

RBI to engage Agencies for Distribution of Coins

August 29, 2002

The Reserve Bank of India has invited applications from agencies for undertaking distribution of coins on an experimental basis. The Reserve Bank, has stated that it will pay service charges to the agencies that undertake distribution of coins. The Reserve Bank will pay a service charge of Rs. 250 per coin bag collected from its counters. The agencies would, however, have to distribute coins to the public at face value without any charge/commission. Coins will be available in denominations of Rs.1, 2, 5 as also 25 and 50 paise.

Agencies such as public sector undertakings, cooperative banks, regional rural banks, reputed and national/regional social welfare organisations (preferably Government aided) could approach the Reserve Bank of India to undertake distribution of coins to their clients/public. The selected agencies though would have to abide by certain conditions. The conditions include payment of full value of the coins in full bags while collecting them from the counters of the Reserve Bank. The value of each coin bag is:

Paise 25	Rs.1250
Paise 50	Rs.2500
Re.1 -	Rs.2500
Rs.2 -	Rs.5000
Rs.5 -	Rs.10000

The Reserve Bank will pay the service charge of Rs. 250 per bag to the agencies every month for the actual currency lifted. The transport and security arrangements will, however, be met by the agencies at their cost.

The Reserve Bank has stated that it will extend the facility on a highly selective basis initially for a period of six months. It will select the agencies on the basis of their track record. Based on the performance of the banks/organisations in actual distribution of coins to the public, it may renew the facility after the initial period is over. The Reserve Bank will have the right to cancel the facility at any time with one month's notice. The decision of the Reserve Bank on all aspects of the scheme including its termination will be final.

The Reserve Bank has requested interested organisations to contact the Regional Directors at Ahmedabad, Bangalore, Bhopal, Bhubaneswar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Jammu, Kanpur, Kolkata, Nagpur, New Delhi, Mumbai, Navi Mumbai (Belapur), Patna, Thiruvananthapuram or Chief General Manager, Department of Currency Management, Reserve Bank of India, Central Office, Mumbai 400 001.

It may be recalled that the Reserve Bank had, as one of the measures to reach coins to public, recently tied up postal authorities in Mumbai for distribution of coins through post offices in Maharashtra and Goa and Himachal Pradesh Road Transport Corporation in Himachal Pradesh.

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