

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA STARRED QUESTION NO.457  
TO BE ANSWERED ON 03.04.2023

**Fake Currency**

\*457. SHRI M. BADRUDDIN AJMAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that a large quantity of fake currency is in circulation in the markets of the country despite implementation of demonetization which causes difficulties to the citizens;
- (b) if so, the details thereof and the reasons therefor along with the preventive measures and the action taken by the Government to clean the market from fake currency;
- (c) the quantity of fake currencies seized after demonetization in the country, year-wise; and
- (d) the number of cases related to fake currency registered during the said period and action taken thereon?

ANSWER

FINANCE MINISTER

(SMT. NIRMALA SITHARAMAN)

- (a) to (d): A Statement is laid on the table of the House.

**STATEMENT REFFERED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 457 RAISED BY SHRI M. BADRUDDIN AJMAL, HON'BLE MEMBER OF PARLIAMENT TO BE ANSWERED ON 03.04.2023 REGARDING FAKE CURRENCY**

(a) No, Sir.

(b) to (d) As per National Crime Records Bureau (NCRB) data, the number of fake currency seized in year 2016 to 2021 are as follows:

Year	2016	2017	2018	2019	2020	2021
Number of pieces (in lakhs)	2.82	3.56	2.57	2.87	8.35	3.10

As per NCRB data, number of cases related to fake currency registered during the period is as under:

Year	2016	2017	2018	2019	2020
No. of FIRs registered	1,172	978	914	835	385

Further, the Directorate of Enforcement has taken up eight (08) cases for investigation under Prevention of Money Laundering Act, 2002 (PMLA) related to seizure of counterfeit currency of Rs. 84.32 crore by Law Enforcement Agencies. Necessary action as per provisions of PMLA has been taken.

In order 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 a neighbouring country for building trust and cooperation for exchange of information and analysis of smugglers of FICN. A Memorandum of Understanding (MoU) has been signed between India and the country 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 a few neighbouring countries to sensitise them about smuggling/counterfeiting of Indian currency.

In 2015, RBI had issued bank notes in all denominations in ‘Mahatma Gandhi Series–2005’ with a new numbering pattern and other visible security features. With visible security features, the general public can easily distinguish a counterfeit bank note from a genuine one. Details of security features of these notes are displayed on the RBI website for the general public.

RBI has issued various instructions to banks on measures to safeguard against counterfeit bank notes. Bank notes in denominations of ₹100 and above should be re-issued by banks over their counters or through ATMs only if these banknotes are duly checked for authenticity/ genuineness. A directive has been issued by RBI under the section 35A of the Banking Regulation Act, 1949 to all scheduled banks to curb circulation of counterfeit bank notes.

RBI regularly conducts training programmes on detection of counterfeit bank notes for employees/officers of banks and other organisations handling large amount of cash. Regional Offices of RBI participate in various awareness programmes where the members of public are made aware of the features of Indian banknotes and ways to identify genuine Indian banknotes. Posters, leaflets, etc. are also distributed in such awareness programmes.

RBI has issued a Master Circular on detection and reporting of counterfeit bank 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 bank notes.

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