

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA UNSTARRED QUESTION NO. 5895
TO BE ANSWERED ON MARCH 30, 2026 / CHAITRA 09, 1948 (SAKA)

Counterfeit Currency

5895. Dr. M K Vishnu Prasad

Will the Minister of FINANCE be pleased to state:

- (a) the total value of counterfeit currency detected during the last five years, year-wise;
- (b) the mechanism in place to strengthen the system and prevent the circulation of counterfeit currency; and
- (c) whether banks are adequately equipped with currency verification machines, especially in rural branches, if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a): As per the Reserve Bank of India (RBI), the details of counterfeit currency notes detected / reported in the banking system during the last five years are as under:

Financial Year	2020-21	2021-22	2022-23	2023-24	2024-25
Value (₹)	5,44,93,625	8,25,75,565	7,93,86,135	10,80,67,495	7,81,23,315

Note: The above data does not include counterfeit notes seized by police and other law enforcement agencies.

The details of counterfeit currency notes seized, as reported by the Ministry of Home Affairs (MHA), are as under:

Year	2019	2020	2021	2022	2023
Value (₹)	34,70,70,186	17,99,37,446	20,39,27,660	3,82,53,70,610	16,76,22,500

(b): In order to contain the circulation of Fake Indian Currency Notes (FICN), Government of India and Reserve Bank of India (RBI) has taken the following steps:

Government of India:

- i. Offences related to FICN are covered under sections 178 to 188 of Chapter X of Bhartiya Nyaya Sanhita, 2023, with maximum punishment being life imprisonment. Also, the production or smuggling or circulation of high quality FICN has been made a terrorist act under the Unlawful Activities (Prevention) Act, 1967.
- ii. An FICN coordination centre exists to share intelligence / information amongst the security agencies of the States / Centre to curb the circulation of counterfeit currencies in the country.
- iii. National Investigation Agency (NIA) has been made the nodal agency for investigation of high-quality FICN cases in India. Further, NIA has conducted capacity building programmes of various Law Enforcement Agencies (LEAs) at the Central and State level to deal with FICN smuggling.
- iv. A Terror Funding and Fake Currency (TFFC) Cell has been constituted in the NIA to conduct focused investigation of terror funding and fake currency cases.

Reserve Bank of India:

i. Incorporating new security features /new designs in the banknotes:

- A. Mahatma Gandhi Series - 2005 banknotes were issued with new security features in all denominations during the year 2005-06. Subsequently in 2015, a new exploding numbering pattern was introduced.
- B. Further, upon withdrawal of legal tender character of banknotes in the denomination of ₹500 and ₹1000 issued till November 8, 2016, RBI introduced new design and issued ₹2000, ₹500, ₹200, ₹100, ₹50, ₹20, and ₹10 denomination banknotes in Mahatma Gandhi (New) Series. Details of the same are displayed on the RBI website for the general public.

ii. Instructions to banks:

- A. RBI has issued a Master Direction on counterfeit notes - detection, reporting & monitoring on April 01, 2025, which is available in the public domain for wider dissemination of systems and procedure to be followed on detection of counterfeit notes.
- B. RBI has issued instructions to banks under Section 35A of Banking Regulation Act, 1949, that banknotes in denominations of ₹100/- and above should be re-issued over their counters or through ATMs only if these banknotes are duly checked for authenticity / genuineness and fitness by machines. The banks should re-align their cash management in a manner so as to ensure that cash receipts in denomination of ₹100 and above are not put into re-circulation without the notes being machine processed for authenticity. In order to obviate complaints regarding receipt of counterfeit notes through ATMs and to curb circulation of counterfeit notes, it is imperative for banks to put in place adequate safeguards/checks before loading ATMs with notes. The banks have also been advised that dispensation of counterfeit notes through the ATMs would be construed as an attempt to circulate the counterfeit notes by the bank concerned.

iii. Awareness Campaigns:

- A. RBI regularly conducts training programmes on detection of counterfeit notes for officials of banks and law enforcement agencies. RBI's website provides information to the public on security features of banknotes. Banks are also advised to display Posters on Know Your Banknotes at bank branches.
- B. 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.

- iv. In order to improve detection/ reporting of counterfeit notes in the banking system, a centralised reporting of counterfeit note data by FNV Cells and inspection of FNV Cells of select banks have been introduced in January 2024.

(c): Reserve Bank of India's Master Direction on Counterfeit Notes, 2025 – Detection, Reporting and Monitoring dated April 01, 2025, mandates all bank branches to be equipped with Note Sorting / Authentication Machines to facilitate detection of counterfeit notes.
