

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
RAJYA SABHA UNSTARRED QUESTION NO.694
TO BE ANSWERED ON 13.12.2022

Fake currency notes

694. Dr. Santanu Sen:

Will the Minister of Finance be pleased to state:

(a) whether as per an RTI reply, '0' number of 2,000 denomination currency notes were printed in 2019-20, 2020-21 and 2021-22, if so, the details thereof, and the reasons therefor;

(b) whether Government is aware of the fake currency notes in the country, if so, the details thereof;

(c) the number of fake notes seized and number of arrests made by Government, year-wise and State-wise in the last five years; and

(d) whether Government has taken any steps to control fake currency notes in the market, if so, the details thereof, and if not, the reasons therefor?

ANSWER

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

(a) Printing of bank notes of particular denomination is decided by the Government in consultation with Reserve Bank of India (RBI) to maintain desired denomination mix for facilitating transactional demand of public. As per RBI, no fresh indent has been placed with the presses for printing of ₹ 2000 denomination banknotes from 2018-19 onwards.

(b) & (c): As per RBI, the total number of counterfeit currency notes detected in the banking system for the FY 2021-22 stands at 2,30,971 pieces. As regarding seizures, the National Crime Records Bureau (NCRB) is the nodal agency, which compiles the data on crimes including the fake currency notes as reported to it by the States and the Union Territories, and publishes the same in its annual publication 'Crime in India'. The published reports are available till the year 2021 at <https://ncrb.gov.in/en/Crime-in-India-2021>.

“Police” and “Public Order” are State subjects as per the Seventh Schedule of the Constitution of India. State Police has the primary responsibility of prevention, detection, registration, investigation and prosecution of crimes including counterfeiting of currency.

(d) To contain the circulation of Fake Indian Currency Notes (FICN), Government of India had, inter alia, enacted the Unlawful Activities (Prevention) Act, 1967, formed National Investigation Agency (NIA) which is the nodal agency for investigation of high-quality FICN in India, constituted an FICN Coordination Group (FCORD) to share intelligence/information among the security agencies of the States/Centre and constituted a Terror Funding and Fake Currency (TFFC) Cell in the NIA to conduct focused investigation of terror funding and fake currency cases.

Further, a Joint Task Force is functioning between India and Bangladesh for building trust and cooperation for exchange of information and analysis of smugglers of FICN. A Memorandum of Understanding (MoU) has been signed between Indian and Bangladesh to prevent and counter smuggling and circulation of fake currency notes.

Government also conducts capacity building programmes for various law enforcement agencies at Centre/State level. In addition, training programmes are conducted for the police officials of Nepal and Bangladesh to sensitise them about smuggling/counterfeiting of Indian currency.

Reserve Bank of India had issued banknotes in all denominations in Mahatma Gandhi Series – 2005, with a new exploding numbering pattern in 2015. This security feature was maintained in the new Mahatma Gandhi series also. With these visible security features the general public can easily distinguish a counterfeit note from a genuine one. More than 90% of the counterfeit notes detected in the banking system were of low quality and none of the major security features were compromised. Details of security features of these notes are displayed on the RBI website for the general public.

RBI issues various instructions to banks on measures to safeguard against forged notes. RBI regularly conducts training programmes on detection of counterfeit notes for employees/officers of banks and other organisations handling large amount of cash. RBI has issued a Master Circular on detection and reporting of counterfeit notes, updated as on April 01, 2022 which is available in the public domain for wider dissemination of systems and procedure to be followed on detection of counterfeit notes.
