

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
RAJYA SABHA UNSTARRED QUESTION NO. 2769  
TO BE ANSWERED ON 25.03.2025

**Counterfeit ₹ 500 notes**

2769. Shri Raghav Chadha:

Will the Minister of FINANCE be pleased to state:

- (a) whether reports indicate a 292 per cent surge in counterfeit ₹500 notes over the past five years, specific measures implemented to combat this alarming increase;
- (b) how effective these measures have been in curbing the circulation of fake currency;
- (c) initiatives undertaken to educate the public and businesses on identifying fake currency, and how these programs are evaluated for effectiveness; and
- (d) the challenges financial institutions face due to the rise in counterfeit currency, the support provided to banks and other entities to upgrade their detection technologies and training programs?

**ANSWER**

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

(a) to (d): No Sir. As per Reserve Bank of India (RBI), the data regarding the counterfeit notes of ₹500 denomination detected/reported in the banking system during last five years is as follows:

Denomination (₹)	2019-20	2020-21	2021-22	2022-23	2023-24
	(number of pieces)				
500 (MG Series)	11	9	14	6	11
500 [MG (New) Series]	30,054	39,453	79,669	91,110	85,711

Government of India and RBI take various measures, legislative as well as administrative, to improve detection & reporting of counterfeit notes by Banks and seizure of such banknotes by the law enforcement agencies to curb their circulation in the economy.

The measures implemented include penal provisions under Bharatiya Nyaya Sanhita, 2023 (BNS) & Unlawful Activities (Prevention) Act, 1967 as well as constitution of National Investigation Agency (NIA), FICN Coordination Group (FCORD) and Terror Funding & Fake Currency (TFFC) Cell.

Further, RBI conducts training programmes on detection of counterfeit notes for officials of banks, law enforcement agencies, customs authorities, organisations handling large amount of cash etc. on a regular basis. RBI also takes various initiatives to educate general public which include awareness programmes on the security features of the Indian banknotes to enable them to differentiate between genuine banknotes and counterfeit ones, display of information on design of banknotes and security features on its website and issuing instructions to Banks to do

the same at their branches for information of the public and issue of Master Circular on detection and reporting of counterfeit notes (last updated on April, 01 2024) for wider dissemination of information on systems and procedure to be followed on detection of counterfeit notes by the banks and branches.

To facilitate detection of Counterfeit Notes, all bank branches/ identified back offices and the currency chest branches are equipped with appropriate banknote sorting/ verification/ processing/ detection machines. RBI has also advised the Banks to deploy only such Note Sorting Machines (NSM) models that conform to the standards “Note Sorting Machines (NSM)- IS 18663:2024’ published in the Gazette of India on March 19, 2024 and duly certified by BIS, w.e.f. May, 2025. In order to address complaints regarding dispensation of counterfeit notes through ATMs and to curb circulation of counterfeit notes, the banks are advised to put in place adequate safeguards/ checks before loading ATMs with notes. The banks are also advised that dispensation of counterfeit notes through the ATMs would be construed as an attempt to circulate the counterfeit notes by the bank concerned.

As a result of the measures taken by the Government and RBI, the number of counterfeit notes detected in the banking system per one million pieces of Notes in Circulation (NIC) has come down significantly from 2.56 pieces in FY 2019-20 to 1.52 pieces in FY 2023-24.

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