

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA UNSTARRED QUESTION NO. 2461
TO BE ANSWERED ON 01.08.2022

Fake Currency Notes

2461: SHRIMATI RANJANBEN DHANANJAY BHATT:

Will the Minister of Finance be pleased to state:

- (a) whether the number of fake currency notes of Rs. 2000 is increasing day by day;
- (b) if so, whether the Government proposes to take any stringent and effective steps to curb these incidences; and
- (c) if so, the details thereof along with the time by which the said steps are likely to be taken and if not, the reasons therefor?

ANSWER

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

(a): The number of fake currency notes of ₹2000 denomination detected in the banking system decreased from 2018-19 till 2020-21. In 2021-22, the number of fake currency notes of ₹2000 denomination detected in the banking system was 13,604 pieces which is 0.000635 % of the total number of banknotes of ₹2000 denomination in circulation.

The number of fake currency notes seized in the country as per NCRB data has increased between 2018 and 2020 (the last date for which published data is available). The data on total fake currency notes of ₹2000 denomination seized in the country from 2016 till 2020 is placed below:

Denomination (₹)	No. of pieces				
	2016	2017	2018	2019	2020
2000	2,272	74,898	54,776	90,566	2,44,834

(b) & (c): 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 Bangladesh for building trust and cooperation for exchange of information and analysis of smugglers of FICN. A Memorandum of Understanding (MoU) has been signed between Indian and Bangladesh 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 Nepal and Bangladesh 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 a new exploding numbering pattern in 2015. With these visible security features the general public can easily distinguish a counterfeit note from a genuine one. More than 90% of the counterfeit notes detected in the banking system were of low quality and none of the major security features were compromised. 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.
