

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1944
ANSWERED ON:17.07.2009
REGULATION OF CURRENCY NOTES SUPPLY
Singh Shri Radha Mohan

Will the Minister of FINANCE be pleased to state:

- (a) the details of Reserve Bank of India's policy/guidelines/norms for supply of new currency notes of different denominations to the public in general;
- (b) whether there is any designated officer in RBI for regulating the supply of currency notes;
- (c) if not, whether Government proposed to appoint such officer;
- (d) whether the Government has conducted any survey to find out the source of diversion of currency notes to specific class of people; and
- (e) if so, the finding thereof and action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a): The Reserve Bank of India has the sole right to issue bank notes and currency notes supplied to it by the Central Government (in terms of section 22 of RBI Act, 1934) and carries out its function through the Issue Department at its 19 Regional Offices which issue new and reissuable notes to the members of public in general.

Based on the indents of banknotes placed by the currency chest branches of commercial banks with the Regional offices of RBI (Issue Departments) and taking into account the replacement requirements, inflation and growth in the economy etc., a final indent is placed by Department of Currency Management (DCM) of the RBI with the printing presses who supply the notes to the various regional offices of RBI as per the allocation made by DCM. The Regional offices in turn supply the notes to the currency chests branches of banks in their region. These branches send the notes to their linked branches as per the requirement for supply to the members of public. RBI offices also exchange notes directly from the public (high denomination to lower denomination and vice versa).

(b) & (c): Overall responsibility for currency management vests with the Chief General Manager, DCM, Reserve Bank of India.

(d): No, Sir.

(e) : Does not arise.