

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 4069
TO BE ANSWERED ON 04th JANUARY, 2019/14th PAUSHA SAKA, 1940

Scribbled Currency

4069. DR. SHRIKANT EKNATH SHINDE:
SHRI VINAYAK BHAURAO RAUT:
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:
SHRI DHARMENDRA YADAV:
DR. PRITAM GOPINATH MUNDE:
SHRI SHRIRANG APPA BARNE:

QUESTION

Will the Minister of FINANCE be pleased to state:

- (a) whether writing on the currency notes defaces them and reduces their life, if so, the details thereof and the data of such currency maintained by the Government;
- (b) whether the Government is aware that nationalized banks including cooperative banks are not accepting the scribbled currency from the customers although scribbled currency is being disbursed through ATMs, if so, the details thereof and the reasons therefor;
- (c) whether the Government has issued any directions verbal or written to all the nationalized banks not to accept scribbled/ defaced currency from their customers, if so, the details thereof; and
- (d) the remedies for the general public in this regard and measures being considered/ schemes in place to solve this problem of exchange of such currency through banks?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI P. RADHAKRISHNAN)

(a): Writing on banknotes defaces them and reduces their life. The watermark window has an important security feature which distinguishes it from a counterfeit note. Any defacement on the window will not allow the common man to identify one of the features of a genuine note. The public was, therefore, requested to refrain from doing anything that leads to defacement. RBI does not have any data on bank notes with writing on them.

(b): RBI has clarified that banknotes with scribbling on them continue to be legal tender through its press releases dated December 31, 2013 and December 14, 2015. On December 31, 2013, RBI issued a press release. Details are as follows:

- (i) In the wake of rumours circulating in the market that from January 1, 2014, banks will not accept banknotes with anything written on them, the Reserve Bank has urged members of public

not to fall prey to such rumours and to use the banknotes without any fear. The Reserve Bank of India has clarified it has NOT issued any instructions for banks not to accept banknotes.

(ii) It has further clarified that it had issued instructions on August 14, 2013 only to banks advising them to instruct their staff not to scribble or write on the body of the banknotes since it was observed that the bank officials themselves were in the habit of writing on banknotes which went against the Reserve Bank's Clean Note Policy.

(iii) Reiterating that writing or scribbling on banknotes works against its Clean Note Policy, the Reserve Bank has also sought co-operation from all members of public, institutions and others in keeping the banknotes clean by not writing/scribbling anything on them.

On December 14, 2015, RBI has reiterated through a press release which is as follows:

(i) The Reserve Bank of India denied having issued a communication circulating on social media alerting members of public that banks will not accept currency notes with scribbling on them from January 1, 2016.

(ii) The Reserve Bank has reiterated that all currency notes issued by it are legal tender and banks and or public can freely and without fear accept them in exchange for goods and services.

(iii) The Reserve Bank has also stated that in pursuance of its clean note policy, it keeps requesting banks and public not to write on the currency notes as writing defaces them and reduces their life.

(iv) RBI has advised all the banks to provide the facility for exchange of notes and coins at all their branches vide its Master Circular on "Facility for exchange of notes and coins" dated July 02, 2018.

(c): Reserve Bank of India has not issued any instructions to banks not to accept scribbled currency from the customers.

(d): RBI has advised all the banks to provide the facility for exchange of notes and coins at all their branches vide its Master Circular on "Facility for exchange of notes and coins" dated July 02, 2018. If any bank refuse to exchange such notes, applicant may register complaint with the bank under Grievance Redressal System of the bank. RBI has advised all public sector banks and some private sector and foreign banks to appoint an internal ombudsman to function as a forum to bank customers for grievance redressal. If the bank's reply is not satisfactory or reply is not received within one month, complaint may be registered with the Banking Ombudsman concerned under Banking Ombudsman Scheme, 2006.
