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Title: The Minister of State in the Ministry of Finance laid a statement regarding status of implementation of recommendations in 73rd and 79th Reports of Standing Committee on Finance on Demands for Grants (2008-09) and counterfeit currency notes in circulation, respectively.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): Madam, I beg to lay a statement regarding the status of implementation of the recommendations contained in the 73rd and 79th Reports of the Standing Committee on Finance on Demands for Grants (2008-09) and Counterfeit Currency Notes in circulation, respectively, pertaining to the Department of Economic Affairs, Expenditure, Financial Services and Disinvestment, Ministry of Finance.

I deem it my privilege to make a statement on the status of implementation of recommendations contained in the 73rd and 79th Report pertaining to the Department of Economic Affairs, Expenditure, Financial Services and Disinvestment of the Standing Committee on Finance (14th Lok Sabha) in pursuance of Direction 73-A of the Hon'ble Speaker, Lok Sabha *vide* Lok Sabha Bulletin, Part II dated 1st September 2004.

The 73rd and 79th Report of the Standing Committee on Finance (14th Lok Sabha) were presented to Lok Sabha on 18th December, 2008.

The 73rd Report relates to examination of Demands for Grants (2008-09). In the Report, the Committee deliberated on various issues and made seven (7) recommendations. These recommendations mainly pertain to the issues relating to the budget provisions for Indian Development Economic Assistance, Viability Gap Funding, display of information in "Budget at a Glance", appointment of independent directors in the Board of PSUs in the context of the listing agreement prescribed by SEBI, shortfall in agricultural lending targets, One/Time Settlement Scheme (OTS), The Real Time Gross Settlement (RTGS/National Electronic Fund Transfer (NEFT) facility, etc. , Government has taken necessary actions and accepted the recommendations in all cases.

The 79th Report relates to Counterfeit Currency Notes in Circulation. In the Report, the Committee deliberated on various issues and made ten (10) recommendations. These recommendations pertain to issues of the gravity and magnitude of the menace of circulation of fake currency in the country, constitution of nodal group for monitoring, conducting comprehensive enquiry into the origins of Fake Indian Currency Notes (FICN) from across the borders, phased withdrawal of Rs. 1000 denomination 2000 series, difference between the number of soiled notes that are coming back to the RBI system and the number of new notes that are being issued, modification of the existing stringent penal provision to protect innocent common man who carries FICN unknowingly, if any breach of exclusivity agreement executed by the suppliers is actually occurring, setting up of a Joint Venture Paper Mill for production of security paper etc. All the recommendations have been accepted excepting one and detailed information has been furnished.

Action Taken Statements on the recommendations/observations contained in the 73rd and 79th Reports had been sent to the Standing Committee on Finance on 17th April, 2009 and 26th March, 2009 respectively. Present status of implementation of the recommendations made by the Committee in the 73rd and 79th Reports is indicated in Annex-I and Annex-II respectively, which are laid on the Table.

I would not like to take the valuable time of the House to read out the contents of the Annexures. I would request that these may be taken as read.

(Placed in Library, See No. LT 1267/15/09)

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