

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 2131
ANSWERED ON 08/08/2023

MISSING CURRENCY NOTES FROM INDIAN ECONOMY

2131. SMT. RANJEET RANJAN:
DR. AMEE YAJNIK:
SMT. PHULO DEVI NETAM:
SHRI K.C. VENUGOPAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware of media reports indicating the disappearance of ₹ 500 currency notes from the economy, if so, the details thereof;
- (b) the number of ₹ 500 currency notes that have gone missing from the Indian economy;
- (c) whether Government has implemented any additional measures to address the rising number of counterfeit ₹500 notes, considering the RBI's observation of a 14.4 per cent increase with 91,110 fake notes detected in 2022-23 compared to the previous year; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (b) Reserve Bank of India (RBI) has informed vide Press Release dated 17.06.2023 (https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55878) that it has come across reports circulating in certain sections of the media alleging missing banknotes printed by banknote printing presses. The RBI has clarified that these reports are not correct and that all the banknotes supplied from printing presses to RBI are properly accounted for. It has been further informed that there are robust systems in place for reconciliation of banknotes printed at the presses and supplied to RBI, which include protocols to monitor production, storage, and distribution of bank notes.

(c) & (d) To contain the circulation of Fake Indian Currency Notes (FICN), Government of India had, inter alia, enacted the Unlawful Activities (Prevention) Act, 1967, National Investigation Agency (NIA) has been made 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.

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

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

In 2015, RBI had issued banknotes in all denominations in Mahatma Gandhi Series - 2005, with a new exploding numbering pattern and other visible features. With visible security features, the general public can easily distinguish a counterfeit note from a genuine one. Details of security features of these notes are displayed on the RBI website for 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 counterfeit notes – detection, reporting & monitoring on April 03, 2023 which is available in the public domain for wider dissemination of systems and procedure to be followed on detection of counterfeit notes.
