

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4052
ANSWERED ON:26.08.2011
LIFE OF INDIAN BANK NOTES
Yadav Shri Ranjan Prasad

Will the Minister of FINANCE be pleased to state:

- (a) the life span of an Indian Bank note under normal condition;
- (b) whether the Government has evaluated the various options for increasing the life of currency notes;
- (c) if so, the details thereof;
- (d) if not, the reasons therefor; and
- (e) the comparison between the life of Indian currency notes vis-a-vis foreign currency notes alongwith cost of production?

Answer

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

- (a): Reserve Bank of India (RBI) has informed that no study has been undertaken to estimate the life of Indian banknotes. However, by conventional wisdom, the average life of a banknote is construed to be 3-4 years.
- (b) to (d): With a view to increasing circulation life of banknotes, particularly in small denomination, RBI has been considering various options including printing of banknotes on polymer substrate.
- (e); RBI has informed that no information is available about the life of Indian currency notes vis-a-vis foreign currency notes and their cost of production.