

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA  
STARRED QUESTION NO.68

TO BE ANSWERED ON 14<sup>th</sup> December, 2018 / 23<sup>rd</sup> AGRAHAYANA, SAKA, 1940.

**DEMONETISATION**

\* 68. SHRI ADHALRAO PATIL SHIVAJIRAO; SHRI DHARMENDRA YADAV :

QUESTION

Will the Minister of FINANCE be pleased to state :

- (a) whether the Reserve Bank of India (RBI) rejected two key justifications of demonetisation i.e. curbing black money and counterfeit notes while giving its approval to this decision;
- (b) if so, details thereof and the reaction of the Government thereto;
- (c) whether the Government had estimated Rs. 400 crore counterfeit currency of denomination of Rs. 1000 and Rs. 500 in circulation;
- (d) if so, the details thereof; and
- (e) the quantum of counterfeit notes that were detected after demonetisation till October, 2018 and the fate/manner of disposal of the fake currency impounded as a result thereof ?

ANSWER

**MINISTRY OF FINANCE**

**(SHRI ARUN JAITLEY)**

(a) to (e) : A Statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 68 RAISED BY SHRI ADHALRAO PATIL SHIVAJIRAO; SHRI DHARMENDRA YADAV, HON'BLE MEMBER OF PARLIAMENT TO BE ANSWERED ON 14.12.2018 REGARDING DEMONETISATION

(a) and (b) : No Sir. RBI's Central Board passed a resolution supporting two key justifications of demonetisation i.e. curbing black money and counterfeit notes.

(c) & (d) : As per a study done by the Indian Statistical Institute, Kolkata in year 2016 counterfeit currency worth Rs.411 Crores of denomination of Rs. 1000 and Rs. 500 were in circulation in 2014-15.

(e) : A total of Rs. 29.47 crore of counterfeit/ fake Notes have been reported to have been detected and seized between 9/11/2016 to 30/6/2018 (after demonetisation). However, no high quality fake /counterfeit note of Rs. 500 and Rs. 2000 has been detected after demonetisation. On detection of counterfeit Notes, the bank authorities report to the local police authorities for investigation and taking further necessary action. All Counterfeit Notes received back from the police authorities (when investigation has been completed and they are no more required for any purpose) / courts are carefully preserved in the safe custody of the bank and a record thereof is maintained by the branch concerned. The counterfeit Notes are preserved for a period of three years from the date of receipt from the police authorities and thereafter sent to the Issue Office of Reserve Bank of India concerned with full details. Counterfeit Notes, which are the subject matter of litigation in the court of law are preserved with the branch concerned for three years after conclusion of the court case. In RBI, the notes are disposed off in due course after following the prescribed procedure.

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