



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2016-17/102

DCM (FNVD) No.1134/16.01.05/2016-17

October 27, 2016

The Chairman & Managing Director
Chief Executive Officers
All Banks

Dear Sir / Madam,

Detection and Impounding of Counterfeit Notes

It has come to our notice that some unscrupulous elements are putting into circulation Fake Indian Currency Notes of higher denominations in the course of normal transactions, taking advantage of the gullible and unsuspecting nature of some members of the public.

2. In the wake of the above, members of public have been requested through a Press Release ([copy enclosed](#)) to make it a habit of looking at the notes before accepting them in the usual course of daily transactions and help arrest the counterfeiting of Indian banknotes.

3. In this regard please refer to the [Master Circular DCM \(FNVD\) No.G-6/16.01.05/2016-17 dated July 20, 2016](#), relating to Detection and Impounding of Counterfeit Notes wherein banks were advised to ensure that counterfeit notes making entry into the banking system are promptly detected and under no circumstance, returned to the tenderer or reissue them. Banks were also advised that with a view to facilitating the detection of counterfeit notes, all bank branches / identified back offices should be equipped with ultra-violet lamps / other appropriate banknote sorting / detection machines. Further, banks should ensure that cash receipts in the denominations of ₹ 100 and above are not put into re-circulation without the notes being machine processed for authenticity. The said instructions are applicable to all bank branches, irrespective of the volume of daily cash receipt. Any non-compliance will be construed as violation of the [Directive No.3158/09.39.00 \(Policy\)/2009-10 dated November 19, 2009](#) issued by the Reserve Bank.

4. Banks should also ensure that cash handling staff at the frontline and back office are fully conversant with and well trained about the security features of a banknote. With a view to educating the branch staff and customers on detection of counterfeit notes, information available at our website <https://paisaboltahai.rbi.org.in/> should be brought to their attention.
5. In order to facilitate identification of people abetting circulation of counterfeit notes, banks are advised to cover the banking hall/area and counters under CCTV surveillance and recording and preserve the recording.
6. We reiterate that failure of the banks in detection and impounding of counterfeit notes and in preventing such notes from being re-circulated will be violative of the Directions cited above and will, therefore, attract penal action.
7. Kindly acknowledge receipt.

Yours faithfully,

(P Vijaya Kumar)
Chief General Manager
Encl: As above