

Demonetisation brought fake currency trade to 'total halt'

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DEMONETISATION HAS brought smuggling of fake currencies into the country to a "total halt" and different departments have seized "valuables of about Rs 550 crore", including Rs 458 crore cash, the finance ministry told a Parliamentary committee on Friday. The ministry, however, could not provide details on how much money had been brought back into the banking system, nor could it give a time-frame on restoring normalcy even as it insisted that the economy has not been left paralysed by the decision to recall Rs 1,000 and old Rs 500, sources said.

The ministry officials are learnt to have told the Public Accounts Committee (PAC) that RBI is still working out the exact number of Specified Bank Notes (SBN), or scrapped currency deposited in banks. ".....SBNs have been deposited in more than 4,000 currency chests in a short span of 50 days. It is pending finalisation in RBI as of now...physical verification and reconciliation are underway," the Department of Economic Affairs said in its reply.

The ministry is learnt to have said that 7,176 million pieces of currency in different denominations were printed at RBI's four

presses between November 9 last year and January 13, 2017. Nearly 60 per cent of these were new Rs 500 and Rs 2,000.

The PAC, headed by Congress Lok Sabha member KV Thomas, called top secretaries from the finance ministry, including Revenue Secretary Hasmukh Adhia and Economic Affairs Secretary Shaktikanta Das, to discuss implications of monetary policy and demonetisation.

Pointing out that counterfeit currency of the face value of approximately Rs 400 crore had become a big threat before the demonetisation exercise was undertaken, the ministry stated, "It has been learnt from intelligence (agencies') inputs that smuggling of FICN (fake Indian currency notes) has come to a total halt."

It stated that more than 980 intrusive actions have taken place since November 9, 2016. "These actions have led to seizure of valuables of about Rs 550 crore, which includes cash of Rs 458 crore," of which Rs 105 crore was in new currency notes of Rs 2,000 and Rs 500, the PAC was informed.

On January 21, *The Indian Express* had reported that in a written reply to questions raised by the PAC, the Department of Revenue had said that Rs 114.33 crore had been seized in new currency notes between

FINMIN REPLY TO SOME FAQs

Q) How many citizens have committed suicides as a consequences of demonetisation, and how many died in queues before ATMs/banks?

A) No such official report has been received

Q) How many counterfeit notes of scrapped Rs 500 and Rs 1,000 were seized from terrorist groups, smugglers of arms and drugs, and spies until December 15, 2016?

A) The currency chests across the country are in process of checking specified bank notes dispatched by various bank branches. This is a time-consuming process

November 9, 2016 and January 10 this year.

"The total undisclosed income detected in these actions till 28 December 2016 is more than Rs. 4172 crore," it said.