

thing is that the Election Commission is an independent body constituted under the Constitution itself and instead of leaving it to the President, which means on the advice of the executive and so on, it is better he acts on the advice of the independent body. That is the purpose of bringing this amendment.

MR. SPEAKER: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

12.22 hrs.

INDIAN COINAGE (AMENDMENT) BILL

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE): Sir, I beg to move:

"That the Bill further to amend the Indian Coinage Act, 1906, be taken into consideration".

Under Section 6 of the Indian Coinage Act, 1906, the Central Government have power to mint coins of such denominations not higher than 100 rupees as the Government may by notification in the official gazette determine.

It is proposed to remove this denominational restriction and permit the minting of a coin of the denomination of 1000 rupees.

In 1968, the FAO invited the Government of India to participate in an International Issue of Commemorative coins as legal tender, in a new action of international goodwill to tackle World Food and Agricultural problems. For obvious reasons, a commemorative coin has to be different from the existing coinage. It is also of advantage if it is of higher value than the normal coins,

since such a coin is likely to command a better sale price abroad.

Minting of high denomination commemorative coins has recently become a big numismatic attraction. Several foreign countries are issuing coins of the denomination of \$125 (equivalent to Rs. 1,000 approximately) as participants to commemorative series sponsored by the International Union for Conservation of Nature and Natural Resources and the World Wild Life Fund. The preference of collectors of coins for high denominations render these coins highly attractive from the foreign exchange point of view.

India has been in the market of commemorative coinage issues from 1969 and has been selling coins of the denomination of Rs. 10 and even Rs. 50 recently in the international numismatic market in sets of uncirculated quality and in sets of proof quality, as well. The foreign exchange earned from the sale of these uncirculated sets or proof sets has gone up from \$62,715 in 1969 to \$135,650 in 1974. As high denomination coins contain precious metals like silver and nickel which have to be conserved or which are imported, such coins are usually minted in limited quantity for purposes of promotion of sale in international numismatic markets and earning precious foreign exchange.

We are actively considering participation in proposals which require minting of high denomination coins of Rs. 1000/- but prior to final decision on these issues it has become necessary to amend Section 6 of the Indian Coinage Act, 1906.

I commend this Bill to the House

MR. SPEAKER: Motion moved:

"That the Bill further to amend the Indian Coinage Act, 1906, be taken into consideration."

*Moved with the recommendation of the President.

AUGUST 5, 1975

SHRI C. K. CHANDRAPPAN (Telli-cherry): I support this Bill. There is nothing much to speak about this. I only take this opportunity to bring to the notice of the hon. Minister that when the Government intends to bring out higher denomination coins, they should pay a little more attention to providing sufficient small coins. That is not a problem directly related to this Bill, I know it. The Government had tried to improve the position in small coins, but even today there is deficiency faced by the common people because of the non-availability of these coins where it is necessary. I just wanted to bring this fact to the notice of the hon. Minister so that Government might take some action about this also. Otherwise we do not have any objection to the Government bringing out bigger denomination coins.

SHRI K. MAYATHEVAR (Dindigul): This Bill has been introduced by the Government with a limited scope, with the object of getting power to mint coins of thousand rupee denomination. We appreciate the Bill and the merits behind it, but as Mr. Chandrappan submitted earlier, the vast majority of the people, the people in the bottom of the society in India, are in need of small coins. Simultaneously, they should be minted and circulated for the day-to-day transactions of the poor and middle class people. This may be considered by the Government.

One very important question is how they are going to dig out black money and reduce inflation by going on printing thousand rupee notes.

SHRI PRANAB KUMAR MUKHERJEE: These are not notes, these are coins.

SHRI K. MAYATHEVAR: It is the same thing.

I do not say that you must destroy the present hundred rupee notes to dig out black money, but I suggest that you demonetise the present hundred

rupee notes. It is one of the best devices to dig out black money. As the Government is aware, the smugglers, blackmarketeers, anti-social and anti-national elements in India are running a parallel Government because of this black money. Therefore, to dig out black money and to arrest inflation, you should declare the present hundred rupee notes to be illegal and issue new ones. This is a golden opportunity for the Government to tackle the incurable disease of inflation and to bring down the price level. Actually, this should have been included in the 20 point programme. The Government may very kindly and sympathetically consider this.

SHRI PRANAB KUMAR MUKHERJEE: I am glad that both the hon. Members who have participated in the discussion have welcomed the Bill. As I have already mentioned in introducing the Bill, this is only to facilitate us to mint thousand rupee denomination coins so that we can take part in the world numismatic market and at the same time earn some foreign exchange.

There is one bright aspect in this. In 1969 for the first time, we went to the world numismatic market and started issuing commemorative coins. In that year we earned foreign exchange to the tune of more than \$62,000 and in 1975 it has risen to more than \$135,000. More and more coins are being purchased by the numismatic collectors abroad. Therefore, the present limitation which exists in Section 6 of the Indian Coinage Act should be done away with. If we get approval of the proposed amendment by this House, that would enable us to mint coins up to Rs. 1,000 and we hope it would attract in the international and domestic markets those who have the hobby of collecting various types of coins, both sets of uncirculated and proof quality. Therefore, this amendment has been brought forward.

Regarding the problem of small coins, according to the latest Reserve

Bank studies, for the time being there is no problem of the small coins. Perhaps it is known to the Hon. Member that we have augmented our production fixed for these small coins. The three mints in Calcutta, Bombay and Hyderabad are fulfilling, their commitments and it would be possible for us to take care of this problem. Whenever such a situation arises, we are alive to the problem and resort to various remedies so that the problem of small coins does not occur.

With these words I thank the hon. Members for supporting this Bill.

MR. SPEAKER: The question is:

"That the Bill further to amend the Indian Coinage Act, 1906, be taken into consideration."

The motion was adopted

MR. SPEAKER The question is:

"That Clauses 2 to 4 stand part of the Bill."

The motion was adopted.

Cluses 2 to 4 were added to the Bill.

MR. SPEAKER The question is.

"That Clause 1, the Enacting Formula and the Title stand part of the bill."

The motion was adopted.

Clause 1, the Enacting Formula and the Title were added to the bill.

SHRI PRANAB KUMAR MUKHERJEE: Sir, I move:

"That the Bill be passed."

MR. SPEAKER: The question is:

"That the Bill be passed"

The motion was adopted

12.36 hrs.

**PUBLIC FINANCIAL INSTITUTIONS
 LAWS (AMENDMENT) BILL**

THE MINISTER OF FINANCE
 (SHRI C. SUBRAMANIAM): I beg to move*:

"That the Bill further to amend the Industrial Development Bank of India, Act, 1964 the Reserve Bank of India Act, 1934, the Industrial Finance Corporation Act, 1948, the State Financial Corporations Act, 1951, the Life Insurance Corporation Act, 1956 and the Unit Trust of India Act, 1963, as reported by the Joint Committee, be taken into consideration."

Sir, as the House is aware, the Public Financial Institutions Laws (Amendment) Bill, 1973 was introduced in the Lok Sabha on the 22nd December, 1973 and was referred to a Joint Committee of both the Houses of Parliament during the budget session of 1974. The Joint Committee has concluded its report and the report of the Committee has since been laid on the Table of the House on the 25th July 1975. I now move that the Public Financial Institutions Laws (Amendment) Bill, 1973 as reported by the Joint Committee be taken into consideration.

The term lending financial institutions, viz. the IDBI, IFC, ICICI, SFCs., LIC, UTI and the IRCI, have been playing a very useful role in the industrial development of the country. In recent years, significant changes have taken place in the field of industrial development. The institutions are equipping themselves to meet those challenges. In the financing of major industrial projects, the resources available with the banks are now being increasingly mobilised by the Development Bank by arranging consortia. The institutions have adopted convertibility guidelines in cases of substantial financial assistance to industrial concerns in the private sector and are taking steps to associate themselves, at policy level, in the management of

* Moved with the recommendation of the President.