

Commercial Banks (SCBs) (excluding Regional Rural Banks), to open banking outlets at any place in the country without seeking prior approval of RBI in each case, subject to at least 25 per cent of the total number of banking outlets opened during a financial year being in unbanked rural centres (Tier 5 and 6) with population less than 10,000.

For this purpose, 'Banking Outlets' opened in any Tier 3 to Tier 6 centres (centres with population less than 50,000) of North Eastern States and Sikkim as well as in any Tier 3 to 6 centre of Left-wing Extremism (LWE) affected districts as notified by the Government of India from time to time, are also considered as equivalent to opening a 'Banking Outlet', in unbanked rural centres.

#### **Demonetised currency not yet accepted from Bhutan and Nepal**

2119. SHRI KUMAR KETKAR: Will the Minister of FINANCE be pleased to state:

(a) the quantum of demonetised currency not yet accepted from Bhutan and Nepal, along with the reasons therefor; and

(b) the policy decisions in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) Nepal Rashtra Bank (NRB) on August 21, 2017 had informed RBI that they had a total of ₹ 7.8461 crore of Specified Bank Notes (SBNs) in their banking system and with the courts. Further, the NRB had informed that Nepalese people were still holding SBNs, the amount of which is not known. As regards Bhutan, the amount of SBNs still lying with them is not available with RBI.

(b) The matter relating to extending exchange facility of Specified Bank Notes (SBNs) lying in the possession of Nepal and other neighbouring countries has been examined in this department and it is decided that action may be taken only as per the provisions of Specified Bank Notes (Cessation of Liabilities), Act 2017 and rules made thereunder.

#### **Digital transactions vis-a-vis actual cash transactions**

2120. SHRI KUMAR KETKAR: Will the Minister of FINANCE be pleased to state the reasons for rise in the quantum of currency in the economy in spite of increased digital transactions as per claim of Government?

THE MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): The quantum of currency required in the economy is generally determined by several factors, which *inter alia*, include economic growth,

rise in per capita income, population growth, habits, festive season, agricultural cycle, etc. The currency in circulation has increased by around 10.35 % from ₹ 17,540.22 billion on 28th October, 2016 to ₹ 19,355.66 billion on 26th October, 2018. In respect of digital payment transactions, it has increased by around 195.43 % from 711.9 million during October, 2016 to 2103.2 million during October 2018. Hence, there is significant rise in digital transactions as compared to currency in circulation.

The currency in circulation had an average growth rate of 14.51% year on year wise since October, 2014. At this rate, currency in circulation would have been ₹ 23,418.24 billion as on 23rd November, 2018. However, due to demonetisation and consequent increase in digital transactions, the actual level of currency in circulation as on 23rd November, 2018 was ₹ 19,850.09 billion. In terms of GDP, currency in circulation declined from 11.63% in 2016-17 to 10.63% in 2018-19 as on 8th November of respective years.

#### **Outreach and support programme for MSMEs**

2121. SARDAR BALWINDER SINGH BHUNDER: Will the Minister of FINANCE be pleased to state:

(a) whether Government has announced several schemes/incentives for the Micro, Small and Medium Enterprises (MSMEs) outreach and support programme;

(b) whether in spite of several incentive announced by Government, the Public Sector Undertakings like Handicrafts and Handlooms Exports Corporation of India Limited (HHEC) under the Ministry of Textiles are harassing MSMEs dealing in bullion commodities by not releasing their payments; and

(c) if so, what steps Government proposes to take against the officers of HHEC for not releasing the legitimate payments of MSMEs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) Yes, Sir. Government have launched a support and outreach programme for Micro, Small and Medium Enterprises (MSMEs) on 2nd November, 2018. The programme *inter alia*, includes, initiatives for MSMEs on access to credit, access to market, technology upgradation, ease of doing business, social security for MSME sector employees, etc.

(b) As per available record, no bullion parties associated with Handicrafts and Handlooms Exports Corporation of India Limited (HHEC) is registered as MSME. However, during investigation against M/s Edelweiss Commodities Limited (ECL), Central Bureau of Investigation (CBI) has examined the transaction of buyer's credit