

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:170

ANSWERED ON:22.02.2013

INTRODUCTION OF PLASTIC CURRENCY

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

- (a) whether the Government is considering introduction of plastic notes in the country;
- (b) if so, the details thereof and the achievements made in this regard till date; and
- (c) the time by which the circulation of such notes is likely to start in the market?

**Answer**

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

(a) to (c): With a view to elongating the life of the banknotes, in particular the lower denominations, it was decided by the Government of India and RBI (Reserve Bank of India) to introduce 1 billion pieces of Rs. 10 notes in polymer/ plastic on a field trial basis in the cities of Kochi, Mysore, Jaipur, Bhubaneswar and Shimla, which were selected on the basis of their varied geographical locations and climatic conditions. A decision to issue polymer/ plastic banknotes for long term circulation will be taken on the basis of the outcome of the field trial. The process for field trial has been initiated by RBI. A Pre-Qualification Notice (PQN) was issued by RBI on April 13, 2010. Eight vendors responded to the PQN and Government of India has since conveyed the security clearance to RBI on January 18, 2013. The review of policy of production of currency notes is a dynamic and continuous process which is carried out in accordance with extant guidelines.