

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:363

ANSWERED ON:22.03.2013

COUNTERFEIT NOTES

Patel Shri Kishanbhai Vestabhai;Yaskhi Shri Madhu Goud

Will the Minister of FINANCE be pleased to state:

- (a) the capacity and the target fixed along with the actual production of Indian currency at Currency Note Press (CNP), Nashik during the financial year 2012-13;
- (b) whether a state of art technology is deployed for printing of notes in CNP and if so, the details thereof;
- (c) whether counterfeit notes are still changing hands in transactions ; and
- (d) if so, the reasons therefor and the efforts being made to check the menace of counterfeiting of notes?

Answer

MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

(a)to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 363 BY SHRI MADHU GOUD YASKHI AND SHRI KISHNBHAI V. PATEL TO BE ANSWERED ON 22ND MARCH 2013 REGARDING COUNTERFEIT NOTES

(a) : The production capacity of banknotes by Currency Note Press (CNP), Nashik is 4400 million pieces (mpcs) per annum. An initial target of production of 4360 mpcs by CNP, Nashik was fixed for the financial year 2012-13. This was subsequently revised to 4800 mpcs. The actual production by CNP, Nashik as on 16 March 2013 is 4596 mpcs.

(b) : The following state-of-art technology machines are being used at CNP, Nashik:

- i) One Computer to Off-set Plate making (CToP) machine is used for making of dry off-set printing plates.
- ii) One number of Bank Note Processing System (BPS-2000) is used for sorting fit (good) notes and unfit (spoil) notes.
- iii) One number of online inspection system at Intaglio Printing machine is used for detection of printing errors.
- iv) Three number of Electronic Numbering Control System (ENC) is used for eliminating wrong numbering.

(c & d) : As per National Crime Records Bureau, Ministry of Home Affairs report, 523963 pieces of Fake Indian Currency Notes were recovered and seized during the year 2012. The Ministry of Home Affairs (MHA) has informed that to address the multi-dimensional aspects of the menace of Fake Indian Currency Notes (FICN), 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 on investigation of 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 FICN, coin or any other material has been declared as 'terrorist act'.

To check the menace of counterfeiting of banknotes, the Reserve Bank of India has taken the following initiatives :

- i) New security features were added to banknotes in all denominations during the year 2005-2006.
- ii) Instructions have been issued to banks to disburse only sorted and genuine notes through their counters / ATMs.
- iii) 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.

iv) 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.

v) 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.

vi) Cases of detection of counterfeit notes at the bank branches/ treasuries are required to be promptly reported to Police Authorities.