

### **Liquidity needs of the Indian economy**

2201. SHRI SYED AZEEZ PASHA: Will the Minister of FINANCE be pleased to state:

(a) whether Government has noted the reluctance of international financial markets and European banks to lend to “emerging economies” like India;

(b) whether this reluctance will tighten liquidity in the Indian economy;

(c) the steps proposed by Government to meet the liquidity needs of the Indian economy;

(d) whether Government has miscalculated the severity of the Euro zone economic crisis and put strain on the Indian economy; and

(e) the steps proposed by Government to review its policies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) Sovereign debt crisis in euro zone is straining capital base and liquidity position of euro zone banks as they are among the largest investors in sovereign bonds. To shore up liquidity, capital base as well as to meet stricter capital requirements, banks are expected to curtail credit including lending to emerging economies.

(b) and (c) To augment supply of foreign exchange in the country, the recent policy initiatives include *inter alia*, increase in all-in-cost ceiling for trade credits; liberalization of External Commercial Borrowing (ECB) norms; requirement to bring into the country proceeds of ECB raised abroad for Rupee expenditure; raising of FII investment limit in corporate and Government securities and raising of interest rates on Non-Resident Indian Deposits.

(d) and (e) The Finance Ministry has been keeping a close watch on the situation. The Subcommittee of the Financial Stability and Development Council (FSDC) headed by the Governor, Reserve Bank of India is also making continuous assessment in the matter.

### **Installation of note sorting machines in all bank branches**

2202. SHRI N.K. SINGH: Will the Minister of FINANCE be pleased to state:

(a) the details regarding instances of counterfeit currency being dispensed through ATMs during the year 2009-10;

(b) whether by March, 2010, banks had been advised to use note sorting machines in all their branches having average daily cash receipts of ` 1 crore and above;

(c) whether the banks have adhered to the above advice in order to eliminate fake currency;

(d) if so, the details thereof; and

(e) if not, the reasons therefor and by when such machines will be installed in all banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) Reserve Bank of India (RBI) has reported that there were 15 complaints received in RBI regarding receipt of counterfeit currency notes through ATM during the period from 1.7.2009 to 31.10.2011 as detailed are given in Statement (See below). All the complaints have been disposed in appropriate manner.

(b) Yes.

(c) to (e) RBI has reported that the details regarding adherence to the advice by banks as on March 31, 2011 are given as under:—

Sl. No.	No. of Non-chest branches having daily cash receipts of Rs. 1 crore and above	No. of branches having NSMs
1.	1518	1273

RBI has reported that regarding the remaining 245 branches, the banks have reported making suitable arrangements to ensure that all notes in the denomination of Rs. 100 and above are processed through machines conforming to the standards/parameters prescribed by RBI from time to time before issuing them over their counters or through ATMs.

**Statement**

*Complaints received in RBI regarding receipt of counterfeit currency notes through ATM from 1.7.2009 till 31.10.2011*

Sl. No.	Name of the complainant	Brief nature of complaint
1	2	3
1.	Shri Ashis Dasgupta	Receipt of forged note in withdrawal across the counter of Allahabad Bank Ubbuddalpur Branch, Kolkata.
2.	Shri Purnendu Raut	Receipt of forged note of Rs. 500 from ATM of Punjab National Bank
3.	Shri Safdar Ulde	Receipt of suspect notes of Rs. 100 and Rs. 500 through ATM of Canara Bank, Kausa

1	2	3
4.	Shri G. Hubert Vino	Impounding of Rs. 1000 denomination note by ICICI Bank Ltd. from the amount deposited by the complainant. The notes were initially withdrawn from ATM of SBI.
5.	Shri Mukal Ranjan	Receipt of forged note of Rs. 500 denomination in the cash withdrawn through ATM of State Bank of Hyderabad, Mira Road. The note was detected while depositing the cash at Shamrao Vithal Cooperation Bank, Mira Road
6.	Shri Sunil Padda	Rs. 500 notes dispensed with from ATM in Bangalore
7.	Shri Harjinder Singh	Received fake notes from ATM of Oriental Bank of Commerce and State Bank of India
8.	Shri Balasubramaniam Iyyar	Rs. 1000/- note (1) note dispensed with from ATM of ICICI Bank Ltd. at Magarpatta Branch
9.	Shri Usharani Raut	One note of Rs. 500 dispensed with from ATM of HDFC Bank
10.	Shri R.K. Patnaik	One note of Rs. 500 dispensed with from the ATM of State Bank of India, Kandagiri
11.	Shri Deependra Chauhan	Received one note of Rs. 500/- from the ATM of SBI, Ranipur
12.	Shri R. Jayaprakash	Fake currency notes through ATMs of SBI Hyderabad
13.	Shri Manohar	Issue of fake notes from an ATM of PNB
14.	Shri Sandeep	Banks issuing fake notes from ATMs
15.	Shri Sivaji Kashyap	Fake note from ATM of CITI Bank

#### Review of charges for services

2203. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government had written to all departments to review charges for services like issue of passports, public works, security, patent and copy right etc. where the cost of delivery was higher than the revenue generated;

(b) if so, whether this move is to maximize non-tax revenue from services which comprise about half of the total non-tax revenue; and