

Some of the steps taken by the Government, RBI and SEBI to balance the financial economy in the country are as follows:

1. Hike in interest rates on FCNR (B) deposits to LIBOR/Swap + 25 basis points and on NR (E) Rupee deposits to LIBOR/Swap + 100 basis points
2. Market intervention by RBI to augment supply in the domestic foreign exchange market. All the transactions by the RBI will be at prevailing market rates and as per market practice.
3. Allowing scheduled banks to avail additional liquidity support under the Liquidity Adjustment Facility (LAF) to the extent of up to one per cent of their Net Demand and Time Liabilities (NDTL)
4. Allowing banks to avail of additional liquidity support exclusively for the purpose of meeting the liquidity requirements of mutual funds to the extent of up to 0.5 per cent of their NDTL
5. The Reserve Bank has decided to conduct the Second LAF on a daily basis with effect from September 17, 2008.
6. Reducing the Cash Reserve Ratio by 250 basis points from 9 per cent to 6.5 per cent of NDTL.
7. Under the Agricultural Debt Waiver and Debt Relief Scheme, Government has agreed to provide to commercial banks, RRBs and co-operative credit institutions a sum of Rs.25,000 crore as the first installment.
8. It has been decided to increase the Foreign Institutional Investors (FIIs) investment limit in corporate bonds from \$3 billion.
9. SEBI has decided that the position of the securities lent by FIIs and their sub-accounts abroad shall be disseminated on a consolidated basis twice a week i.e. on Tuesday and Friday of every week.
10. SEBI has further informed that it has been monitoring the activities of a few large financial institutions in India to ensure that the orderly functioning of the market is not hampered. SEBI is also continuously reviewing the situation in consultation with the stock exchanges and the depositories. RBI - SEBI Technical Committee is also closely monitoring the developments in the global financial markets and its impact on the Indian markets.

Counterfeit currency notes in Main Chest of SBI's branch

404. SHRIMATI SHOBHANA BHARTIA:
DR. JANARDHAN WAGHMARE:
SHRI RAJKUMAR DHOOT:

Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India officials seized counterfeit Indian currency worth Rs. 20 lakh from the Main Chest of State Bank of India's Dumariyaganj branch in Sidharth Nagar in the month of August, 2008;

(b) if so, the details thereof;

(c) whether counterfeit Indian currency is provided by banks through their ATMs; and

(d) if so, the measures Government proposes to take to check this menace?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Reserve Bank of India (RBI) has reported that the Special Task Force of Uttar Pradesh seized counterfeit currency worth Rs. 16 lakh on July 25, 2008. It has also been informed that the cashier of SBI, Dumariyaganj branch, Sidharth Nagar was arrested in this connection. RBI and SBI inspection teams carried out screening of the notes at SBI, Dumariyaganj branch and detected 76293 pieces of counterfeits amounting to Rs.4.02 crore.

(c) and (d) A few instances of counterfeit currency being dispensed through ATM have been brought to the notice of RBI, the details of the number of cases detected during the last three years and the current year are as under:-

Year	Denomination	No. of pieces
2005	100	01
	500	20
	1000	Nil
2006	100	Nil
	500	Nil
	1000	Nil
2007	100	Nil
	500	07
	1000	Nil
2008	100	Nil
	500	03
	1000	01

To check circulation of counterfeit currency, master circular have been issued by RBI advising banks that:

- (i) Banks should ensure that they stock their ATMs with good quality genuine banknotes only. Disbursement of counterfeit notes through the ATMs would be treated as an attempt to circulate the counterfeit banknotes by the bank concerned.
- (ii) Banks should establish at its Head Office, a Forged (Counterfeit) Banknote Vigilance Cell to disseminate RBI instructions on counterfeit banknotes to the branches and monitor the implementation of these instructions, to ensure that properly sorted and

examined banknotes only are fed into the ATMs and to put in place adequate safeguards both during the processing and transport of banknotes.

- (iii) Banks should equip all the currency chests maintaining branches with note sorting machines to detect the counterfeit notes. The banks may also consider setting up such machines at their branches and for public use at the counter.
- (iv) Banks should undertake regular training programmes for the staff on detection of counterfeit currency.
- (v) In case counterfeit notes are found in remittances from currency chests, entire amount equal to the value of counterfeit banknotes will be debited to the bank's current account and penal interest will be levied on the amount of counterfeit banknotes from the date of previous remittance to RBI.

Further, RBI has been incorporating new Security features/new designs in the bank notes from time to time to stay ahead of counterfeiters.

Circulation of fake currency

†405. MS. SUSHILA TIRIYA:

SHRI MOTILAL VORA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the trade of fake currency is thriving in various parts of the country including Uttar Pradesh, Bihar and Uttarakhand;

(b) whether it is also a fact that the role of some banks including Dumariyaganj and Sidharth Nagar branches of State Bank of India has also been found to be suspicious in this case;

(c) whether Government is aware that Inter-Services Intelligence Agency of Pakistan (ISI) has set up factories in Pakistan and Kathmandu for printing fake currency; and

(d) if so, the steps taken by Government to arrest the persons responsible for circulation of fake currency?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As per the information provided by the National Crimes Record Bureau, the details of fake currency seized/recovered are given in the Statement. (See below)

(b) An incident of counterfeit currency in the currency chest at Dumariyaganj branch of Sidharth Nagar District was reported in July this year. The investigating agencies found involvement of the cashier of the Branch and he was arrested for prosecution.

(c) There are credible reports that intelligence agency of a neighbouring country continues to pump Fake Indian Currency Notes (FICN) into all parts of India. Inputs available with

†Original notice of the question was received in Hindi.