

- (a) whether Government has taken cognizance of the prevalence of fake currency of higher denominations;
- (b) if so, the details thereof;
- (c) whether Government has been able to ascertain the extent and magnitude of circulation of fake currency;
- (d) whether Government has been able to trace where such fake currencies were printed;
- (e) whether the complicity of any foreign State or non-State actors has been established; and
- (f) if so, whether Government has taken up the issue bilaterally and at multilateral forum?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) As per the information furnished by National Crime Records Bureau (NCRB), the total number of counterfeit currency of higher denominations notes recovered and seized during last three years are as follows:

Year	Denomination		
	Rs.1000	Rs.500	Rs.100
2006	19606	81399	220419
2007	21130	121868	223798
2008	51799	281482	215047
2009 (upto 31.5.09)	16627	91528	75090

(d) to (f) Instances of circulation of high quality Fake Indian Currency Notes (FFCN) have come to the notice of Government. As per intelligence reports, the high quality FICN are suspected to have been sourced from neighboring countries.

Modifications of the policy on ECBS

2615. SHRIMATI SHOBHANA BHARTIA: Will the Minister of FINANCE be pleased to state:

- (a) whether Government has modified its policy on external commercial borrowings (ECBs) to suit the funding requirements of corporates developers and integrated townships and SEZs and Non-Banking financial companies engaged in infrastructure development;
- (b) if so, the details thereof;
- (c) whether Reserve Bank of India (RBI) has since accorded their approval to the said policy; and
- (d) if so, to what extent the various companies are likely to be benefited by this policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) Yes, Sir. The ECB policy is regularly reviewed and modified by the Government in consultation with Reserve Bank of India, keeping in view the evolving macroeconomic condition, sectoral requirements and investment demand. Effective from January 2, 2009, the corporate, engaged in the development of integrated township, as defined in Press Note 3 (2002 Series) dated January 04, 2002, issued by D1PP, Ministry of Commerce & Industry, Government of India are permitted to avail of ECB under the Approval Route. The permission has been extended up to December 31, 2009 keeping in view the current conditions.

Second, as per the extant ECB guidelines, units in the SEZ are permitted to access ECBs for their own requirements. Effective from June 30, 2009, SEZ developers have been permitted to avail of ECB under the Approval route for providing infrastructure facilities also, as defined in ECB policy, within the SEZ. However, ECB shall not be permissible for development of integrated township and commercial real estate within the SEZ.

Third, as per extant ECB policy, NBFCs are allowed to avail ECB with minimum average maturity of 5 years to finance import of infrastructure equipment for leasing to infrastructure projects. However, effective from January 2, 2009, Non-Banking Financial Companies (NBFCs), which are exclusively involved in financing of the infrastructure sector, have been permitted to avail of ECBs for on-lending to the borrowers in the infrastructure sector under the Approval route. Further since July 01, 2009, the stipulation that the direct lending portfolio of these lenders *vis-a-vis* their total ECB lending to NBFCs, at any point of time, should not be less than 3:1, has also been dispensed with.

(d) ECBs are being permitted as an additional source of finance to augment the resources available domestically to Indian corporate for financing import of capital goods, new projects, modernization/expansion of existing production units in real sector - industrial sector including small and medium enterprises (SME) and infrastructure sector - in India. The said ECB policy would facilitate the eligible corporate, financial institutions / NBFCs exclusively engaged in financing infrastructure development, development of integrated township and SEZ developers engaged in providing infrastructure facilities within the SEZ to raise ECBs, as defined in ECB policy.

Measures to reduce retail inflation

2616. SHRI SANTOSH BAGRODIA:

SHRI O.T. LEPCHA:

Will the Minister of FINANCE be pleased to state:

(a) what steps Government is taking to reduce the retail inflation, which is much higher than the wholesale price inflation;

(b) whether Government plans to bring down the retail price inflation lower than the wholesale price inflation; and