

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4726
ANSWERED ON:23.04.2010
PRINTING OF CURRENCY NOTES
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Will the Minister of FINANCE be pleased to state:

- (a) whether paper and ink used for printing currency notes by the Reserve Bank of India (RBI) are supplied by the foreign companies;
- (b) if so, the details thereof;
- (c) whether the Government has inquired that these companies are supplying the same paper and ink to our neighbouring countries also;
- (d) if so, the facts and details in this regard; and
- (e) the steps taken to get the supply of paper and ink from these companies discontinued or to make any alternative arrangement in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a)&(b): The paper used for printing currency notes is supplied by the following foreign companies besides an Indian company viz. Security Paper Mill, Hoshangabad:-

- (i) M/s Cartiere Miliani Fabriono SpA, Italy.
- (ii) M/s Arjo Wiggins Security, France.
- (iii) M/s VHP Security Paper Mill, The Netherlands,
- (iv) M/s Papierfabrik Louisinthal, Germany,
- (v) M/s Crane AB, Sweden.
- (vi) M/s De La Rue Currency, U.K.

Similarly, Ink used for printing of currency notes is supplied by M/s SICPA, Switzerland besides the Bank Note Press, Dewas (India).

(c) to (e): Before the paper and ink used for printing currency notes are obtained from the foreign companies, an agreement is signed with them which contains following terms & conditions to ensure security:-

- (i) the seller should undertake not to reveal the specifications etc., of the Indian CWBN paper/ink contained in the main tender documents to any third party;
- (ii) the seller shall also undertake not to supply India specific CWBN paper/ink to any other party and that he will be responsible to maintain secrecy, security and exclusivity in case a contract is awarded to him.

Setting up of a new paper mill at Mysore and additional production line at Security Paper Mill, Hoshangabad are scheduled to be commissioned in phases within next three years. The augmentation of capacity of Ink Factory at Dewas is scheduled to be completed within this financial years.