

Foreign Exchange Spent on Import of Coins

*257. SHRI MOHAN SINGH :

SHRI P. SANKARAN :

Will the Minister of FINANCE be pleased to state :

(a) the extent of foreign exchange likely to be spent on import/minting of coins from abroad;

(b) whether the import of coins is likely to be continued in future also or there is any scheme to make the country self reliant in the field of coin minting;

(c) whether currency notes are also being printed in foreign countries;

(d) if so, the value thereof alongwith the names of countries;

(e) whether the substandard quality of paper available in the country is the main cause of printing currency notes in foreign countries; and

(f) if so, the method evolved to improve the quality of paper produced in our country atleast for printing of currency notes and the expected savings in foreign exchange in this regard?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a)

Year	Foreign exchange involved on import of coins (in Million US Dollar)
1997-98	19.59
1998-99	12.69 (provisional)
1999-2000	35.29 (estimated)

(b) Any decision to import coins is need-based. The Govt. has decided to import 1000 Million pieces of coins (Rs. 1 = 300 MPCs, Rs. 2 = 300 MPCs and Rs. 5 = 400 MPCs) in 1999-2000. The Govt. Mints at Calcutta and Mumbai are being modernised and a new Mint has been set up at Cherlapally on the outskirts of Hyderabad. The new Mint was inaugurated on 20-8-1997. It is also proposed to run India Govt. Mint, Noida in two shifts. With all these measures, the indigenous production of coins will substantially go up from 1999-2000. As against the present production of 2375 MPCs, from 1999-2000 the production is expected to be 4700 MPCs per annum.

(c) and (d) As a one time measure, the RBI was authorised to import printed currency Notes. The import was made by RBI as under :

Year	Denomination	Quantity (in MPCs)	Expenditure (in MillionUSD)
1997-98	Rs. 100	1415	33.58
1998-99	Rs. 100	585	13.88
1997-98	Rs. 500	572.4	17.11
1998-99	Rs. 500	1027.6	30.71
Total		3600	95.28

The total value of the imported Notes is Rs. one lakh crore (Value-wise). The details are as under :

Sl. No.	Name of Firm	Denomination	Quantity (in MPCs)
1.	De.La rue Currency & Security Print, UK	100	1092
2.	Debden Security Printing Ltd, UK	100	273
3.	American Bank Note Co., USA	100	635
Total			2000
4.	Geisecke & Debrint GmbH, Germany	500	787
5.	Francois Charles oberthur, France	500	482
6.	BA Bank Note, Canada	500	331
Total			1600
Grand Total			3600

(e) No, Sir.

(f) Does not arise.

[English]

Recovery of Loans

*258. SHRI SANDIPAN THORAT :

DR. BIZAY SONKAR SHASTRI :

Will the Minister of FINANCE be pleased to state :

(a) whether the Supreme Court have directed the Union Government and RBI for review of banking system and banking laws in the backdrop of ever increasing bank-frauds and scams; and

(b) if so, the details of fresh steps taken/under consideration to frame rules, regulations for speedy recovery of bank loans and interest thereon and progress made in this regard so far?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) No Sir. However, in a Writ Petition filed by a non-governmental organisation in the Supreme Court of India, the petitioners have sought the issuance of a writ, order or directions, directing the respondent "to formulate definite policy laying down procedure for the recovery of loans and advances together with interest accrued thereon which are presently being treated as non-performing assets of banks."

(b) Does not arise. However, Government/RBI and banks have taken a number of measures to reduce NPAs in public sector banks. These measures inter-alia include the following

- (i) At the instance of RBI/Government, banks have laid down their loan policy and loan recovery policy.
- (ii) Banks have set up Recovery Cells at their Head Offices. Branch-wise recovery targets are fixed and recovery is monitored by the Recovery Cell. Recovery performance is reviewed at different levels within the banks.
- (iii) Banks are recovering NPAs through negotiated settlements which envisage that recovery is to the maximum extent possible at the minimum expense and in a reasonable timeframe.
- (iv) 9 Debt Recovery Tribunals and 1 Debt Recovery Appellate Tribunal have been set up by the Government.
- (v) The system of banking supervision has been modified and strengthened, with banks being subjected to off-site supervision in addition to on-site inspection.
- (vi) Internal control systems within the banks have been strengthened.
- (vii) In order to contain fresh NPAs, credit appraisal skills are being upgraded on a continuing basis.

Small Saving Schemes

*259. SHRI SATNAM SINGH KAINTH :
SHRIMATI REENA CHOUDHARY :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have scaled down the interest rates on all major small saving schemes including Indira Vikas Patra and Kisan Vikas Patra;

(b) if so, the details thereof and the reasons therefor;

(c) whether some State Governments have criticised that this decision was taken without consulting the State Governments;

(d) if so, the details thereof and the Government's reaction thereto;

(e) its likely impact on common man's savings and annual plan of the State Governments; and

(f) the steps taken by the Government to provide due economic security and proper return of the common man's savings?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Yes, Sir.

(b) A statement showing the revision in the rates of interest on various small savings schemes is placed at Annex. A committee under the Chairmanship of Shri R.V. Gupta which was set up to look into the issues of small savings had recommended benchmarking the interest rates on small savings schemes to the rates prevalent in the public sector banks/all India financial institutions on similar schemes.

(c) and (d) Some of the State Governments have communicated their reaction in regard to the reduction of rates of interest on small savings schemes. Some State Governments have raised the issue of prior consultation with the States for revision of interest rates in small savings. Small savings schemes are an instrument of Government of India and hence no prior consultation is called for. The State Governments have never been consulted in the past.

(e) (i) The common man's savings in small savings instruments will draw interest at the rates benchmarked to the rates prevalent in the public sector banks/all India financial institutions.

(ii) No adverse impact on the annual plan of State Governments is expected.

(f) Small savings schemes continue to carry attractive returns, substantial tax benefits, easy liquidity terms and Government of India guarantee. A large network of post offices and branches of public sector banks all over the country including rural and far flung areas, ensure easy access for small savers in schemes on tap throughout the year.