

**Use of poor quality paper for printing currency notes**

876. SHRI RAVI PRAKASH VERMA:

SHRI NEERAJ SHEKHAR:

Will the Minister of FINANCE be pleased to state:

(a) whether new currency notes of ₹2000 and ₹500 which were printed and circulated after demonetisation have become unusable within two years of circulation due to poor quality of papers used and ATM sensors are not able to recognize these notes;

(b) if so, the details thereof;

(c) the details of the steps Government proposes to take in this regard; and

(d) the details of expenditure incurred on printing and circulation of new currency notes after 8th November, 2016 till date, denomination-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) to (c) No. Sir. The banknote of ₹2000 and ₹500 are expected to have normal life as all the machines, the manufacturing process and raw materials such as paper, ink and security features used in the 2016 series banknotes are same as those used in previous series of banknotes. However, some design elements have changed. The visible changes in the 2016 series banknotes are size of the notes, color schemes and inclusion of heritage motifs. Therefore, the issue of ATM not being able to recognise the new 500, 2000 notes does not arise.

(d) ₹ 79.65 billion and ₹ 49.12 billion were spent on printing of banknotes in the year 2016-17 and 2017-18 respectively. In addition, ₹ 1.47 billion and 1.15 billion were spent on remittance of currency in the year 2016-17 and 2017-18 respectively.

**Protection of wilful loan defaulters from disclosure**

877. SHRI NEERAJ SHEKHAR:

SHRI RAVI PRAKASH VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether former Governor of RBI had submitted a list of wilful loan defaulters to Government;

(b) if so, the details thereof along with the date on which it was submitted to Government;



(c) the details of action taken against the above wilful defaulters by Government till date;

(d) whether Government is not divulging the names of above defaulters; and

(e) if so, under which rules/law Government is shielding the defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) No, Sir.

(b) and (c) Do not arise. However, a number of steps have been taken in respect of wilful defaulters, including, *inter-alia*, the following:—

- (i) As per Reserve Bank of India (RBI) instructions, wilful defaulters are not sanctioned any additional facilities by banks or financial institutions, their unit is debarred from floating new ventures for five years, and lenders may initiate criminal proceedings against them, wherever necessary.
- (ii) As per data reported by Public Sector Banks (PSBs), till 30.9.2018, 2,571 FIRs have been registered against wilful defaulters, 9,363 suits have been filed for recovery from them, and action has been initiated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of 7,616 cases of wilful defaulters.
- (iii) As per Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wilful defaulters and companies with wilful defaulters as promoters/directors are debarred from accessing capital markets to raise funds.
- (iv) The Insolvency and Bankruptcy Code, 2016 has been amended to debar wilful defaulters from participating in the insolvency resolution process.
- (v) Fugitive Economic Offenders Act, 2018 has been enacted to provide for attachment of property of a fugitive economic offender, confiscation of his property and disentitle him from defending any civil claim.
- (vi) Government has asked PSBs to examine all accounts exceeding ₹ 50 crore, if classified as NPA, from the angle of possible fraud.

(d) and (e) Reserve Bank of India (RBI) has apprised that the list of suit-filed defaulters of ₹ 1 crore and above and the list of suit-filed wilful defaulters of ₹ 25 lakh



and above are available in public domain on the websites of Credit Information Companies (CICs). RBI has also apprised that the list of non-suit filed defaulters of ₹ 1 crore and above and non-suit filed wilful defaulters of ₹ 25 lakh and above is confidential in nature and is exempted from disclosure under Section 45E of the Reserve Bank of India Act, 1934. Further, RBI, *vide* circular dated 27.6.2014, has advised all banks/financial institutions to submit the said list to all CICs directly and not to RBI from December 2014 onwards.

RBI has also apprised that, in a pending case, it has submitted to Supreme Court a list of defaulters above ₹ 500 crore in a sealed cover, claiming that the said information is confidential, and has requested that it may not be revealed to the public. The matter is under the consideration of Supreme Court.

RBI has also apprised that a lending institution can consider publication of the photographs of only those borrowers who have been declared as wilful defaulters following the mechanism set out in RBI instructions, for which the lending institutions shall formulate a policy with the approval of their Board of Directors which clearly sets out the criteria based on which the decision to publish the photographs of a person covered in paragraph above will be taken by them so that the approach is neither discriminatory nor inconsistent.

#### **Negative impact of demonetisation on economy**

878. SHRI NEERAJ SHEKHAR:

SHRI RAVI PRAKASH VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether demonetisation was a massive, draconian and monetary shock that accelerated economic slowdown and economic growth was 6.8% for seven quarters after demonetisation against 8% prior to demonetisation;

(b) if so, the details thereof and response of Government thereto; and

(c) the details of measures Government would take to compensate the economic loss to the country and ultimately the people due to demonetisation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P): (a) and (b) The temporary growth slowdown has dissipated and the growth of the economy has improved significantly. There was a