

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1757  
ANSWERED ON:16.08.2013  
DAMAGED NOTES  
Gandhi Shri Feroze Varun

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

- (a) whether instances of damage of currency notes in various Public Sector Banks (PSBs) across the country have come to the notice of the Government in the recent past;
- (b) if so, the details thereof for the last three years and the current year, bank-wise; and
- (c) the steps taken/proposed to be taken by the PSBs to prevent the notes from being damaged?

**Answer**

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

(a) to (c): Reserve Bank of India (RBI) has informed that no instance of damage of currency notes in various public sector banks across the country have been brought to their notice in the recent past. However, during the year 2010 currency notes amounting to Rs. 3.75 crores kept in Currency Chest at SBI Fatehpur, Barabank (U.P.) were damaged by termites. The Lucknow Regional Office of RBI has advised the Regional Offices of the banks in Lucknow to undertake anti-termite treatment to check the same.

Under the RBI's Clean Note Policy, the banks have taken the following steps to prevent damaged to banknotes:

- i. The walls of the Currency Chest are built as per specifications approved by Indian Banks' Association (IBA);
- ii. Agreement between RBI and the Chest maintaining banks stipulates that the banks shall be responsible for the safe custody of the contents of the currency chest and depots;
- iii. Instruction are in place to banks that the currency chest should not be located in areas to be affected by flood and the vaults in the basement may be constructed with care as these will be prone to seepage, dampness, etc.;
- iv. Regularly fitness certificates are to be obtained by RBI from the chest maintaining banks; and
- v. Operating instructions are in place to issue the notes on the basis of First In First Out (FIFO) to avoid storing of notes for longer time to prevent damage.