Banks get Rs 12.44 lakh crore in old notes till Dec 10: RBI

By *Sangita Mehta*, ET Bureau | Updated: Dec 13, 2016, 09.51 PM IST

Post a Comment

Reserve Bank of India deputy governor R Gandhi said on Tuesday that Rs 12.4 lakh crore has been deposited in banks in scrapped currency notes between November 8, when the demonetisation of Rs 500 and Rs 1000 notes was announced, and December 10.

He said banks have distributed Rs 4.61 lakh crore of notes through branches and ATMs between November 10 and December 10, and urged the public to keep spending the cash in their hands rather than keeping it, to help in currency circulation.

"The entire system is continuously gearing for supporting circulation of notes in the hands of public, and the public is requested to freely use the notes in their hands rather than hoarding it," Gandhi said.

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Gandhi said 21.8 billion pieces of notes have been issued in various denominations since demonetisation, of which 20.1 billion are in small denominations of 10, 20, 50 and 100 and 1.7 billion in higher denominations of 2000 and 500.

RBI Asks Banks to be Vigilant

The Reserve Bank has asked banks step up scrutiny to detect unauthorised exchange of old currency and hoarding of cash even as it suspended one of its own staff on suspicion of illegally exchanging notes.

The central bank has also mandated banks to maintain CCTV footage from their ATMs and branches between November 8 and December 30.

The development comes at a time when a series of raids by the Income Tax department has found individuals in possession of crores of rupees in new currency notes, in their cupboards, beds and even in bathrooms.

On Tuesday, the Central Bureau of Investigation (CBI) said they have arrested an RBI official in Bengaluru for allegedly converting Rs 1.51 crore of old currency notes.

RBI deputy governor SS Mundra said, "A junior employee was present where this kind of transactions were happening. The concerned employee has been suspended, we have instituted an investigation and due action will be taken once details are known."

Last week, Axis Bank suspended 19 employees and HDFC Bank sacked four for unauthorised exchange of notes. Finance ministry said 27 employees of PSU banks were suspended in November for illegal exchange of notes.

Mundra said the RBI was keeping constant vigil and if any untoward transactions are noticed, due investigations would be carried out. RBI is also collaborating with various investigative agencies to check illegal exchange of notes.

"We have issued instructions to banks to do central data checking and if they find any inconsistency it should be pursued further through their internal audit mechanism. RBI supervisors are carrying out similar exercises on various data points of banks," he said.

Earlier in the day, RBI advised banks to preserve CCTV recordings of operations at bank branches and currency chests between November 8 and December 30, 2016 to bring to books bankers and individuals indulging in illegal currency exchange.

In a letter to CEO of commercial banks, RBI said that CCTV footage will help facilitate coordinated and effective action by the enforcement agencies in dealing with matters relating to illegal accumulation of new currency notes.