

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1576

ANSWERED ON:05.03.2010

FAKE CURRENCY

Aaron Rashid Shri J.M.;Rao Shri Sambasiva Rayapati

Will the Minister of FINANCE be pleased to state:

(a) the total amount of counterfeit money in circulation in India as on date;

(b) whether Government has asked or proposes to ask the European Union (Supplier of currency note paper) to keep vigil in importers of currency related printing paper and ink, based in Pakistan;

(c) if so, the details/response thereof; and

(d) the other steps being taken by the Government to counter this menace including reducing the external dependence on security paper by increasing indigenous production and sharing of intelligence?

Answer

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

(a): No estimates are available of fake currency notes in circulation. However, as per the information furnished by National Crime Record Bureau (NCRB), the details of total number of fake notes seized/recovered and its value for the last three years are as under:

Year Total (no. Of pieces) Total Value (in rupees)

2007 3,87,569 10,54,23,325

2008 6,61,759 25,81,41,492

2009 5,90,675 22,39,47,152

The figures are provisional.

(b) & (c): The European Union does not supply bank note paper to India.

(d): 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.

For increasing indigenous production of bank note paper, projects for setting up three new production lines with annual capacity of 16000 metric tones have already been sanctioned.