

12.00 NOON

SHORT NOTICE QUESTION

MR. CHAIRMAN: Shri Mansukh L. Mandaviya. He is not present. Can the answer be given?

SHRI P. CHIDAMBARAM: Sir, I lay a statement on the Table of the House.

MR. CHAIRMAN: Any supplementaries on this? No supplementaries.

Shortage of coins

2. SHRI MANSUKH L. MANDAVIYA: Will the Minister of FINANCE be pleased to state:

(a) the action taken by the Ministry to provide adequate quantity of coins, as traders and general public facing severe shortage of coins, are purchasing coins in black market;

(b) the action taken by Government to stop duplication of Rs. 500 & Rs. 1000 currency notes as there are large number of cases registered about fake currency, which is a very serious threat to our economy;

(c) the reasons for not introducing coins for higher denomination in a large quantity, so as to minimize duplication of currency; and

(d) the reasons for not taking any steps in coordination with State Governments to stop fake currency?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (d) To ensure availability of coins to public, the Reserve Bank of India distributes coins through its counters at 19 locations as well as through counters of various bank branches. Banks are also encouraged to install coin vending machines.

RBI has been advising all its issue offices to keep minimum balances in their vaults and in currency chests. From time to time banks conduct coin melas, wherever required, to make coins available to public.

RBI has informed that in the Monetary Policy Statement 2012-13, banks have been advised to strengthen their distribution systems and procedures so as to cater to the growing needs of the common man. As and when instances of shortage of coins are brought to the notice of the Ministry of Finance, the Ministry issues necessary advice RBI to increase the supply of coins.

As regards introduction of coins of higher denomination, the public always prefers bank notes over coins if there is a parallel supply of both, as bank notes are easy to carry. Therefore, higher denomination coins have not been introduced so far.

To address the multi-dimensional aspects of the Fake Indian Currency Notes (FICN) menace, several agencies such as RBI, Ministry of Finance, Ministry of Home Affairs, Security and intelligence agencies of the Centre and States, Central Bureau of Investigation etc. are working in tandem. NIA has been empowered by the National Investigation Agency Act to investigate and prosecute such offences. The Government has also constituted a Terror Funding and Fake Currency Cell in NIA in 2010 for investigation of such cases.

RBI has also taken the following steps to counter the menace of fake currency:

- (i) Ensuring integrity of bank notes so as to render them difficult to counterfeit;
- (ii) Ensuring that any counterfeit note entering the banking system is promptly detected and reported;
- (iii) Raising awareness among the public on features of genuine Indian banknotes;
- (iv) Improving inter-agency co-ordination;
- (v) Launching a multimedia, multi lingual awareness campaign initially through Doordarshan channels. The 60 second film is titled 'Paisa Bolta Hai' and is being shown in Hindi and eleven other languages. The film's message to the public is to form a habit of examining the banknotes.

A special FICN coordination group (FCORD) has been set up in the Ministry of Home Affairs to share the intelligence/information amongst different security agencies of States/Centre to counter the menace of circulation of Fake Currency

within the country. There are several fora like State Level Security Committee, Standing Committee on Currency Management, State Level Committee of Fake Indian Currency Notes (FICN) which provide a platform for inter agency co-ordination. Members of these committees include representatives from RBI, State Police and other agencies.

PAPERS LAID ON THE TABLE

I Report and Accounts (2011-12) of MECON Limited, Ranchi and related papers

II Report and Accounts (2011-12) of Rashtriya Ispat Nigam Limited (Vishakhapatnam Steel Plant), Vishakhapatnam and related papers

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA): Sir, I lay on the Table, under sub-section (1) of Section 619A of the Companies Act, 1956, a copy each (in English and Hindi) of the following papers:—

- I. (a) Thirty-ninth Annual Report and Accounts of the MECON Limited, Ranchi, for the year 2011-12, together with the Auditor's Report on the Accounts and the comments of the Comptroller and Auditor General of India thereon.
- (b) Review by Government on the working of the above Company. [Placed in Library. See No. L.T. 7605/15/12]
- II. (a) Thirtieth Annual Report and Accounts of the Rashtriya Ispat Nigam Limited (Vishakhapatnam Steel Plant), Vishakhapatnam, for the year 2011-12, together with the Auditor's Report on the Accounts and the comments of the Comptroller and Auditor General of India thereon.
- (b) Review by Government on the working of the above Company. [Placed in Library. See No. L.T. 7604/15/12]

I Notifications of the Ministry of Personnel, Public Grievances and Pensions

II Report (2011) of CVC

III Report and Accounts (2011-12) of various PSUs and related papers