

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1556  
ANSWERED ON:09.03.2007  
CIRCULATION OF CURRENCY  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the rate of currency circulation has been more than the target fixed by the Government in 2006-07;
- (b) if so, the details thereof;
- (c) the rate of increase in currency circulation from April to December 2006 in comparison to the currency circulation during the same period for the previous year; and
- (d) the reasons for increase in rate of currency circulation ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P.K.BANSAL)

(a) & (b): Government of India does not fix any target for the circulation of currency i.e. notes in circulation. The Reserve Bank of India arrives at the value of notes in circulation depending on growth in the economy, GDP, inflation, etc. The volume wise distribution among the denominations is worked out later.

(c) & (d): During the period April 2006 to December 2006, the rate of circulation of currency has increased by 11.19% as compared to 10.10% during the same period last year on account of the reasons mentioned above.