

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2820
ANSWERED ON:29.08.2012
BHADRAPADA SAKA SHILABHADRA BANERJEE COMMITTEE
Khairi Shri Chandrakant Bhaurao

Will the Minister of FINANCE be pleased to state:

- (a) the details of recommendations of the Shilabhadra Banerjee Committee and the action taken so far by the Government thereon;
- (b) whether the Government proposes to indigenize the production of bank note paper to meet the domestic requirements of the country;
- (c) if so, the details thereof along with the details of domestic requirement of the country;
- (d) whether the Government proposes to set up bank note paper mill unit in the country; and
- (e) if so, the details thereof?

Answer

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

(a) The major recommendations of the Shilabhadra Banerjee Committee and action taken thereon are indicated below:

i) Creation of Directorate of Currency: Directorate of Currency has been set up under the chairmanship of Additional Secretary to monitor and review the integrity of existing security features in Indian banknotes and to study improvements and best practices in the related features of other countries. The Directorate was also given the mandate to periodically undertake the exercise to revise the security features based on an analysis of the existing features, international best practices and the need for updation.

ii) Research and Development activities: R&D Labs have been set up in various units of Security Printing Minting Corporation of India Limited (SPMCIL) and Bharatiya Reserve Bank Note Mudran (P) Limited (BRBNMPL) for applied research.

iii) Acquisition of security features: The process of selection of advanced security features is in advanced stage.

iv) Review of procurement manuals: The procurement manuals of SPMCIL and BRBNMPL have been revised/issued.

v) Indigenisation: Indigenisation of banknote paper and security inks is at advanced stage. A joint venture banknote paper mill is being set up at Mysore and a new paper line is being established at SPM, Hoshangabad. Steps have also been initiated for enhanced production of security inks at BNP, Dewas.

vi) Creation of FCORD. A mechanism called FICN Coordination Centre (FCORD) has been set up under the Ministry of Home Affairs to coordinate all activities for combating the menace of FICNs,

vii) Publicity campaign by RBI: The Reserve Bank of India has launched a multi media for educating the public on how to easily distinguish genuine banknotes from fake ones. (bto e): Yes, Sir. The annual domestic banknote paper requirement is likely to be around 18000 MT approx. With a view to indigenize the domestic requirement of banknote paper, a new Bank Note Paper Mill, as a joint venture unit between SPMCIL and BRBNMPL, is being set up at Mysore, and a new CWBN paper line is being established at Security Paper Mill, (SPM) Hoshangabad.