

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2806

ANSWERED ON:26.11.2010

FAKE CURRENCY

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Will the Minister of FINANCE be pleased to state:

(a) whether transactions in fake Indian currency notes showed a whopping 250 per cent growth during the last fiscal year as compared to 2008-09 with such transactions mostly being detected in private sector banks;

(b) if so, the details thereof;

(c) whether Financial Intelligence Unit (FIU) has detected the role of private banks in the circulation of fake Indian currency and if so, the details thereof; and

(d) the measures taken to check smuggling of fake Indian currency into the country ?

Answer

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

(a)&(b): No, Sir.

(c): FIU has no information about any role of Private Banks in the circulation of fake Indian Currency Notes.

(d): The steps taken by the Government to curb circulation of 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.