

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA UNSTARRED QUESTION NO.4299
TO BE ANSWERED ON 27.03.2023

Counterfeit Currency

4299. DR. BEESETTI VENKATA SATYAVATHI:

Will the Minister of FINANCE be pleased to state:

(a) whether the value of fake Indian currency notes has reportedly gone up by leaps and bounds since demonetization in 2016 and if so, the details thereof and the reaction of the Government thereto;

(b) whether the value of fake currency seized has gone up from Rs. 28.10 crores in 2017 to Rs. 92.17 crores in 2020;

(c) if so, the details thereof and the reaction of the Government thereto;

(d) whether the circulation of fake currency in the country is reportedly going up and if so, the details thereof and reasons therefor;

(e) the details of fake currencies seized in 2021;

(f) whether the Government is taking any step to contain the circulation of the currency and if so, the details thereof; and

(g) the reasons for the decrease in the circulation of counterfeit bank notes from 762 lakhs in 2016-17 to 2108 lakhs in 2020-21?

ANSWER

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

(a) to (d) As per Reserve Bank of India (RBI), the value of counterfeit notes detected in the banking system has reduced from ₹43.47 crores in 2016-17 to ₹8.26 crores in 2021-22, as detailed below:

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Value (in ₹ crores)	43.47	23.35	8.24	7.48	5.45	8.26

As per National Crime Records Bureau (NCRB) data, the value of fake currency seized in the years 2017 and 2020 was ₹ 28.10 crores and ₹ 92.18 crores respectively.

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.

Reserve Bank of India had issued banknotes in all denominations in Mahatma Gandhi Series–2005. 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 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.

(e) As per NCRB, 2021 Report, a total of 3,10,080 fake currency worth ₹20,39,29,260 were seized during 2021.

(f) The actions taken by the Government to contain cash transactions are as follows:

- Digitalization of Economy
- Providing incentives/ facilities for electronic modes of payment
- Putting certain restrictions on cash transactions
- Measures for improving compliances

(g) As per RBI, the number of counterfeit banknotes detected in banking channel has come down from ₹7.62 lakhs pieces in 2016-17 to ₹2.09 lakhs pieces in 2020-21 post decision of the Government of India to withdraw the legal tender character of ₹1000 and ₹500 denomination currency notes on 8th November 2016. Government of India has taken several steps to contain the circulation of FICN as mentioned in (a) to (d) above.
