

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
UNSTARRED QUESTION NO 2765

TO BE ANSWERED ON THE 3<sup>RD</sup> AUGUST, 2018 / SHRAVANA 12, 1940 (SAKA)

**Bribery Nexus in Exchange of Old Currency**

2765. SHRI SIRAJUDDIN AJMAL:

Will the Minister of FINANCE be pleased to state:

- a) whether the Government has any report about bribery nexus involving Reserve Bank of India/other Bank officials in exchanging of old notes during whole processing of demonetisation and if so, the details thereof;
- b) whether the Government has taken action to nab the culprits; and
- c) if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SHIV PRATAP SHUKLA)

**(a) to (c):** Reserve Bank of India(RBI) has informed that the Central Bureau of Investigation(CBI) had arrested Senior Special Assistant, RBI, Bengaluru, inter-alia, for assisting one of his friends in exchanging Specified Bank Notes amounting to Rs. 6.00 lakh. RBI had also instituted disciplinary proceedings against the official.

Public Sector Banks(PSBs) have reported that as on 01.05.2017, based on the irregularities noticed during demonetisation, they had placed 209 officials under suspension and transferred 132 officials. Wherever considered appropriate, Banks have lodged complaints with CBI/Police.

RBI had advised the banks vide circular dated November 29, 2016 to take action to prevent / detect / contain the malpractices or wrongdoing by staff in branches engaged in exchange / deposit of Specified Bank Notes (SBNs). In the said circular, banks were also advised to strengthen the internal / concurrent audit process in the bank including random visits / scrutinies so as to detect and avoid any malpractice in the exchange / deposit of SBNs in the branches.

Further vide RBI DBS circular Ref. No.DBS.CO.PPD / 4480/11.01.005/2016-17 dated December 8, 2016, banks were advised to track the complete trail of cash movements in large quantities so as to ensure that the extant instructions of RBI are followed both in letter and spirit. A list of 22 action points (illustrative) was also forwarded to banks with advice to utilise their internal audit resources to monitor the position and bring any anomalies noticed to their Audit Committee of the Board so as to ensure that necessary action is taken in all such cases, apart from reporting the summary of findings to RBI.

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