

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): (a) The interest rates of small savings schemes are fixed on the basis of market interest rates as determined by the yields on Government Securities of comparable maturities.

The reduction in interest rates during the 2nd quarter of 2017-18 was due to fall in the yield of Government Securities.

(b) and (c) The minor reduction in interest rate at 10 basis points each for first two quarters of 2017-18 will not adversely impact the social security of senior citizens because despite a reduction in nominal interest rates, the real interest rates have not come down because of a decline in inflation during the preceding quarter. The real interest rates have rather gone up.

(d) In order to give interest rate advantage to senior citizens and other small savers, a spread ranging from 25 basis points to 100 basis points is added to the market-determined interest rates on certain small savings schemes.

#### **Issuance of New Currency Notes**

256. DR. K. V. P. RAMACHANDRA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to issue new currency notes in the denomination of ₹ 200 as reported in a section of the press;

(b) if so, the justifications for the proposal;

(c) whether Government will consider to re-issue notes in higher denominations of ₹ 1000, ₹ 4000, ₹ 5000 and ₹ 10,000/-; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): (a) to (d) Review of denomination and design of banknotes is an on-going process, conducted by the Reserve Bank of India from time to time based on economic factors and monetary reviews.

#### **Implementation of recommendations of Seventh CPC**

257. SHRI NEERAJ SHEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government has implemented the recommendations of Seventh CPC regarding allowances w.e.f. 1 July, 2017 instead of 1 January, 2016;