

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2919

ANSWERED ON:27.08.2013

CIRCULATION OF FAKE CURRENCY

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Will the Minister of HOME AFFAIRS be pleased to state:

- (a) the details of Fake Indian Currency Notes (FICNs) seized during each of the last three years and the current year, State-wise;
- (b) whether the Government has made any efforts to ascertain the source of such currency notes;
- (c) if so, the details thereof;
- (d) whether evidence has been found regarding the use of fake/counterfeit currency in funding terrorism and organised crimes in the country; and
- (e) if so, the details thereof and the steps taken by the Government to check the circulation and use of such currency in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI R. P. N. SINGH)

(a): As per the statistics maintained by NCRB, the State/UT-wise number of cases reported and quantum of fake currency seized during each of the last three years 2010, 2011, 2012 and the current year (upto 30.6.2013) are as per Annexure A, A-I, A-II and A-III.

(b) & (c): Yes Madam. As per available inputs from Central Intelligence and Investigating Agencies, Pakistan is the source of printing, transshipment/smuggling and circulation of FICN via Bangladesh, Nepal, Sri Lanka, Thailand, Malaysia and UAE.

(d) & (e): The inputs from Intelligence and Investigating agencies has revealed the use of FICN as a source of terror financing in India. Out of the 11 cases being investigated by NIA in one case evidence has come on record that fake currency was being used to fund terrorism. During the investigation of the case pertaining to the activities of David Coleman Headley and others, it was revealed that Fake Indian Currency Notes were given to him for using these in India.

Out of the 32 cases being investigated by CBI during the last three years i.e. 2010, 2011, 2012 and the current year (upto 30.06.2013), the involvement of organized criminals syndicates in trafficking and circulation of FICN has been evidenced in two cases.

To address the multidimensional aspects of the Fake Indian Currency Notes (FICN) menace, several agencies such as the RBI, the Ministry of Finance, Ministry of Home affairs, Security and intelligence agencies of the Centre and States and CBI are working in tandem to thwart the illegal activities related to FICNs.

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`.

Further, one special FICN Co- ordination (FCORD) Group has been formed in MHA 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.

CBI & NIA have been declared as lead agencies for investigation of FICN cases. NIA has been empowered by NIA Act, 2008 to investigate & prosecute offences relating to FICN. The Government has also constituted a Terror Funding & Fake Currency Cell in NIA to investigate Terror Funding and Fake Currency cases. Directorate Revenue Intelligence (DRI) is the lead Intelligence Agency for smuggled FICNs.

The security features in the High Value currency notes are being constantly upgraded by Ministry of Finance. RBI has also strengthened the mechanism for detection of counterfeit notes by the Banks.