

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
RAJYA SABHA UNSTARRED QUESTION NO. 1010  
TO BE ANSWERED ON 07.12.2021

Reduction in fake currency due to demonetisation

1010.SHRI KUMAR KETKAR:

Will the Minister of FINANCE

be pleased to state:

- (a) whether the Prime Minister or some other Union Minister had announced that demonetisation would lead to reduction in fake currency in the country;
- (b) if so, whether fake currency seizures have increased from ₹ 15.92 crores in the year 2016 to ₹ 92.17 crores in the year 2020;
- (c) if not, the correct details of the fake currency seizures in the last five years; and
- (d) whether demonetisation failed in curbing the menace of fake currency?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PANKAJ CHAUDHARY)

(a): The Gazette Notification of 8<sup>th</sup> November, 2016, notifying cessation of legal tender status for specified bank notes, states that “ it has been found to be difficult to easily identify genuine bank notes from the fake ones and that the use of fake currency notes is causing adverse effect to the economy of the country.”

(b) & (c): As per Ministry of Home Affairs, the National Crime Record Bureau (NCRB) compiles the data on Fake Indian Currency Notes (FICN) as reported to it by States and Union Territories and publishes the same in its annual publication ‘Crime in India’. As per the data published by NCRB in its publication for the last five years i.e. 2016, 2017, 2018, 2019 and 2020 are given in table below:

Year	Total Value of FICN seized (in Rs.)
2016	15,92,50,181
2017	28,10,19,294
2018	17,95,36,992
2019	25,39,09,130
2020	92,17,80,480

(d): As per annual reports of RBI, 7,62,072 pieces of counterfeit bank notes were detected in the Banking System during 2016-17; 5,22,783 pcs. in 2017-18; 3,17,384 pcs. in 2018-19; 2,96,695 pcs. in 2019-20 and 2,08,625 pcs. in 2020-21. Therefore, there is discernable trend of reduction in number of counterfeit banknotes detected in the Banking System.