



July 31, 2009

RBI Clarification on Forged Notes

Some newspapers have been erroneously quoting Nayak Committee report for estimates of forged currency notes in circulation in India.

The Reserve Bank clarifies that:

There is no estimate of forged notes in circulation by any agency. The Nayak Committee, which was set up in 1988, to go into the dynamics of currency management had, in its report, estimated the value of notes in circulation (genuine notes) in the year 2000 at Rs.1,69,000 crore. The Nayak Committee did not make any study of fake notes and did not give any figure relating to such notes.

According to data released by the Reserve Bank of India, the forged notes detected by the banking system, including the Reserve Bank, in 2007-2008 was four notes in one million notes in circulation. The forged notes detected by the banking system, including the Reserve Bank in 2007-2008 were 1,95,811 (one ninety five thousand eight hundred eleven) as against 44,225 million (forty four thousand two hundred twenty five million) note pieces in circulation. The data released by the Reserve Bank in its Annual Report every year for the past eight years indicate that the forged notes detected to total notes in circulation in India has been between three and six notes per million since 2000-2001.

Year	Forged Indian Currency Notes detected (Number of pieces)	Notes in Circulation (Million pieces)	Forged Indian Currency Notes as % to Notes in Circulation	No. of Forged Notes detected per Million Notes in Circulation
2000-01	102687	35,704	0.000288	3
2001-02	124515	38,338	0.000326	3
2002-03	211754	37,309	0.000568	6
2003-04	205226	38,336	0.000535	5
2004-05	181928	36,984	0.000492	5
2005-06	123917	37,851	0.000327	3
2006-07	104743	39,831	0.000263	3
2007-08	195811	44,225	0.000443	4