficult to counterfeit. Apart from this, bank and currency notes have been designed with intricate line and also these are changed from time to time thereby making it difficult for anybody to counterfeit them.

The information about the new type of forgery and also forged notes recovered and seized is brought to the notice of the currency chest, RBI and also banks. As soon as the police department and CBI recover these notes from the counterfeiters and other forgers, it will be brought to the notice of these banks RBI and the currency chest. The police department throughout the country organise raids and also special drive against the forgers and counterfeiters. The CBI has established a separate cell for

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detection of the cases of counterfeiting of currency notes and also bank notes. These measures have proved effective. I do not share with the views of the hon. member that there are a large number of counterfeit notes in circulation.

So far as frauds are concerned, the hon. member wanted to know the number of frauds committed in the year 1982. In the year 1982, there were about 2065 frauds committed in the country and the amount involved is Rs. 19.44 crores, not Rs. 100 crores as stated by the hon. member. In the year 1981, there were 1891 fraud cases and the amount involved is Rs. 20.43 crores, not Rs. 100 crores. Every year the amount involved is not Rs. 100 crores as stated by the hon. member; the statement is not correct.

As stated by the hon. member, there are rules and procedure, but, unfortunately, these rules and procedure have been violated. The people who are responsible for the violation of them, particularly in this case under reference, have been kept under suspension. Already action has been taken and also 6 people have been arrested. One more person has been arrested in the case that is referred to for investigation by the State Bank of India. So, action has been taken. I can assure the House that the government will take action and the ramification in this particular case will be looked into; and the CBI is seized of the matter and whether there is any international link or national link will be looked into by the CBI. The CBI is seized of the matter and swung into action very swiftly. Not only they have already taken steps, but more than Rs. 19 lakhs has been seized in the draft fraud. It is a laudable performance of the CBI. Today, as I stated earlier, one person has been nabbed by the police.

**SHRI HARIKESH BAHADUR (Gorakhpur):** Sir, this counterfeiting Indian currency notes are in mass circulation in various countries; they are not only in India but also in Sri Lanka and Thailand, as quoted by *The Hindustan Times*. It was referred by the hon. Minister in his statement. These forged notes are being printed in Bangkok, as it is reported in this news item. It is also stated that some foreign powers are involved

in order to destroy the Indian economy. If it is true, then it is a very serious matter and the government must try to find out which foreign power is involved in destroying the Indian economy; and for this such type of forged and fake currency notes are being printed.

Now it is very difficult to recognise counterfeit notes so far as ordinary people are concerned. They feel a lot of difficulty in recognising them; whether a particular note is fake or genuine. If anybody carries such notes, immediately he is arrested and interrogated for that; he may be interrogated, but, sometimes he is subjected to a great harassment.

Suppose a shopkeeper gives a 100-rupee note which is fake or the bank give that kind of a note, the person holds it without knowing whether it is fake or genuine. But once it is recognised, immediately that person is subjected to all sorts of harassment and torture. That is why I would like to know from the hon. Minister whether he is going to start certain types of education through T.V. and other mass media so that people may be able to recognise between the fake and genuine notes? There must be some kind of education. People should be educated to know these things. Otherwise, those who are not the guilty are punished and guilty men are free...*(Interruptions)*.

**MR. DEPUTY SPEAKER:** Through him the Government may understand or the police may know the source of the receipt of that counterfeit note by that man, therefore, they must only know through him which is the source for his receipt.

**SHRI HARIKESH BAHADUR:** Interrogation is all right. The person can be interrogated but he should not be harassed.

**MR. DEPUTY SPEAKER:** They must know the source, that is why he is interrogated.

**SHRI HARIKESH BAHADUR:** That is all right. He should be interrogated but there are people who are tortured for that for which they are not responsible. In our

country education is hardly 28 per cent 72 per cent people are still not educated. Under these circumstances, how can we just expect from them that they can easily recognise these kinds of highly sophisticated technology? In the printing of notes, highly sophisticated technology is perhaps being adopted. Therefore, it is very difficult for the common man to understand these kinds of problems. Therefore, I have advised the Government to start some kinds of education for the common man also to recognise between the two types of notes. This is a problem in various countries of the world. Therefore, I would like to know from the hon Minister whether he is going to consult other countries also, if they are having such types of problems as to how they are facing this problem? I think the hon. Minister will reply to this question specifically.

Now, about the design of notes, I would also like to ask from the hon. Minister through you whether the Government is having any planning to change the design of notes after certain intervals so that these kinds of people who are cheating the entire country and the world market, may be stopped from doing so and also whether superior printing technology will be adopted so that it may not be imitated so easily as is being done today? Also I would like to know whether big guns are also involved in withdrawal of money through counterfeit Demand Drafts, as is mentioned in the Calling Attention, because these kind of things have already been unearthed earlier? As in the case of Nagarwala, it was not properly investigated. Whatever enquiry had been done, that was always considered to be insufficient. Therefore, I would like to know whether the Government is trying to enquire into this fact also whether big guns are involved in this matter...*(Interruptions)*.

MR. DEPUTY SPEAKER : Please define big guns.

SHRI HARIKESH BAHADUR : In the Nagarwala case, actually the report did not come otherwise I could tell you who was involved. People who were doing that enquiry, they also, for certain reasons, died. Somebody suffered heart attack, somebody

was just crushed under a truck. I do not know who was responsible but this kind of things had happened. Therefore, the enquiry report was not available...*(Interruptions)*.

I would like to ask from the hon. Minister whether future planning of elections has also given impetus to this kind of withdrawals and printing of fake currency notes?

SHRI JANARDHANA POOJARY : The hon. Member has given valuable suggestions. We have noted the suggestions. In fact, he has gone to the extent of suggesting a change in the design of the currency notes. We have got a proposal. Obviously, the details of it cannot be disclosed at this stage.

I agree that publicity is required. But too much of publicity will be counter-productive because there will be panic in the minds of the people that there is circulation of a large number of counterfeit notes. That is why we are against too much of publicity. Sufficient publicity is there.

The hon. Member said that the people who give information, or from whose possession the notes are seized should not be harassed. I fully agree with the hon. Member that there should not be any third degree method of investigation. I can assure the hon. Member that there will not be any third degree method of investigation so far as people, who innocently and without knowing the implications came forward with information of presentation of notes.

Now six cases have been registered by the CBI, in which one is an ordinary citizen who has lodged information with the police. I can assure the hon. Member that there will be no harassment. At the same time, interrogation is required as a part of the investigation. Unless we interrogate people. I do not think it will be possible to have a through investigation. It is the demand of the House that there should be a through investigation in such cases and it is being done.



**SHRI HARIKESH BAHADUR :** What about the involvement of foreign powers ?

**SHRI JANARDHANA POOJARY :** So far there is no evidence to show the involvement of any foreign countries. At this stage, it is not proper for me to predict the finding of the CBI. The CBI is seized of the matter and all the ramifications will be examined by the CBI, as it has been instructed to go into all these aspects, including the involvement of foreign countries.

**श्री सत्यनारायण जाटिया (उज्जैन) :** उपाध्यक्ष महोदय, यह बहुत आश्चर्य की बात है कि ऐसी असली सरकार के रहते हुए नकली नोट बाजार में प्रचलित हों। यदि हमारे करन्सी नोटों की स्थिति इस प्रकार रही तो मैं ऐसा सोचता हूँ कि यह हमारे लिए एक चिंता का कारण बनने वाली है। सारे देश में इस प्रकार की वारदातें सुनने को मिल रही हैं या समाचारपत्रों में पढ़ने को आ रही हैं। उनसे ऐसा लगता है कि हमारे नियंत्रण से एक बहुत महत्वपूर्ण चीज़ बाहर होती जा रही है।

यह नकली करन्सी कहां से आती है ? नकली नोटों के साथ असली नोट मिक्सड हो जाते हैं और नकली नोट असली नोटों की तरह प्रचलन में आ जाते हैं। इस प्रकार से धीरे धीरे असली करन्सी पर नकली करन्सी प्रचलित होती जाती है। आपने बताया है कि बैंकों द्वारा नकली बैंक ड्राफ्टों के सम्बन्ध में एहतियात बरती जा रही है लेकिन मैं आप से एक दूसरी बात कहना चाहता हूँ कि जो आपके सरकारी कारखाने हैं जहां नोट छापे जाते हैं वहां पर इस प्रकार की बातें हो रही हैं जिन पर आपको ध्यान देना चाहिए।

मैं आपका ध्यान देवास की एक घटना की ओर ले जाना चाहता हूँ।

13.00 hrs.

देवास में एक सौ रुपये का नोट बाजार में आया। इसका समाचार दैनिक स्वदेश के में छपा। यह नोट असली था पर इसका नंबर लाल स्याही से लिखा हुआ था। इसकी जांच के लिए दैनिक स्वदेश के पत्रकार श्री रमेश तजरेजा और एस. पी. जब बैंक नोट प्रेस के अधिकारियों से मिले तो उन्होंने इन्कार कर दिया। इसके बाद इसी प्रकार का लाल स्याही से नंबर लिखा हुआ नोट इंदौर के बाजार में मिला। जब दो नोट बाजार में आ गए तो इस बात की जांच हुई और पता चला कि सौ के नोटों के नंबर की एक पूरी सीटिंग गायब हुई है। इस प्रकार का मामला बहुत गंभीर है। सरकार को इसके बारे में मुस्तैदा से जांच करनी चाहिए। इसी प्रकार राजकोट के सौराष्ट्र यूनिवर्सिटी के एक अधिकारी को सीरियल नंबर 15 का एक नोट मिला जिसमें एक तरफ नंबर डला था 166598 और दूसरी तरफ नंबर डला था 186598, नोट छापने में इतनी लापरवाही बरती जा रही है जैसे कोई पंफलेट छाप रहे हों। इस प्रकार की बातें नहीं होनी चाहिए।

एक और महत्वपूर्ण सवाल की ओर मैं सदन का ध्यान आकर्षित करना चाहता हूँ। सिक्के भी बड़ी लापरवाही से ढाले जाते हैं। कभी टूटे हुए सिक्के ढाल दिए जाते हैं और कभी जरूरत से कम ढाल दिए जाते हैं। जरूरत के अनुसार पर्याप्त मात्रा में सिक्के ढाले जाने चाहिए। सरकार ने दो रुपये का सिक्का निकाला है। मैं तो यह भी चाहता हूँ कि इसी प्रकार सरकार 5, 10 और 20 रुपये के सिक्के भी ढाले। क्योंकि नोट जल्दी खराब हो जाते हैं।

आपको पता होगा कि पहले जब नोट छपते थे तो उस पर लिखा होता था कि "मैं धारक के मांग करने पर सम आफ रुपीज़ अदा

करने का वचन देता हूँ" लेकिन आज जो नोट छप रहे हैं उन पर लिखा होता है कि "मैं धरक को "सम्राफ रुपीज" अदा करने का वचन देता हूँ।" पिछले सालों में यह अंतर आ गया कि मांग करने पर शब्द गायब हो गया। 1960 में रुपये की कीमत 100 पैसे थी जो कि अब घट कर 17-18 पैसे रह गई है। इस प्रकार सरकार हर चीज का अवमूल्यन करती जा रही है।

इस प्रकार मैं माननीय मंत्री महोदय से जानना चाहता हूँ कि देवास बैंक नोट प्रेस 100 रुपये की पूरी 'शीट' गायब हुई या नहीं? क्या मंत्री महोदय इसकी जांच करेंगे? तथा इसी प्रकार करेंसी को अविश्वासनीय बनाने वाली बातों पर रोक लगाने के लिए सरकार क्या कार्यवाही करने जा रही है?

**SHRI JANARDHANA POOJARY:** Sir, the incident which the hon. Member referred to is under investigation and already the Government is seized of the matter and, Sir, he has brought to the notice of the House some defects and I submit before the House that out of millions of pieces of coins minted every year and also out of millions of notes printed, we can say that we come across some freak notes and also certain defects and it is natural also. And wherever it is possible, we will take remedial measures.

**श्री सत्यनारायण जटिया :** जब जांच करने की व्यवस्था है और इस प्रकार की प्रणाली है तो गलती क्यों हो जाती है, कैसे हो जाती है, यह निश्चित रूप से बताया जाना चाहिए?

**SHRI JANARDHANA POOJARY :** As the hon. Member is aware of the fact that in spite of our procedures and monitoring, something takes place because of the negligence and also because of the carelessness on the part of (interruptions) Precautionary steps are also taken.

So far as counterfeiting of notes is concerned, as I stated earlier, all the precautionary measures are taken to see that

counterfeiting is detected early and also circulation of the counterfeit notes and bank notes is detected as far as possible.

**MR. DEPUTY SPEAKER :** Shri Bhiku Ram Jain. Do not take much time. We shall adjourn after you complete.

**SHRI BHIKU RAM JAIN (Chandni Chowk) :** Much of the things have already been sorted out. I only wish to say that the paper currency which has acceptability by the people need to have acceptability and confidence of the people. Some such notes which appear every now and then make it difficult for the people; they do accept the currency and then they are in difficulty. Minister said and I agree with him that there should be no alarming news about the fake currency in the country. Minister has mentioned something. I would like to have clarification from him. Delhi Police arrested a person on the 9th of June and recovered from him notes worth Rs. 90,600/-. That means several thousand notes. They did not go in circulation. But, nevertheless, they were printed and it looks, therefore, that the person who was arrested on submitting only one note, 10,000 notes were in his possession; how many notes have gone in circulation nobody know. It has not been revealed by the hon. Minister that not a single note went out of his pocket except the one which he was trying to do and that balance were all seized and they are in possession of the police. I would like to know what steps has the Government taken to create that confidence in the people.

With all the security threat, with all the water marks hundreds and thousands of notes are coming in the hands of traders and individual every now and then. He is likely to commit mistake. But he suffers. Government is suffering crores of rupees worth of loss every year. You have admitted Rs. 20 crores. Shri Banatwalla has said Rs. 100 crores every year. But the fact remains losses are there.

In the larger interest of public confidence as far as paper currency is concerned, as to what steps has Government taken to see that the public confidence in the paper

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currency is not shaken? One such single note if a poor man having Rs. 400 or Rs. 500 below Rs. 1,000/-, if he gets, he has lost 10% or 20%. It is a big thing for him.

It has just been said that these notes have been printed in a foreign country. I have, therefore, an apprehension that it is just to destroy our monetary system. It is just to play with our economy.

Minister has used language—'it is not in the public interest and therefore, he does not want to disclose any further information'. It makes me to feel that there is something very big. But what is happening with regard to the arrest of one person in possession of fake currency notes? It makes me to believe there is something fishy somewhere. May be due to some international reasons or security reasons you are not going to disclose. I do not want to know if it is in public interest. I would like the Minister to say some day as to how he wants to deal with the situation. It is so important and so much in the public interest. I would say that you have mentioned that only the fake notes of Rs. 22,261 were found in 1980. When I am looking to this figure "2,2261", it give me to believe that these are not 100 rupee currency notes alone because the figures are in old number. It means, the fake notes are also of one rupee denomination as well as 20 rupee, 10 rupee and other denominations and they were all in circulation. Evidently, it means, there is some sort of racket not by one, not by two but by so many people and the economic invaders are also connected with this.

I, therefore, very respectfully submit that if this is just Rs. 22,261 in 1980, 11,073 in 1982 and 2,256 in 1983 upto March, it makes me to believe that the fake notes in circulation are not that of 100 rupee denomination only but also by some other denominations. This is what is happening. I want to know what is the Government doing to create that public sympathy and confidence.

Now, as regards the police investigation, I must submit that suppose I have got a fake note, I would not like to go to the police station.

MR. DEPUTY SPEAKER: I wish you should not have.

SHRI BHIKU RAM JAIN: I do not know. I may be having one note in my pocket. Suppose, it comes to my notice that I have got one such note, I would refrain from going to the police station because the first man to be arrested would be me. The other man is arrested or not whether it comes to me from the bank or not, I would be the first target and I would be tortured. Surely, the investigation would be the interrogation. I do not find the exact word in Hindi. If it is *mar peeth* then it is all right. Sir, I purposely wanted to submit that because of the interrogation if it is expected that I would say something but, I do not know as to from where it has come. Then, God alone helps me. Why should I go to the police station to report so that the police may be able to investigate? The hon Minister has said that he would certainly see that it is not done at the police station. I wish to submit that the Finance Ministry may not be able to say so. But will it be able to write to the Home Ministry to say that police behaves in such a way that it encourages people to come forward and report such crimes? For reporting such crime if I have come forward to help you, do you want my help? Or am I to be taken as a culprit rather than as a helper?

Regarding the counterfeit bank drafts, as Mr. Banatwalla has said, 74 of these counterfeit drafts and fabricated bank drafts amounting to Rs. 54 lakhs were done at the behest of an employee of the State Bank of India, Ludhiana. Now, they were got printed at Ludhiana at the instance of the person who gave all the information, signature and all these things. They were encashed in the various branches of the Punjab National Bank. In this computer age, if the banks cannot know what is happening in the bank for the last three months, then I would very respectfully submit that we will have to change the system. Is it because the banks are not responsible to this Parliament and they are not subject to the scrutiny of Parliament that they are allowed to do whatever they want? Do they not consider this money to be the nation's money because they are the nationalised banks and it is no longer



the shareholders' money. Rs. 22 crores are going off the drain every year. They feel it does not matter because Rs. 22 crores is a small matter. They can earn larger interest on the deposits. Had the rate of interest been low, as it used to be before the banks were nationalised say Rs. 20 crores or Rs. 100 crores, would it not be reflected in the balance sheet? Since the amount of recovery or the interest money earned is so large this amount of Rs. 22 crores looks to be a drop in the ocean. But I very respectfully wish to say that let the banks have the responsibility to the nation. This is the nation's money.

I would like to read for one minute the incidents which I was looking to the paper hurriedly for the month of May. It is just a summary.

On the 3rd May, 1983, in Meerut Branch of Punjab National Bank, Rs. 7 lakhs were robbed. On 11th May, Trio took the banks for a ride. 3 Parsees defrauded to the extent of Rs. 6 crores. On 13th May, some brothers who ran "Government Treasury" issued a forged treasury receipt. On 13th May, Rs. 34,000 was looted from the Hissar Anaj Mani Branch of SBI. On 18th May, Indian Overseas Bank were looted for Rs. 90,000. On 23rd May, Rs. 14 lakhs were missing from the Karnataka Bank. The events run just like this. If you go through the papers just for one month, there would hardly be a day when there is no news about looting or defraud or misappropriation of the banks money.

It is as though the people think that it is nobody's money. Therefore, I am wanting to put it to the Government whether they are aware that the banks are nationalised banks; they are no more the private property, that is, it is Parliament's property, the nation's property. What steps have the Government taken to see that not a single rupee goes in defrauding or misappropriating or cheating or in this sort of transactions that have taken place?

I want to know whether the Government would like to computerise this thing so that every day the bank reconciles their

statement of accounts which should have been done. I understand this is being done now. Let the hon. Minister come forward and say whether the reconciliation of statements by the banks is done or not done. If for three months the bank which issues the draft does not intimate the bank which is encashing it, it is nothing but callousness. The callousness is such that even the receiving bank does not know whether the bank draft has been issued by such and such bank. I think, the practice is in vogue, because I have got the experience, that where the advice has not been received, the bank does not encash the draft. But it has been done here. Is it deliberate or is it callousness or is it just a routine matter? I want to know whether it is because of complacency, because the banks are having a lot of money and, therefore, they do not bother about these things.

This case that I have given figures which may not substantiate the Minister's statement that only Rs. 20 crores have gone down the drain. During one year or even during one month's time, such cases would account for several crores of rupees. I want to know whether the Government is aware of these things and, if so, what steps they are taking in this connection.

**SHRI JANARDHANA POOJARY :**  
Sir, the hon. member has passed pertinent questions. In fact, he has expressed his concern over the frauds that are taking place in this country. The Government is very serious about it. Even on the floor of the House and also outside the House, the Government has gone on record saying that the Government is very serious. Already, precautionary measures have been taken. A meeting of the Chief Executives of Banks has been convened. Also, the instructions have been issued. The R.B.I. is seized of the matter. Even the Governor of the Reserve Bank of India, Shri Manmohan Singh, has called a meeting of the Chief Executives of Banks and has brought to the notice of all concerned and the entire nation so far as the bank frauds are concerned.

The figures that have been given earlier by me clearly show that there is an increase in bank frauds. As you know, I have also



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earlier pointed out that there are clear rules and procedures. But unfortunately, some people in the banks, not all the people, some black sheeps in collusion with outsiders also have committed frauds. In fact, stern action has been taken and we have given instructions to the bank people to take deterrent action against such people who indulge in these sort of crimes.

So far as inter-bank reconciliation is concerned and also the pending work in the bank is concerned, already the Government have taken action. So far as the reconciliation of inter-bank accounts is concerned, the banks are still negotiating with the union people for introducing computerisation. The steps are being taken to convince the union people for the introduction of computers. There is resistance coming from the unions stating that they are going to be retrenched and they have also gone on record saying that earlier they were not for computerisation and now the position is changed at least and there is a feeling among the employees that computerisation is required. But still they are not fully agreed to the introduction of computerisation.

So, I request the Hon. Member, the Hon. House also and the people who are connected with the union to impress upon the union people and also to impress upon the union leaders on the necessity of having computerisation.

In regard to the figures that have been given earlier, I committed a mistake by saying that it is the value. But the Hon. Member referred to the pieces that have been recovered by the Police and CBI throughout the country.

The figures that have been given earlier are that in 1980, the pieces recovered are 22,261.

SHRI BHIKU RAM JAIN : Are all of them of Rs. 100/-denomination ?

SHRI JANARDHANA POOJARY : All are not of Rs. 100/-denomination. They are of different denmoinations. 10,338, pieces of Rs. 100/- denomination have been recovered.

In 1982, pieces of all denominations recovered are 11,073 and 10,636 pieces have been recovered of Rs. 100/- denomination.

I want to make this position clear.

So, far as the feeling of the Hon. Member regarding the involvement of the foreign power in order to destabilise the economy of this country is concerned, there is no evidence to this effect. I stated this earlier. But, we cannot rule out the possibility of the involvement. The CBI is seized of the matter. All the investigation will be covered by the CBI. In the course of the investigation, they will go into all these aspects and if there is any possibility of the involvement. it will not be suppressed from the House and it will be disclosed to the nation and till it is completed and till there is evidence to show that there is involvement, it is not proper to say that there is involvement and it is also not proper for the Government to suspect or to say that there is involvement of the foreign power. This aspect will be examined thoroughly. All the precautionary measures have been taken. Government is fully alive to the problem. We are taking sufficient measures. Government machinery has been geared up and also toned up to reduce the frauds and also to have through investigation, So far as the CBI is concerned, it is manned by competent staff. It is the highest investigating authority.

In the latest incident which I have referred, Rs. 90,600 have been recovered from different persons, not from one person. Not only that In fasce demand draft case Rs. 19 lakhs have been recovered. We cannot say that CBI is ineffective in so far as these cases are concerned.

13.23 hrs.

*The Lok Sabha then adjourned for Lunch till twenty five minutes past Fourteen of the clock.*

*The Lok Sabha reassembled after lunch at twenty-three minutes past Fourteen of the Clock.*

(MR. DEPUTY-SPEAKER in the Chair)

MR. DEPUTY-SPEAKER : Statement by Minister. Mr. Arif Mohammad Khan.