

Finance Company Ltd. (IIFCL) to raise Rs. 10,000 crore through tax-free bonds by 31.03.2009. Further, depending on the need, IIFCL will be permitted to raise further resources by issue of such bonds. These initiatives will support a Public Private Partnership (PPP) program of Rs. 1,00,000 crore in the highways sector.

In response to the evolving global and domestic developments, Government and RBI have taken a number of measures since mid-September 2008 to augment domestic and forex liquidity and to enable banks to continue to lend for productive purposes, while maintaining credit quality so as to sustain the growth momentum. Government and RBI have issued a series of Press Releases indicating the measures taken by them, which are available at websites of Government of India ([www.pib.nic.in](http://www.pib.nic.in)) and RBI ([www.rbi.org.in](http://www.rbi.org.in)). Government and RBI continue to closely monitor the developments in the global and domestic financial markets and will take swift and effective action as appropriate.

#### **Fraud in scheduled commercial banks**

1604. SHRI T.K. RANGARAJAN: Will the PRIME MINISTER be pleased to state:

(a) how many cases of fraud involving the Scheduled Commercial Banks have so far been reported to the Fraud Monitoring Cell of the Reserve Bank of India for the period April, 2004 to March, 2007; and

(b) what is the action taken by the Fraud Monitoring Cell in such cases and the result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL):  
(a) 47982 fraud cases have been reported by scheduled commercial banks to Reserve Bank of India during the period from April 2004 to March 2007.

(b) On receipt of fraud report from banks, RBI advises the concerned banks to report the case to CBI/State Police/Serious Fraud Investigation Office (SFIO), examine staff accountability, complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance wherever applicable and streamline the system and procedures so that frauds do not recur.

Some of the important measures taken by RBI in this regard are furnished below :

- Introducing a system of concurrent audit in banks.
- Reviewing the working of internal inspection and audit machinery in banks by the Audit Committee of the Board of Directors.
- Advised banks to constitute a Special Committee of the Board exclusively for monitoring frauds of Rs.1.00 crore and above.
- On the basis of recommendations made by the Mitra Committee on legal aspects of bank frauds, banks were advised to take various preventive steps viz. Development of Best Practice Code (BPC), System of internalization of BPC, strengthening internal checks and internal controls and introducing Legal Compliance Audit.

Besides above, Reserve Bank of India as a part of its supervisory process has been sensitizing banks from time to time about common fraud prone areas, modus operandi of frauds and the measure to be taken by them to prevent/reduce the incidence of frauds in banks.

As a result of action taken by RBI, the amount involved in frauds; has gone down to a considerable extent in the year 2007-08 as compared to the year 2006-2007. Further, in the year 2007-2008, the amount involved in frauds as also its percentage to large value frauds has decreased considerably as compared to the year 2006-2007.

#### **Revision in pay of military nursing services**

1605. SHRIMATI BRINDA KARAT: Will the of PRIME MINISTER be pleased to state:

(a) whether the Ministry of Finance has received any memorandum on behalf of Military Nursing Services regarding the revision in their emoluments under the 6th Pay Commission; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL):  
(a) Yes, Sir.

(b) The issues raised in the memoranda include rate of Military Service Pay, Grade Pay, Promotions, Maternity Leave, etc.

#### **Fake currencies in banks**

†1606. SHRI BHAGWATI SINGH:

SHRI JANESHWAR MISHRA:

SHRI BRIJ BHUSHAN TIWARI:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that fake currency notes worth crores of rupees have been found in the chests of State Bank of India's Dumariaganj Branch in Sidharth Nagar District and at the Oriental Bank of Commerce at Ghaziabad in Uttar Pradesh;

(b) if so, the total worth of fake currencies recovered;

(c) whether such complaints have also been received from other parts of the country; and

(d) if so, the details of steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL):  
(a) and (b) State Bank of India has reported that 76273 pieces of counterfeit notes of different denomination amounting to Rs. 4.02 crores were detected at their Dumariaganj Branch in Uttar Pradesh. As reported by Oriental Bank of Commerce, 1105 counterfeit notes of different, denomination amounting to Rs. 2,45,470/- were detected on 3 different occasions at Ghaziabad in Uttar Pradesh.

(c) Oriental Bank of Commerce has further reported that during the current financial year *i.e.* 2008-09, counterfeit notes worth Rs. 41805 have also been detected at its 4 other branches.

(d) Reserve Bank of India (RBI) has taken steps to check the circulation of fake currency in the country by ensuring optimum utilization of Note Sorting Machines installed at all currency chest branches and increasing the awareness of the public in identifying a genuine bank note through

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†Original notice of the question was received in Hindi