

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA UNSTARRED QUESTION NO. 3165
TO BE ANSWERED ON 15.03.2021

Currency Notes

3165. SHRI ANTO ANTONY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has evaluated the consequences of devaluation of currency notes and if so, the details thereof;
- (b) whether there is any decrease in the circulation of spurious currency notes into the Indian economy and if so, the details thereof;
- (c) the criteria for printing and circulation of new currency notes with new design and denomination; and
- (d) whether there is any scheme to attach microchips to high denomination currency notes and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR)

(a): Devaluation of the Indian Currency, as a policy measure by the Government of India, was last done in the year 1991. The devaluation, as indicated above, was that of the Indian Currency per se, and not that of the Indian Currency Notes.

Under the fixed exchange rate regime, as prevalent in 1991, the devaluation of the currency entailed downward adjustment in the value of the Indian Rupee, against the US Dollar, in two successive steps on July 1st and 3rd, respectively.

Since 1993, the exchange rate regime in India is market-determined, whereby the Indian Rupee appreciates or depreciates with respect to the US Dollar or any other foreign currency due to its demand or supply in the foreign exchange market.

(b): As per the information furnished by the Reserve Bank of India (RBI), the counterfeit notes detected in the banking sector during 2017-18, 2018-19 and 2019-20 are 522783, 317384 and 296695 pieces, respectively. As per National Crime Records Bureau (NCRB), Ministry of Home Affairs number of counterfeit Currency seized during the years 2018, 2019 and 2020 are 261860, 219938 and 834947 pieces respectively.

(c): In terms of the section 25 of the Reserve Bank of India Act, 1934, the design, form and material of bank notes shall be such as may be approved by the Central Government after consideration of the recommendations made by the Central Board of RBI. Central banks change the design of the bank notes and introduce new security features primarily to make counterfeiting difficult and to stay ahead of counterfeiters. India also follows the same policy. Accordingly, RBI in consultation with Government of India, reviews the design and security features of Indian banknotes from time to time and introduces banknotes with new design and security features.

(d): There is no such scheme.
