

## **RBI to launch plastic notes next year: Raghuram Rajan**

Plastic currency notes would be launched in the country in 2015 after field trials, Reserve Bank Governor Raghuram Rajan said today.

"Plastic notes are coming. Tender bids have come for one billion notes. In five cities, pilot testing would be done, including Shimla. In 2015, it would be launched based on the results of pilot testing," he told reporters.

He was talking to reporters after a board meeting of the Reserve Bank of India (RBI) here.

The government in February had informed Parliament that one billion plastic notes of Rs 10 denomination will be introduced in a field trial in five cities selected for their geographical and climatic diversity.

The other four selected cities are Kochi, Mysore, Jaipur, and Bhubaneswar. The field trial is expected to be launched in the latter half of 2014.

Plastic notes have an average life span of about five years and are difficult to imitate. Also, currency notes made of plastic are cleaner than paper notes.

Plastic notes were first introduced in Australia to safeguard against counterfeiting of currency. Several countries in the West have introduced plastic notes for their advantage over normal notes.

To a query on black money, Rajan said RBI is not directly involved in curbing the menace and it was primarily a function of the government.

"We can detect some of these activities as a result of monitoring of foreign exchange transactions. We do certainly work with the government. But in terms of bringing back black money that is really primarily a function of government," he said.

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