

RBI follows Clean Note Policy:Instals New Machines for Faster Weeding out of Soiled Notes

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"The Reserve Bank of India is committing to the 'Clean Note Policy' for the citizens of this country and will command all its resources including technology for achieving the goal due to the nation". Shri Vepa Kamesam, Deputy Governor, Reserve Bank of India stated this while inaugurating the new Currency Verification and Processing Systems (CVPS) at New Delhi office of the Reserve Bank of India. Shri S. S. Kohli, Chairman & Managing Director, Punjab National Bank, Shri B. D. Narang, Chairman & Managing Director, Oriental Bank of Commerce, Shri Navin Kumar, Joint Secretary, Currency and Coinage and representatives of select commercial banks were also present in the inaugural function. The system has been installed in the Reserve Bank for faster processing of soiled and mutilated currency notes. New Delhi is one of the ten Reserve Bank office where the machines have been installed.

The CVPS system is capable of processing 50,000 - 60,000 pieces of soiled notes per hour. The system along with the Shredding and Briquetting System for on-line destruction of soiled notes will help faster withdrawal of soiled and mutilated notes from the market. The shredding and briquetting system is also environment-friendly as it does not create pollution that was created by burning of notes. It destroys the soiled currency notes by converting them into shreds and converts them into briquettes. The briquettes can be used for making items for use at office and home. They can also be used as residual fuel in industry.

It may be noted that Dr. Bimal Jalan, Governor, Reserve Bank of India announced 'Clean Note Policy' in January 1999. For effective execution of 'Clean Note Policy' withdrawing soiled notes from circulation is as important as pumping fresh notes into circulation. For the achievement of the twin-goal, the Reserve Bank has, over the past one year, introduced various changes in the systems and procedures related to currency management. The steps also include mechanisation of the currency verification and processing as also shredding and briquetting and destruction of soiled and mutilated notes.

In the first phase, the Reserve Bank has purchased 22 Currency Verification and Processing Systems (CVPS) for installation at nine Issue Offices. The offices at which these machines are being installed are Bangalore, Belapur, Chandigarh, Hyderabad, Jaipur, Jammu, Kanpur, New Delhi and Patna. It is proposed to install CVPS at the remaining Issue Offices in the second phase of mechanisation, before long. With these systems in place, the disposal capacity of the Reserve Bank of India will considerably increase. The increased capacity would help in the withdrawal of soiled notes from circulation. By simultaneously pumping in fresh notes in circulation with the help of additional capacity of two currency printing presses of the Reserve Bank, the demand for fresh notes of the public is expected to be adequately met.

The other steps taken by the Reserve Bank towards implementation of clean note policy are issuing of a directive in public interest to all banks prohibiting stapling of bank notes, tendering soiled notes to the Reserve Bank in unstapled condition, using bands instead of staple pins and to issue only clean notes to members of public. It also occasionally arranges to collect soiled and mutilated notes from public by going to market places. Mobile vans are periodically sent to supply coins in various parts of towns. As a result, the number of public complaints in respect of soiled notes in circulation have considerably declined and availability of fresh notes has significantly improved.

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