

RAJYA SABHA

Tuesday, the 26th July, 1983|4 *Sravana*
1905 (*Saka*)

The House met at eleven of the clock.
Mr. Chairman in the chair.

MEMBERS SWORN

1. Shri G. K. Moopanar (Tamil Nadu).
2. Shri Era Sambasivam (Tamil Nadu).

ORAL ANSWERS TO QUESTIONS

Shortage of coins and small currency notes

*21. SHRI NEPALDEV BHATTACHARJEE:†

SHRI HARKISHAN SINGH
SURJEET:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the fact that of late the shortage of coins and small currency notes is creating problems and causing untold hardships to the general public in the country;

(b) if so, what are the reasons therefor; and

(c) what steps Government have taken or propose to take to meet the situation?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) Complaints of shortage of coins and small denomination notes and resulting in inconvenience to public are being received from time to time from various agencies.

(b) and (c) Owing to constraints in the capacity of the 3 Mints located at Bombay, Calcutta and Hyderabad, it has not been possible fully to meet the require-

†The question was actually asked on the floor of the House by Shri Nepaldev Bhattacharjee.

ments of small coins. However, steps are being taken to increase production in the three Mints to meet the growing requirements of coins. An incentive scheme had been introduced in the Bombay Mint with effect from 28th December, 1981 as a result of which there has been an increase of about 70 per cent in the production of coins. The incentive scheme has also been introduced in the Hyderabad Mint with effect from 8th April, 1983, and in the Calcutta Mint with effect from 4th July, 1983, which has resulted in an increase of over 50 per cent in the production of coins in both the Mints. The number of working hours per week per shift have been increased from 48 to 54. Similarly, the number of working days is also being increased to the extent possible under the provisions of the Factories Act. New coining presses have been ordered for the Hyderabad Mint to strengthen coining capacity. The 20-paise coin has also been re-introduced so as to reduce the demand for ten paise coins. As a result of these measures, it is expected that production of coins will be at least about 950 million pieces in 1983-84 against 660 million pieces in 1982-83.

Besides, long-term measures like introduction of additional shifts wherever possible are under consideration.

The printing of one and two rupee notes is also being continued to cater to the needs of the public.

SHRI NEPALDEV BHATTACHARJEE: I am not going into details. Some figures have been given in the answer saying that some steps are being taken to improve the situation. You know what is happening all over the country. So far as last year is concerned, we can understand that the whole minting process was channelised to mint ASIAD coins. They say that they are taking steps and some percentage has been increased. But the data that we have collected from the newspapers shows that the production is not up to the mark. What was the absorbing amount and what was the minting amount? It was 2.3 in 1978-79 and 3.36 in 1979-80. But in 1981-82, it is only 1.1. They are saying that somewhere it is

50 per cent and it is 40 per cent elsewhere. It is being increased in these 3 minting stations. My specific question is this. If it is correct that there is 70 per cent increase in the production of coins, then why we are having this crisis all over and everywhere? But conductors are issuing tickets. If it is for communism, then I can understand that there will be nothing below 50 paise. Five paise is abolished. You will not find 1 or 2 or 3 paise coins. In Hyderabad, they are not there for four months. The reality and the answer are absolutely reverse. I think it is the experience of every hon. Member of this House.

MR. CHAIRMAN: This is not the question.

SHRI NEPALDEV BHATTACHARJEE: I do think the figures are correct. Something may be wrong inside or outside. So far as I know, in Calcutta there are 500 posts vacant. Why are they not being filled up? This is my question. Secondly, why the working hours are being decreased? The Employees Federation is saying that the working hours are also being decreased? Why is it so? That is my first question.

SHRI JANARDHANA POOJARY: Sir, we do not deny the fact that there are complaints about shortage of small coins and also small denomination notes. The complaints are being received from time to time from various agencies.

SHRI B. D. KHOBRAGADE: But what are you doing about it?

SHRI JANARDHANA POOJARY: This is a temporary shortage and there is no cause for any alarm. For the information of the House I would like to bring to your kind notice certain facts. Sir, there was an accumulation of 665 million pieces of coins at the end of 1978-79. In spite of that fact we have produced 552 million pieces of coins. And, then the Reserve Bank of India is responsible for the distribution of coins in India. As I have stated, 665.2 million pieces were in stock after the distribution at the end of 1979-80. Then the production in the year 1980-81 was 552 million

pieces. The total came to 1217 million pieces. The Reserve Bank of India lifted in 1980-81 only 860.9 million pieces. Then, Sir, at the end of 1980-81 there was an accumulation of 359 million pieces. The Government, in the year 1977, in the month of April, took a decision to reduce the working hours from 60 hours to 54 hours per shift. This decision was taken in the month of April, 1977, because of the accumulation, a steady accumulation was there. I do not say that the decision taken by the then Government is wrong. But a decision was taken. In the year 1978, once again there was a further reduction in the working hours from 54 hours to 48 hours. Then, Sir, there was an impression that the available capacity was surplus. That is why at one point of time there was a proposal to close the mint at Hyderabad. That was the proposal.

MR. CHAIRMAN: That would be a very good idea.

SHRI JANARDHANA POOJARY: Sir, an impression was created like that. Now, Sir, we have changed that decision. We are now taking steps to improve the position. What steps are being taken, we have already mentioned them. For the benefit of the House I can say that now an incentive scheme has been introduced since the 28th December, 1981. As a result of that measure there has been an increase of 70 per cent of production in that mint. (*Interruptions*).

SHRI A. G. KULKARNI: Sir, will his words make coins available? You are dreaming, Mr. Minister.

SHRI JANARDHANA POOJARY: No, no, I am not dreaming. I will just now come to the point. Now, Sir, as a result of the measures taken the production has been stepped up and we are expecting to improve the production and the production will be 950 million pieces.

SHRI A. G. KULKARNI: Have you got a ten paise coin in your pocket? Show it to me.

MR. CHAIRMAN: He will show to you a five rupee note, why a ten paise coin?

SHRI JANARDHANA POOJARY: Sir, the expected production is 950 million pieces. (*Interruptions*).

MR. CHAIRMAN: Please listen. The figures are very interesting.

SHRI JANARDHANA POOJARY: Now, the production in the year 1983-84 will be 950 million pieces as against 660 million pieces in 1982-83. Sir, all of a sudden the demand has been increased. Now, there are complaints throughout the country that there is hoarding of these coins. For that purpose we have already written to the Chief Secretaries also that action should be taken under the Small Coins Offences Act and under that Act these offences are punishable. The provision under the Act is that punishment should not be less than three months. And the maximum punishment shall be five years. All the Chief Secretaries of the States have been advised to take immediate steps. The Finance Secretary has also set up a committee under the Chairmanship of the Additional Secretary to look into the shortage of coins and take remedial measures.

SHRI NEPALDEV BHATTACHARJEE: The factual position is different, as we all know. Through you, Sir, my submission is, very interestingly the Minister has said in his reply that pieces of coins are available. I think all of us heard him say about the pieces of coins, but not about the coins of 1, 2, 3, 5, 10 or 25 paise. There are coins of one rupee and two rupees; you know, Sir, two-rupee coins have also come. But I specifically raised the question of smaller coins and that is why, our friend Mr. Kulkarni interestingly asked the Minister if he could show one 10-paise coin.

SHRI DIPEN GHOSH: How can you expect Minister to have a 10-paise coin?

SHRI NEPALDEV BHATTACHARJEE: My specific question is, the Minister has given figures about the pieces of coins. But what about the figures of small coins?

SHRI JANARDHANA POOJARY: I shall give the figures of circulation of the smaller coins. In case of 10 paise coins, as on 31.3.1981, the number in circulation was 5283 million; as on 30.9.1982, the number has increased to 5758.24 mil-

lion pieces. In the case of 5 paise coins, as on 31.3.1981, there were about 6086 million pieces and now the number has increased to 6487.82 million. I appeal to the hon. Members...

SHRI B. D. KHOBRAGADE: What about the position on 31st March, 1983?

SHRI JANARDHANA POOJARY: If we harp on it, there is a psychology of scarcity created. Therefore, I appeal to the hon. Members not to create such a psychology, because the anti-social elements may take advantage of it and exploit the situation. That is my request.

SHRI HARKISHAN SINGH SURJEET: The Minister has not replied...

SHRI A. G. KULKARNI: Has the reply stalled the question?

MR. CHAIRMAN: You have got all the figures; you have got millions of coins.

SHRI HARKISHAN SINGH SURJEET: Sir, the Minister has given a general reply that there have been complaints now and then, but he has not been able to give a specific answer to the question, whether this is a result of some policy decision by the Reserve Bank and the Mint authorities, and whether it is a fact or not that 500 vacancies have been kept unfilled in the Calcutta Mint, and whether it is not a fact that there has been a tremendous loss which the public undertakings had to incur because of shortage of coins, especially the transport authorities in various States. These are the questions which arise out of it, and the Minister has tried to evade by saying, yes, we are increasing production. Why is it that the production is lower than the last 3 years' production? I would like to know whether the Government has any estimation of the demand and whether that demand is going to be met. It is not we who want to create a scare; it is the Minister who is creating a scare and allowing people who are doing this business, to gain 35 per cent out of it. It is not we who want to create this scare. It is the policy of the Government which is creating this situation. We would like to have specific answer to these questions, whether it is as a result of any policy and also what is the extent of seriousness of the situation, and also whether certain State undertakings have been affected and also whether it is

as a result of some vacancies not being filled up.

SHRI PRANAB KUMAR MUKHERJEE: I would like to clarify in addition to what my colleague has just said. The figures which he has given in response to the question indicate that at some point of time, it was found that production is more than the requirement. As a result, there were accumulations in all the mints. The Reserve Bank of India placed indent on the mints about their requirements and it was found that in three consecutive years, their requirement from the mint was short of the indent. Hence, a decision was taken that perhaps, between the coins in circulation and the coins required, there should be rescheduling of the production. As a result, my friend has indicated how the working hours were reduced from 60 hours to 54 hours, from 54 hours to 48 hours and when we got complaints, we have changed that decision and the production plan has been made so that we can step up the supply and that too has been indicated in the production plan for the current year. Though I do not have the figures up to June, I have the figures for April and May. The total production of the small coins would be about 122 million pieces and this is an indication that at the end of the year, it would be much more compared to what we did last year and the figure would be around 950 million pieces. We are aware of the shortage. In regard to the filling up of the vacancies, it is not merely a question that if we had filled up these vacancies, there would have been production. We have introduced a scheme which has been accepted by the Bombay mint last year. This year, Hyderabad mint has accepted it and I am glad to inform that the same scheme has been accepted by the Calcutta mint also. This had been possible because of the cooperation of the employees working there. As a result of this, production will increase. In regard to the particular vacancies which the hon. Member referred to, my colleague has already replied that he is looking into it and is not our case and contention that there is no dearth of small coins.

There is one more point which I would like to clarify. It is the policy of the

Government to gradually have a situation where the circulation of one paise, two paise and three paise coins will be withdrawn. This is an accepted policy.

श्री सैयद रहमत अली : अब मैं जानना चाहता हूँ कि अभी फाइनेंस मिनिस्टर साहब ने कहा कि हैदराबाद मिंट को बंद कर देने की तजवीज थी, मैं गवर्नमेंट से इस बात की वाकफ़ीयत चाहता हूँ कि क्या अब भी हैदराबाद मिंट को बंद करने की कोई तजवीज गवर्नमेंट के जहन में है और अगर है, तो उसके असबाब, क्या हैं।

उसकी वजह से जो खतरनाक अन-इम्प्लायमेंट के हालात पैदा होंगे, उसके तदारुक के लिए गवर्नमेंट क्या कर रही है ?

† [شى سید رحمت علی :

اب میں جاننا چاہتا ہوں کہ فائیننس منسٹر صاحب نے کہا کہ حیدرآباد منٹ کو بند کر دینے کی تجویز ہی - میں گورنمنٹ سے اس بات کی واقفیت چاہتا ہوں کہ کیا اب بھی حیدرآباد منٹ کو بند کرنے کی کوئی تجویز گورنمنٹ کے ذہن میں ہے اور اگر ہے تو اسکے اسباب کیا ہیں -

اسکی وجہ سے جو خطرات ان ایملپلائمنٹ کے حالات پیدا ہونگے اسکے تدارک کے لئے گورنمنٹ کیا کر رہے ہیں ؟

SHRI PRANAB KUMAR MUKHERJEE: I have already mentioned that we have revised that decision and there is no question of closing the mint. In fact, we are modernising the Hyderabad mint.

SHRI R. MOHANARANGAM: Sir, in the statement, it has been mentioned that

† [] Transliteration in Arabic script.

production has been increased by 70 per cent in the Bombay mint and by about 50 per cent in the Calcutta mint. It has also been stated that working hours have also been increased from eight to nine hours. If this is the case, I do not understand why there should be this shortage. It has also been stated here that production will be 950 million pieces in 1984 as against 660 million pieces. Though it has been stated here that there has been 70 per cent increase in production in the Bombay mint and 50 per cent increase in production in the Calcutta mint, actually, as per my calculation, it comes to about 47 per cent only. What exactly does it mean and what exactly is the position?

SHRI PRANAB KUMAR MUKHERJEE: As I have already mentioned, it is not my case that there is no shortage of small coins.

MR. CHAIRMAN: Everybody knows that.

SHRI PRANAB KUMAR MUKHERJEE: The shortage is there and we are trying to improve the position. For example, looking at the requirements and getting the requests from the State administrations and other agencies, we are making arrangements so that the supply could be increased. Although these measures are being taken, it will take some time to overcome the crisis totally.

श्री शिव चन्द्र झा: यह मेरे पास सिक्के हैं, छोटे सिक्के हैं जिसके मुताल्लिक यहां पर सवाल है। मेरे पास दस पैसे, चार आने, आठ आने और एक रुपए का सिक्का है। मैं इनको टेबूल पर रख देता हूँ।

श्री सभापति: आप इनको श्री कुलकर्णी जी को दे दीजिए। यह अभी मांग रहे थे।

श्री शिव चन्द्र झा: सभापति महोदय, चाहे छोटे सिक्के की सप्लाय की बात हो, चाहे बनावट की बात हो, चाहे सर्कुलेशन की बात हो, इस सरकार की बहुत

ग्लेरिगली फिक्ल-माइंडेडनेस है। कोई दृढ नीति नहीं है, कोई फार्म नीति नहीं है, कोई स्टैबिल नीति नहीं है। कैसे? मैं ज्यादा पीछे के इतिहास में नहीं जानना चाहता, लेकिन एक पैसे का जो कापर का सिक्का चलाया गया था, राउन्ड शेप का, वह आपको याद होगा। वह बहुत अच्छा था। उसको तुरन्त उन्होंने विदड़ा कर लिया। उसके बाद एक पैसे का सिक्का रेक्टैंगुलर निकाला वह अभी भी चल रहा है। फिर दो पैसे का सिक्का है। उसमें क्या मँटीरियल है, कौन-सी धातु है, इसका पता नहीं, लेकिन उसको कोई छूता नहीं है। इस बात का मेरा अपना तजुर्बा है। ट्रेन में मैं आ रहा था। वह छोटा-सा सिक्का मैं दिया, तो लोगों ने कहा कि यह तो चलता नहीं है, यह कोई नहीं लेता है। तो क्या एक पैसे का सिक्का जो रेक्टैंगुलर बनावट का है और दो पैसे का जो सिक्का है उसको आपने विदड़ा कर लिया है? क्या वह इल्लीगल है?

दूसरी बात यह कि रुपए की शेप कितनी बदल रही है। एक रुपए का सिक्का तो ऐसा मालूम होता है कि स्टॉप दे दिया गया और दूसरा जो एक रुपए का सिक्का है, वह थोड़ा-बहुत अच्छा है। इसी तरह से आपने दो रुपये का सिक्का चलाया है, जिस को देख कर यह कहना मुश्किल है कि वह एक रुपए का सिक्का है या दो रुपए का सिक्का है। तो मैं जानना चाहता हूँ कि आपकी कोई दृढ नीति इस संबंध में है या नहीं है?

श्री सभापति: सवाल क्या है आप का?

श्री शिव चन्द्र झा: मेरा सवाल यह है कि एक पैसे का और दो पैसे का सिक्का क्या इल्लीगल हो गया है?

वह सरकुलेशन में है या नहीं ? लोग उसको छूते नहीं है, लेते नहीं है; क्योंकि उसकी वैल्यू को ले कर उसको कोई महत्व नहीं देता है ? मैं समझता हूँ कि एक पैसे का, दो पैसे का और 5 पैसे के सिक्के की टोटल क्वांटिटी कितनी है सरकुलेशन में रिलेटिव टु दि लास्ट इयर ऐंड इयर विफोर लास्ट, यह आप बता दें तो अच्छा होगा ।

और दूसरी बात यह कि स्माल करेंसी जो है वह इतनी राटन हो गयी है कि यहां स्टेट बैंक से भी सड़े हुए नोट हम लोगों को मिलते हैं । मैंने कई बार पूछा कि यह बैंक है पालियामेंट हाउस में, यहां अच्छे नोट क्यों नहीं मिलते । सड़े हुए नोट ही एक रुपये के और दस रुपये के मिलते हैं । आप उस बैंक में जाकर दो पैसे के और एक पैसे के सिक्के नहीं ले सकते। तो मैं जानना चाहता हूँ कि स्माल क्वायन्स के मुताल्लिक और करेंसी नोट्स के मुताल्लिक कोई दृढ़ नीति आपकी है या नहीं, और उसकी शेष जो आप बार बार बदल रहे हैं ऐसा क्यों ? एक पैसे का सिक्का जो है, इस का आज क्या महत्व है ? बराबर आप सिक्कों का साइज छोटा करते जा रहे हैं तो ऐसा लगता है कि सरकार की कोई थाट-आउट नीति नहीं है । तो आप एक दृढ़ नीति स्माल क्वायनेज के बारे में बनाइये और उसकी रेगुलर वैलिडिटी के बारे में क्या आप कुछ बतायेंगे कि एक पैसे और दो पैसे का सिक्का जो लोग नहीं लेते हैं, वह क्यों ? और क्या उसकी शेष को भी आप बदलेंगे ?

SHRI PRANAB KUMAR MUKHERJEE: Sir, so far as circulation of small coins, particularly one paise, two paise...

MR. CHAIRMAN: Mr. Jha is not feeling the shortage.

SHRI PRANAB KUMAR MUKHERJEE: It is our gradual policy to see that they are withdrawn from the market. The reason is known to the hon. Member that

the cost of manufacturing small coins is much more. For instance, I can tell, it would be of interest to hon. Members that each 25 paise coin costs me 26 paise, each 20 paise coin costs me 22.5 paise, each 10 paise coin costs 20.2 paise, each 5 paise coin costs 10.3 paise. Therefore this, the gradual policy I am not saying that we are going to withdraw them overnight. As I have mentioned in reply to the earlier question the supply of 5 paise, 10 paise, 20 paise and 25 paise denomination coins is being increased and stepped up so that the people do not suffer, but in regard to the change in the pattern of coins, the hon. Member knows that two-rupee coin was not in circulation earlier. We have introduced it now with the objective of durability, if you use this word. As you are talking of the Government policy, normally the durability of one-rupee note or two-rupee note which is in circulation is just about six months. But the durability of coins is 20 years. Therefore, from costing point of view, it is much more profitable to replace paper currency notes by small denomination one-rupee, two rupee-coins and that is the accepted policy. We are having it gradually. However, it will take some time and in between, we are making short-term arrangements. In regard to the decision about reducing production of coins, as my colleague has already replied, the decision was not taken by me but it was taken by the Government who was there before us on this side and Mr. Jha was also sitting on this side at that time. I revised that decision of closing the Hyderabad Mint and, as I mentioned in reply to an earlier question, I am going to have it rather modernised and increase production.

MR. CHAIRMAN: Question No. 22.

Eyasion of excise duty by large processors of cotton fabrics

***22. SHRI V. C. KESAVA RAO:** Will the Minister of FINANCE be pleased to state:

(a) what is the amount as excise duty collected from the large processing units under Notification No. 130/82, dated 20th April, 1982 as amended upto the end of June, 1983;

(b) whether it is a fact that very large processors, processing power-