

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

RAJYA SABHA

QUESTION NO 02.03.2010

ANSWERED ON

ESTIMATE OF FAKE CURRENCY IN CIRCULATION .

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Shri Sanjay Raut

Will the Minister of COAL, HEALTH AND FAMILY WELFARE, INFORMATION AND BROADCASTING AND FINANCE be pleased to state :-

- (a) whether Government's attention has been drawn towards the news item published in print media stating that fake currency worth one lakh crore in circulation in Indian market which is the size of India's defence budget;
- (b) whether it is a fact that fake currency trafficking has become a major problem for the Indian economy; and
- (c) if so, the concrete steps being taken by Government to tackle this problem?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRINIMO NARAIN MEENA)

(a)&(b): No estimates are available on fake currency notes in circulation. RBI has informed that some newspapers have been erroneously quoting some reports for estimate of forged currency notes in circulation in the country. RBI maintains that the volume of fake currency is negligible, at less than 0.001% (8 notes per million pieces) of the total notes in circulation, and therefore, not a major threat to economic stability.

(c): The steps taken by the Government to curb circulation of Fake Indian Currency Notes (FICN) in the country include stepping up of vigilance by the Border Security Force and Custom authorities to prevent smuggling of fake notes; dissemination of information on security features through print and electronic media and formation of Forged Note Vigilance Cells in all the Head Offices of the banks. Additional security features have also been incorporated in the bank notes in 2005 to make counterfeiting very difficult. To strengthen the security of bank notes further, incorporation of latest security features is underway. A High Level Committee headed by the Union Home Secretary comprising officials from central agencies and other senior police officials has been constituted to monitor and draw a comprehensive strategy to combat FICN. Similar bodies have also been set up in the States. In addition, Government of India have nominated the Central Bureau of Investigation as the Nodal Agency to monitor investigation of fake currency note cases. The RBI has also strengthened the mechanism for detection of counterfeit notes by the Banks.