

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 3949  
TO BE ANSWERED ON 10<sup>th</sup> AUGUST/ 19<sup>th</sup> SHRAVANA, 1940 (SAKA)

**DEVALUED CURRENCY**

**QUESTION**

3949. SHRI M.I. SHANAVAS :

Will the Minister of **FINANCE** be pleased to state :

- (a) whether among the devalued currency submitted to banks and detected/ seized by the authority that there is fake currency also;
- (b) if so, the details thereof and the percentage of fake currency detected;
- (c) whether the quantum/percentage of fake currency detected is higher than figures given by Indian Statistical Institute (ISI), Kolkata after a study conducted by them, if so, the details thereof; and
- (d) the action taken thereon?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI Pon. RADHAKRISHNAN)

(a) to (c) : As per data provided by National Crime Records Bureau (MHA), total number of counterfeit notes of denomination Rs.500/- and Rs.1000/- seized by Police during the period 09-11-2016 to 31-12-2016 are 15978 and 8270 respectively.

As per ISI, Kolkata estimation, the overall quantum of Fake Indian Currency Note (FICN) in the economy was around Rs.400 crores during 2011-12 to 2014-15 and overall rate of occurrence of FICN was estimated to be about 250 pieces per million. However, the actual proportion/ percentage of FICN detected in the banking system as per records available at RBI, is 22 pieces (approx.) per million notes in circulation, which is less than that estimated in the ISI, Kolkata report.

(d) : Intelligence and Security Agencies of Centre and States keep a close watch on the persons involved in the circulation of fake currency in the country and take action on any reported violation of law. The Government has taken various measures to check the smuggling and circulation of FICN into the country, which inter-alia, include :

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- (i)- The Unlawful Activities (Prevention) Act, 1967 criminalises the production or smuggling or circulation of High Quality FICN, coin or any other material as a terrorist act.
- (ii)- FICN Coordination Group (FCORD) has been formed by the Ministry of Home Affairs to share intelligence/ information among the different security agencies of the States/ Centre to counter the problem of circulation of FICN in the country. A Terror Funding and Fake Currency Cell (TFFC) has also been functioning in National Investigation Agency (NIA) to investigate terror funding and fake currency cases.
- (iii)- A Memorandum of Understanding has been signed between India and Bangladesh to prevent, and counter smuggling and circulation of FICN.
- (iv)- Strengthening the security at the international borders by using new surveillance technology, deploying additional manpower for round the clock surveillance, establishing observations posts along the international border, erection of border fencing and intensive patrolling.

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