

RBI Targets Polymer Banknotes Rollout by Next Financial Year

RBI Governor Sanjay Malhotra announced that polymer banknotes in ₹10 and ₹20 denominations are targeted for circulation by the beginning of the next financial year.

Polymer banknotes are synthetic plastic currency notes that offer higher durability and significantly longer lifespan than traditional cotton-based paper notes.

KEY EXAM POINTS

- **RBI** is targeting the rollout of **polymer banknotes** at the start of next financial year following field trials.
- The polymer notes will initially be introduced on a **trial basis** in **₹10** and **₹20** denominations.
- Polymer notes offer higher **durability** and are suitable for lower denominations due to high **velocity of circulation**.
- The proposal received approval from the **Union Government**, reviving a decade-old initiative.
- RBI Governor **Sanjay Malhotra** announced the decision during the post-**Monetary Policy Committee** briefing.

STATICS & SYLLABUS FOCUS

Section 22 of the **Reserve Bank of India Act, 1934** gives RBI the sole right to issue banknotes in India.

Section 25 of the RBI Act specifies that banknote design and material require **Union Government** approval.

Australia became the first country to issue polymer banknotes for general circulation in **1988**.

The highest denomination banknote printed in India was **₹10,000** demonetised in **1978**.

Currency note printing presses in India are located at **Nasik**, **Dewas**, **Salboni**, and **Mysore**.

BRBNMPL was established in **1995** as a wholly owned subsidiary of the Reserve Bank of India.

Indian coins are minted by the Government of India under the **Coinage Act, 2011**.

REVISION FLASHCARD

RBI Section 22 grants sole right to issue banknotes; Polymer ₹10 & ₹20 notes targeted for next FY.

Syllabus Relevance: Relevant for Unit 6 (Indian Economy - RBI policies, banking reforms, currency issue rules).

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