

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
RAJYA SABHA UNSTARRED QUESTION NO. 1831
TO BE ANSWERED ON 02.08.2022

Increase in fake currency notes

1831: SHRI MALLIKARJUN KHARGE:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that counterfeit currency notes of ₹ 500 and ₹ 2000 denominations have seen significant increase as per RBI;

(b) if so, the details thereof;

(c) the quantum of fake currency detected during the last five years, year-wise;

(d) whether it is a fact that the demonetisation exercise in 2016 was done to achieve, among others, removal of fake currency from the system;

(e) if so, the reasons for its failure; and

(f) the annual percentage increase of fake ₹ 500/₹ 2000 notes since 2016?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): As per Reserve Bank of India (RBI), the details of counterfeit notes of ₹500 and ₹2000 denominations detected in the banking system during the last five years (FY 2017-18 to FY 2021-22) is as under:

Denomination (₹)	No. of pieces (April-March)				
	2017-18	2018-19	2019-20	2020-21	2021-22
500 (MG Series)	1,27,918	971	11	9	14
500 [MG (New) Series]	9,892	21,865	30,054	39,453	79,669
2000	17,929	21,847	17,020	8,798	13,604

(c): Data regarding counterfeit notes detected in the banking system as per RBI for the last five years is as under:

No. of pieces (April-March)				
2017-18	2018-19	2019-20	2020-21	2021-22
5,22,783	3,17,384	2,96,695	2,08,625	2,30,971

(d) & (e): The Government of India decided to cancel the Legal Tender Status of ₹1000 and ₹500 denomination currency notes on 8th November 2016 with several objectives – to eliminate black money, curb infusion and circulation of Fake Indian Currency Notes (FICN) and thereby to create deterrence to funding of terror and left-wing extremism, facilitate transition of India's non-formal economy to a formal economy and to give boost to digitisation of payments making India a less cash economy.

As reported by RBI, 7,62,072 pieces of counterfeit banknotes were detected in the banking system during 2016-17, 5,22,783 pieces in 2017-18, 3,17,384 pieces in 2018-19, 2,96,695 pieces in 2019-20, 2,08,625 in 2020-21 and 2,30,971 pieces in 2021-22. Hence, the data does not show a significant increase in detection of counterfeit currency.

(f): Data regarding the annual percentage increase of fake currency notes of denomination ₹500 and ₹2000 detected in the banking system are given below:

Denomination	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
500 (MG Series)	3,17,567	1,27,918	971	11	9	14
Percent Increase (%)	-	(-60)	(-99)	(-99)	(-18)	56
500 [MG (New) Series]	199	9,892	21,865	30,054	39,453	79,669
Percent Increase (%)	-	4871	121	37	31	102
2000	638	17,929	21,847	17,020	8,798	13,604
Percent Increase (%)	-	2710	22	(-22)	(-48)	55

(Figures in parentheses represent decline over the previous year)
