

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:397
ANSWERED ON:20.11.2009
FAKE CURRENCY NOTES
Ramasubbu Shri S.,Rathod Shri Ramesh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Naik Committee set up to assess the menace of fake currency has submitted its Report;
- (b) if so, the details of the recommendations made and the action taken/being taken thereon;
- (c) whether the fake currency notes are still in circulation,causing alarm;
- (d) if so, the details thereof;
- (e) the details of the complaints received,detection/seizure, prosecution and convictions made during each of the last three years and the current year till date, bank-wise and location-wise in this regard;
- (f) the action taken so far against the persons responsible; and
- (g) the steps being taken to curb the circulation of fake notes in a time bound manner?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Naik Committee was set up by the Reserve Bank of India in 1988 to go into the dynamics of currency management.The Committee did not make any study of fake notes,

(c) to (f): As per the information furnished by National Crime Records Bureau (NCRB), the total number of counterfeit currency notes recovered and seized during last three years are as follows:

Year	Denomination					
	Rs.1000	Rs.500	Rs.100	Rs.50	Rs.20	Rs.10
2006	19,606	81,399	2,20,419	30,570	1,392	3,653
2007	21,130	1,22,858	2,23,505	19,778	834	349
2008	59,631	3,49,380	2,20,233	31,257	604	269
2009	28,916	1,64,252	1,25,856	10,370	438	149

(upto 30.9.09)

The Reserve Bank of India has informed that the information on prosecutions and convictions made bank-wise and location-wise is not maintained. NCRB has also stated that this type of information is not available with them.

(g): The steps taken by the Government to curb circulation of Fake Indian Currency Notes (FICN) in the country include stepping up of vigilance by the Border Security Force and Custom authorities to prevent smuggling of fake notes; dissemination of information on security features through print and electronic media and formation of Forged Note Vigilance Cells in all the Head Offices of the banks. Additional security features have also been incorporated in the bank notes in 2005 to make counterfeiting very difficult. To strengthen the security of bank notes further, incorporation of latest security features is underway. A High Level Committee headed by the Union Home Secretary comprising officials from central agencies and other senior police officials has been constituted to monitor and draw a comprehensive strategy to combat FICN. Similar bodies have also been set up in the States. In addition. Government of India have

nominated the Central Bureau of Investigation as the Nodal Agency to monitor investigation of fake currency note cases. The RBI has also strengthened the mechanism for detection of counterfeit notes by the Banks.