

Govt Approves RBI Trial of ₹10 and ₹20 Polymer Notes

The Union Finance Ministry informed Lok Sabha that RBI's proposal to field trial polymer banknotes for ₹10 and ₹20 denominations has been approved.

Polymer banknotes are plastic currency notes made from synthetic polymer material that offer longer durability and better anti-counterfeiting security features than paper currency.

KEY EXAM POINTS

- Minister of State for Finance **Pankaj Chaudhary** informed the **Lok Sabha** regarding the approval of RBI's polymer note proposal.
- The proposal involves conducting field trials with **one billion** pieces each of **₹10 and ₹20** polymer banknotes.
- The trial decision follows recommendations from the **RBI's** Central Board to test polymer notes under Indian environmental conditions.
- Bharatiya Reserve Bank Note Mudran Private Limited (**BRBNMPL**), a wholly-owned RBI subsidiary, recently floated tenders for this initiative.
- Regular nationwide issuance of polymer notes will be considered only after analyzing the performance and feedback from the **field trials**.
- The Centre clarified that there is currently no proposal to completely replace existing **paper-based Indian currency** with polymer notes.

STATICS & SYLLABUS FOCUS

Reserve Bank of India (RBI) was established on **April 1, 1935** under the provisions of the **Reserve Bank of India Act, 1934**.

Section 22 of the **RBI Act, 1934** grants RBI the sole right to issue currency notes in India.

Bharatiya Reserve Bank Note Mudran Private Limited (**BRBNMPL**) was established on **February 3, 1995** as a wholly-owned subsidiary of RBI.

India adopted the **Minimum Reserve System** (MRS) for issuing currency notes in **1956**, maintaining a minimum reserve of **₹200 crore**.

Australia became the first country in the world to issue a full series of polymer banknotes in **1996**.

BRBNMPL manages currency printing presses located at **Mysuru** in Karnataka and **Salboni** in West Bengal.

REVISION FLASHCARD

Govt approves RBI field trials for 1 billion pieces each of ₹10 and ₹20 polymer banknotes.

Syllabus Relevance: Important topic for Group 1, 2, 2A & 4 under Unit 6 (Indian Economy) covering RBI functions and currency management.

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