

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:811
ANSWERED ON:01.03.2013
MECHANISM TO DETECT FAKE CURRENCY
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to assess the volume of fake currency in the country and if so, the details thereof;
- (b) if not, the reasons therefor;
- (c) the details of mechanisms put in place by Reserve Bank of India (RBI) to detect fake/counterfeit notes and the outcome of such mechanism during the last three years and the current year; and
- (d) the measures taken/ being taken/by the Government to rid the economy of counterfeit currency notes?

Answer

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

(a & b) : As per information furnished by the National Crime Records Bureau, MHA, the details of the volume of fake currency seized and recovered in the last three years is as below:

Year	Number of pieces	Value (in rupees)
2010	6,22,231	27,82,44,739
2011	5,56,217	25,78,01,926
2012	5,23,963	25,54,14,088

(c) : To check the menace of counterfeiting of banknotes, the Reserve Bank of India has initiated several measures. Some of the steps taken in this regard are as follows:

- 1) Incorporating new security features /new designs in the banknotes to stay ahead of the counterfeiters is an ongoing process. New security features were added to banknotes in all denominations during the year 2005-2006.
- 2) Instructions have been issued to banks to disburse only sorted and genuine notes through their counters / ATMs.
- 3) RBI regularly conducts training programmes on detection of counterfeit notes for employees / officers of banks and other organisations handling large amount of cash. The Reserve Bank's website provides information to the public on security features of banknotes. Posters on 'Know Your Banknotes' are also displayed at bank branches. A film depicting the security features of a genuine note has been made by Films Division and the same has been released in theatres besides being exhibited by Regional Offices of RBI at various exhibitions, bus stations / railway stations.
- 4) RBI has instructed all scheduled banks that banknotes in the denomination of Rs. 100/- and above should be re-issued by banks over their counters or through ATMs only if these banknotes are duly checked for authenticity/ genuineness and fitness by machines.
- 5) RBI has also launched a multimedia, multilingual awareness campaign through Doordarshan. The 60 second film is titled "Paisa Bolta Hai" 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.
- 6) All cases of detection of counterfeit notes at the bank branches/ treasuries are required to be promptly reported to Police Authorities.
- 7) In the Monetary Policy Statement 2012-13, it has been announced that the Indian Banks Association, 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.
- 8) The Deputy Governor (looking after the affairs of Currency Management) has taken one-to-one meetings with the Chairmen/Managing Directors of banks to sensitize them on the problems relating to counterfeit notes. As of now, meetings have been held with 24 banks.

(d) : The Ministry of Home Affairs (MHA) has informed that to address the multi-dimensional aspects of the Fake Indian Currency Notes (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 FICNs. The work of these agencies is periodically reviewed by a nodal group set up for this purpose. Further, one special FICN Coordination (FCORD) Group has been formed in the Ministry of Home Affairs to share the intelligence/information amongst the different security agencies of State/Centre to counter the menace of circulation of Fake currency notes in the country. National Investigation Agency (NIA) has been empowered by NIA Act to investigate and prosecute offences relating to FICN. The Government has also constituted a Terror Funding and Fake Currency Cell (TFFC) in NIA to focus investigation on Terror Funding and Fake Currency cases. MHA has further informed that the legal regime has been further strengthened by way of recent amendments in the Unlawful Activities (Prevention) Act, 1967 wherein the damage to the monetary stability of India by way of production or smuggling or circulation of High Quality Fake Indian Paper Currency, coin or any other material has been declared as 'terrorist act'.