

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3018  
ANSWERED ON:12.08.2005  
CIRCULATION OF MUTILATED CURRENCY NOTES QUESTION  
Singh Kunwar Rewati Raman

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government is aware that a large number of mutilated and very old currency notes are being re-issued by the public sector banks;
- (b) if so, the details thereof, bank-wise;
- (c) the action taken by the RBI against guilty officers; and
- (d) the steps proposed to be taken to avoid inconvenience to the customers ?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b):- Reserve Bank of India (RBI) have reported that they have not come across any such complaints in the recent past.

(c):- Does not arise.

(d):- RBI has created public awareness to insist on issue of clean banknotes by the banks. Banks are also authorised to accept and exchange soiled, mutilated, etc., banknotes. Reserve Bank has directed that the currency chest branches are equipped with appropriate machines to expedite the process of verification, processing and sorting of banknotes. While some banks have already installed such machines, banks with more than 100 currency chests have been given time upto November 30, 2005, to install the machines.