

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2635
ANSWERED ON:04.12.2009
PRODUCTION OF CURRENCY NOTES
Majhi Shri Pradeep Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to set up a modern facility for producing paper for currency notes in the country;
- (b) if so, the details thereof;
- (c) the extent to which these modern facility will be capable of checking the circulation of fake notes in the country; and
- (d) the details of the expenditure likely to be incurred on such modern facility for producing paper for currency notes?

Answer

Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) and (b) Yes Sir, To meet the demand of currency paper indigenously, the Government of India has conveyed its decision to Reserve Bank of India (RBI) for setting up a state of the art Security paper manufacturing unit at Mysore, on 50:50 joint venture (JV) basis between Bharatiya Reserve Bank Note Mudran (P) Limited, (BRBNMPL), a wholly owned subsidiary of RBI and Security Printing and Minting Corporation of India Limited, (SPMCIL), wholly owned Government of India undertaking.

A Joint Management Committee has been constituted for finalizing the roadmap for setting up a Paper Mill Project, formation and registration of new Company, preparation of detailed project report etc.

(c) Indigenization of paper for manufacturing currency notes will ensure that the paper embedded security features are incorporated domestically and the knowledge base in this regard remains with the country.

(d) The expenditure likely to be incurred by the JV for manufacturing currency paper will be around Rs.1200 crores.