

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5035
ANSWERED ON:20.04.2001
SOILED AND MUTILATED CURRENCY NOTES IN KARNATAKA
GANGASANDRA SIDDAPPA BASAVARAJ;IQBAL AHMED SARADGI

Will the Minister of FINANCE be pleased to state:

- (a) whether there is a major problem of soiled and mutilated currency notes in Karnataka region;
- (b) if so, whether the Reserve Bank of India has decided to issue coins in exchange of soiled notes, in each district of Karnataka;
- (c) whether Reserve Bank of India has identified Hassan and Raichur Districts as the worst affected districts of the States in terms of circulation of soiled notes;
- (d) whether the help of local banks is being sought; and
- (e) if so, the details thereof?

Answer

Minister of State in the Ministry of Finance (Shri Balasaheb Vikhe Patil)

(a): Instances of circulation of soiled notes in some parts of the country including Karnataka have come to the notice of the Government.

(b), (d) & (e): All Public Sector Bank branches have been instructed to freely exchange soiled notes tendered over their counter by the public. Full powers have been delegated to currency chest bank branches of Public Sector Banks for adjudication of mutilated notes presented by the public.

The help of local banks is sought for both exchange of soiled notes and adjudication of mutilated notes tendered by public. They have also been advised to open special counters in their branches for exchange of soiled notes with good notes/coins, commissioning mobile services at important market places/business centres to mop up soiled notes from circulation.

Also, the regional offices of Reserve Bank of India send remittance of fresh notes and coins to the currency chest branches under their jurisdiction to replenish their stock so as to facilitate the concerned chest branches to give in exchange fresh notes and coins.

(c): No, Sir.