

Sixteenth Loksabha

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Title: Regarding re-framing of bank note refund rules by the Reserve Bank of India.

DR. P.K. BIJU (ALATHUR): Banks are finding it impossible to exchange soiled Rs. 200 and Rs. 2000 banknotes as the rules governing their exchange are yet to be amended. The exchange of soiled, mutilated and imperfect notes are governed by Reserve Bank of India (Note Refund) Rules, a part of Section 28 of the RBI Act, which only specifies currency notes of Rs. 5, Rs. 10, Rs. 50, Rs. 100, Rs. 500, Rs. 1,000, Rs. 5,000 and Rs. 10,000 denomination. The Rs. 2000 notes were issued post demonetisation in November 2016 and the Rs. 200 note started trickling down to the masses from September 2017 onwards. Only after the note-refund rules are reframed, RBI offices and designated banks will accept soiled notes for exchange and give a refund whose value may vary with the nature and extent of damage of the soiled note. The public, especially poor people, farmers, small scale vendors etc are finding it very difficult to deal with the situation. I urge the Government to take urgent steps to re-frame note-refund rules by RBI for Rs. 2000 and Rs. 200 notes as early as possible.