

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1793
ANSWERED ON:07.03.2000
FAKE CURRENCY
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Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether the Government have made any study regarding induction of fake currency into the economy deliberately by foreign sources;
- (b) if so, the details thereof; and
- (c) whether specific responsibility has been given to any enforcement wings to watch, monitor and study the pattern of circulating fake currency in the country; and
- (d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI I.D.SWAMI)

(a)&(b): Available information indicates that fake Indian currency notes are being clandestinely inducted into the country from across the Indo-Pak border and Indo-Nepal border, besides being fabricated in India through a variety of techniques involving the use of printing presses, colour photo-copiers, scanners and colour printers. Government is also aware of the sinister designs of the ISI of Pakistan to destabilise the economy of the country.

(c)&(d): `Public Order` and `Police` are State subject as per the Constitution of India. The registration, investigation, detection and prevention of crimes is primarily the responsibility of the State Governments. Counterfeiting currency-notes, using as genuine forged or counterfeit currency notes, possession of forged or counterfeit currency notes, making or possessing machinery, instruments or material for forging or counterfeiting currency notes and making or using documents resembling currency notes are all offences under the India Penal Code.

The Central Bureau of Investigation has created a Special unit for exclusive investigation of counterfeit currency notes. The Border Security Force has alerted its forward troops to be more vigilant so as to ensure that such currency notes are not smuggled into the country.

The following steps have been taken by the Ministry of Finance to deal with the problem of fake currency:

- (i) A High level Committee has been constituted, with representation from the Department of Economic Affairs, Reserve Bank of India, Ministry of Home Affairs/National Security Council Secretariat(NSCS), to go into the entire gamut of issues pertaining to the security dimension of Indian currency.
- (ii) Currency and Coinage Division has set up a six-member Fact Finding Committee under the convenorship of Shri V.R.Gaikwad, Dy. General Manager, RBI, comprising experts on note-printing/currency paper, etc. for examining the fake notes seized in the past in order to enable the Government to take remedial action vis-À-vis printing and security features.
- (iii) RBI has been advised to go in for a publicity campaign about security features incorporated in the genuine notes so that the members of the public may distinguish between genuine and fake notes.