

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA**

**UNSTARRED QUESTION NO. 102**

**TO BE ANSWERED ON 15<sup>th</sup> DECEMBER, 2017/24<sup>TH</sup> AGRAYAHANA SAKA, 1939**

**Circulation of Fake Notes**

**102. SHRI ADHALRAO PATIL SHIVAJIRAO:  
SHRI ANANDRAO ADSUL:  
DR. PRITAM GOPINATH MUNDE:  
SHRI ANTO ANTONY:**

**QUESTION**

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

- (a) whether the Union Government has ascertained circulation of fake notes especially since demonetisation;
- (b) if so, the details of percentage of fake notes in circulation along with the value of fake notes detected after demonetisation till date;
- (c) whether there is a decline of about 2 per cent of GDP due to demonetisation and if so, the details thereof; and
- (d) the steps taken by the Government in this regard?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI P. RADHAKRISHNAN)**

(a) & (b): The data available from the National Crime Records Bureau indicates that the number of Fake Indian Currency notes (FICNs) as seized by State/UT Police for the period from 9.11.2016 to 30.11.2017 is 3,21,283 pcs having a value of Rs. 18,70,39,071. No high quality counterfeit new currency notes have been seized by any agency so far.

(c): The overall economic growth of the Indian economy is dependent on many factors that, inter-alia, include the rate of capital formation and savings, utilization of technology, availability of infrastructure, efficiency of resource allocation, quality of institutions, governance and the policy framework in place, money supply and degree of financial development. It is difficult to pin-point the impact of demonetization on the economy via its impact on the aforesaid factors.

Economic Survey 2016-17, presented to the Parliament in January 2017, mentioned that demonetisation had temporarily affected real GDP and part of economic activity. The Real GDP Growth has shown a revival in 2017-18: Q2 registering a growth rate of 6.3 per cent from a growth rate of 5.7 per cent in 2017-18: Q1.

(d): The Government of India has taken measures to boost real GDP growth. Some of the key initiatives taken in this regard are:

- i. Government's push to infrastructure development by giving infrastructure status to affordable housing, higher allocation to highway construction and focus on coastal connectivity.
- ii. Implementation of Goods and Service Tax (GST) to integrate the country in to a single market.
- iii. Enactment of Insolvency and Bankruptcy Code, 2016 to consolidate existing framework into a single law.
- iv. Recapitalisation of public sector banks (PSBs) with ₹2.11 trillion to address balance sheet problems.
- v. Universal Electrification program being taken to provide last mile connectivity and electricity connections to all remaining un-electrified households.
- vi. Increased public expenditure on infrastructure with special thrust on key development sectors including rural roads, railways, highways and digital infrastructure.

