

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1948

ANSWERED ON:31.07.2015

Issue of One Rupee Note

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has finalized to print 150 million One Rupee notes per annum;
- (b) If so, the details thereof and the reasons for not circulating the same currency notes;
- (c) whether the estimated cost of printing one Rupee note is higher than other currency note denomination resulting in loss of revenue, if so, the details thereof enumerating the comparative costs of printing one rupee note and notes of other denominations;
- (d) whether printing of one Rupee note was discontinued in the past, if so, the details thereof and the reasons therefor; and
- (e) whether the re-introduction of one Rupee note will address the severe shortage of one Rupee coin, if so, the details thereof and if not, the other steps taken in this regard?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE

(a) & (b): Government has issued Gazette Notification G.S.R. 897(E) dated 15th December, 2014 to print 1 Currency Notes with effect from 1st January, 2015 under the provisions of the Coinage Act, 2011. Accordingly, Government has decided to print 150 million Rs.1 notes per annum. Reserve Bank of India (RBI) has informed that Rs.1 notes will be put in circulation by its Regional Offices shortly through currency chests of various banks.

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(c) Security Printing and Minting Corporation of India Limited (SPMCIL) has informed that for the financial year 2015-16, the estimated cost of printing of Rs.1 note is Rs.0.78 with selling price of Rs.0.86. The details of prices paid by RBI to SPMCIL for other denomination notes are as under:-

Denomination Price per note paid by RBI

10/- 0.837
20/- 1.226
50/- 1.430
100/- 1.784
500/- 3.375
1000/- 3.733

(d) RBI has informed that due to short life span and high cost, printing of Rs.1 notes was discontinued in the year 1994.

(e) Rs.1 currency note has been issued under the provisions of the Coinage Act, 2011, as it is a sovereign issue, multiples of which are issued as promissory notes by the RBI. To meet the growing demand for coins in the country, SPMCIL has increased the production target from 7929 mpcs. in 2014-15 to 8500 mpcs. in 2015-16. Further, RBI has taken the following steps to meet the shortage of coins:-

1. Linking the shop keepers and other business establishments, tollgate agencies, etc. to the nearest currency chests for their requirements of coins,
2. Advising banks to organize coin melas for issue of coins directly to the members of public,
3. Incentivizing the banks for distribution of coins and installation of coin vending machines.