

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1053

ANSWERED ON:28.11.2014

PRINTING OF NOTES

Gandhi Shri Dilip Kumar Mansukhlal;Singh Shri Sunil Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has stopped printing one, two and five rupee notes;
- (b) if so, the details thereof and reasons therefor;
- (c) whether these currency notes are in vogue in the market in abundance and if so, the details therefor;
- (d) whether one, two and five rupees` coins being released by Government from time to time are disappearing from the market; and if so, the value of such coins released during each of the last three years; and
- (e) the action being taken by Government to ensure availability of each lower denomination coins and notes?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAY ANT SINHA)

(a) & (b) : Reserve Bank of India (RBI) has informed that printing of 1, 2 & 5 notes was stopped in November 1994, February 1995 and November 1995 respectively in view of the short life span of the lower denomination notes and the high cost involved in printing and processing soiled notes of these denominations. Printing of T 5 notes was started once again in 2001, but later discontinued since the coins have longer economic (circulation) life than notes and with increase in supply of the coins, there was no need to continue to print ? 5 notes in the long run. Government has decided this year to print 1 note again as it is a sovereign issue, multiple of which is issued as a promissory note or currency note by the RBI.

(c) These notes continue to be legal tender and are therefore in circulation. At the close of March 2014, 11,698 million pieces of notes upto 5 denomination (worth around T 46 billion) were in circulation.

(d) RBI issues coins in the denomination of 50 paise, 11, 2, 5 and 10. The details of coins issued by RBI during the last three years are as under:

Position at the end of March (in Million pieces)

2011-12	2012-13	2013-14
5563	6682	6759

(e) The steps taken by the Government and RBI to ensure availability of coins and notes of lower denominations (upto 50) to the public are as under:

(i) Production of coins has been increased from 5833 million pieces in 2009-10 to 7651 million pieces in 2013-14.

(ii) More remittances of coins/notes are being sent to the Currency Chests in the areas where from shortage is reported,

(iii) Regional Offices have been advised to keep minimum balances in their vaults and in CCs to ensure availability of notes and coins to bank branches/members of public in every state,

(iv) Shop keepers and other business establishments, tollgate agencies, etc. have been attached to the nearest CCs for their requirements of coins, subject to availability,

(v) The banks have been encouraged to install Coin Vending Machines (CVMs) for issue of coins by providing them capital subsidy,

(vi) The banks have been advised to organize coin melas for issue of coins directly to the members of public.