

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5790  
ANSWERED ON:11.05.2012  
FAKE CURRENCY  
Swamygowda Shri N Cheluvarya Swamy

**Will the Minister of FINANCE be pleased to state:**

- (a) whether a marked increase in transactions in fake Indian currency notes particularly in private sector banks is reported during the last financial year as compared to previous three years;
- (b) if so, the details thereof, bank-wise and year-wise;
- (c) whether Financial Intelligence Unit (FIU) has detected any role of private banks in the circulation of fake Indian currency;
- (d) if so, the details thereof; and
- (e) the measures taken to check smuggling of fake Indian currency into the country and steps taken to educate the citizens to distinguish between fake and the genuine currency?

**Answer**

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

- (a) & (b): As per the information furnished by Reserve Bank of India, bank-wise data on counterfeits detected by private sector banks for last 3 years is given in Annexure.
- (c): No, Sir.
- (d): Does not arise.
- (e): To address the multi-dimensional aspects of the FICN menace, several agencies such as the RBI, Ministry of Finance, Ministry of Home Affairs, Security and Intelligence Agencies of the Centre and States, Central Bureau of Investigation (CBI) etc., are working in tandem, to thwart the illegal activities related to RCNs. The work of these agencies is periodically reviewed by a nodal group (FCORD) set up for this purpose. FCORD (FICN Coordination Cell) coordinates/share all available information/ intelligence and analysis on circulation/smuggling of FICN in the world. At the functional level, the CBI has been declared as the nodal agency for coordination with the States and the Directorate General of Revenue Intelligence has been nominated as the Lead Intelligence Agency for the purpose. National Investigation Agency has been empowered by National Investigation Agency Act to investigate and prosecute such offences to deal with this menace. The Government has also constituted a Terror Funding and Fake Currency Cell (TFFC) in NIA in 2010 to focus on investigation of Terror Funding and Fake Currency Cases. Further, RBI has informed that they have launched a multimedia, multi lingual awareness campaign, initially through Doordarshan channels from August 15, 2010. The 60 second film is titled 'Paisa Bolta Hat' and is being shown in Hindi and eleven other languages. The film's message to the common man is to form a habit of examining the banknotes. In the Monetary Policy Statement 2012-13 it has been announced that the IBA, in consultation with the banks, will ensure that all bank personnel handling cash are trained on features of genuine Indian bank notes with the objective to train all such personnel within a period of 3 years. The Reserve Bank will also provide faculty support and training materials. In the Monetary Policy Statement 2012-13 the banks are advised to ensure that the notes received over the counters are re-circulated only after ensuring their proper authentication through machines; and to streamline their system in a manner which will make them bear the risk of counterfeit bank notes rather than the common man who unknowingly comes in possession of such notes.