



Government to conduct field trial with plastic banknotes at five locations of the country; Approval for procurement of plastic substrate and printing of bank notes of Rs.10 denomination on plastic banknote substrates conveyed to RBI

Posted On: 17 MAR 2017 6:30PM by PIB Delhi

It has been decided to conduct a field trial with plastic banknotes at five locations of the country. Approval for procurement of plastic substrate and printing of bank notes of Rs.10 denomination on plastic banknote substrates has been conveyed to RBI.

Plastic banknotes are expected to last longer than cotton substrate based banknotes. Over the years, central banks across the world have been exploring different solutions for extending the lifecycle of banknotes. These include introduction of plastic banknotes and other developments in banknote substrates for enhancing durability including use of natural fibre blends, varnish of banknotes etc.

The following actions have been taken by RBI to focus on the need to discourage people from inscription, scrawling or scribbling on any part of the notes:

- i. Vide its Directive dated November 07, 2001 under Section 35 (A) of B. R. Act, 1935 advised all banks not to write anything on watermark window of banknotes.
- ii. RBI has also issued a Press Release on December 31, 2013 on "RBI's clarification on scribbling on Banknotes".
- iii. RBI has advised all the bank branches to display at their branch premises at prominent place, a board indicating the availability of notes exchange facility for information of general public.
- iv. RBI from time to time issues instructions to banks to organize exchange melas to mop up soiled and mutilated banknotes from circulation.
- v. RBI periodically issues Press Releases appealing to the members of public not to inscribe anything on banknotes as it damages the notes and poses difficulty in identifying the features of genuine banknotes.

An inter-disciplinary Standing Committee on Cyber Security has been constituted to review the threats inherent in the existing/ emerging technology and suggest appropriate policy interventions to strengthen cyber security and resilience.

This was stated by Shri Arjun Ram Meghwal, Minister of State in the Ministry of Finance in written reply to a question in Lok Sabha today.

DSM/KA

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