

Real concern among bank officials over 'fake' ₹500 notes

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G Naga Sridhar Updated on January 09, 2019



Industry insiders want the RBI to clarify on the genuineness of the currency

Growing instances of fake currencies, particularly of ₹500 denomination, are keeping both banking officials and the public on tenterhooks.

“While counterfeits are not totally new, their number appears to be on the rise,” a senior branch-level official of Central Bank told *BusinessLine*.

When contacted, a top official of a leading public sector bank confirmed the spread of fake notes. “We have instructed our staff to be extra-cautious while scrutinising the notes received and have also alerted cash management services providers involved in ATM replenishment,” he said.

Just a typo?

And how does one detect a fake ₹500 note? Explained the official: “On the left side of the obverse, you can see the denomination followed by the words ‘Reserve Bank of India’. Here, the word ‘Reserve’ is wrongly spelt as ‘Resurve’.”

But is this a case mis-print or a counterfeit? Only the RBI can clarify, say bankers.

However, the RBI seems unaware of this menace. There was a meeting at the RBI related to currency management a couple of days ago and the issue of fake currency was not discussed,” said an Andhra Bank official.

An RBI Master Circular dated July 2, 2018 said no credit should be given to a customer if a counterfeit currency is detected in the tender received over the counter or at the back-office/currency chest.

The counterfeit notes should also not be returned to the tenderer or destroyed by the bank branches/treasuries.

The customers should be given a receipt acknowledging the fake notes impounded.

According to the RBI’s annual report, 5,22,783 pieces of counterfeit notes were detected in banking transactions during 2017-18. The value of banknotes in circulation increased by 37.7 per cent over the year to ₹18,037 billion as at end-March 2018.

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