

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2154
ANSWERED ON:10.03.2015
SMUGGLING OF FAKE CURRENCIES
Ahlawat Smt. Santosh;Kumar Dr. Virendra

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) the number of cases of circulation of Fake Indian Currency Notes (FICN) reported along with the quantum of FICN seized and persons arrested in this regard during the last three years and the current year, State/UT-wise;
- (b) whether there are reports of nexus between terrorists funding and FICN in the country;
- (c) if so, the details thereof and the reaction of the Government thereto;
- (d) the names of countries from which the FICN is being smuggled into the country; and
- (e) the measures taken by the Government to check smuggling and circulation of FICN?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI HARIBHAI PARATHIBHAI CHAUDHARY)

(a): As per the statistics maintained by the National Crime Record Bureau (NCRB), the State/UT-wise details of Fake Indian Currency notes (FICN) recovered and seized in the country and the number of accused arrested during the last three years i.e. 2012, 2013, 2014 are as per Annexure A, B, & C.

(b) & (c): Out of the 11 cases being investigated by NIA involving production, circulation and smuggling of high quality counterfeit currency, 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 use in India.

(d) & (e): As per the available inputs, high quality Fake Indian Currency Notes printed in Pakistan are being smuggled into the country from neighbouring countries by creating a self-sustaining criminal network in the South and South East Asian Region via Nepal, Bangladesh, Thailand, Malaysia, Sri Lanka and UAE.

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 State, 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 Coordination Centre (FCORD) 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 counterfeit currency notes. This group also coordinates all the matters relating to intelligence collection and collation in India and abroad for the member agencies.

The CBI and the NIA are the central agencies for investigation of FICN cases. A Terror Funding and Fake Currency Cell is functioning in NIA to focus on terror funding and fake currency cases. Further a simplified mechanism for reporting and filing of FIR in FICN cases has been put in place. The Ministry of Home Affairs has issued advisories to the law enforcement agencies of the states, Central Armed Police Forces, Ministry of Civil Aviation and the Bureau of Civil Aviation Security to augment the security arrangements and to adopt effective counter measures against the menace of FICN.

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. RBI has undertaken awareness campaign by running educational programmes for the public and by organising training programmes for the employees of banks and other organisations handling large amount of cash.