

RBI/2006-2007/255

DCM (NPD) No. 5673/09.39.00/2006-07

February 12, 2007

The Chairman & Managing Director /  
Managing Director / Chief Executive Officer,  
All Banks having currency chests

Dear Sir / Madam,

Clean Note Policy – Sorting of banknotes

In pursuance of the Bank's Clean Note Policy, the currency chest holding banks have been advised to automate the sorting of notes by installing Note Sorting Machines (NSM) at their currency chests.

2. It has been decided to change the tolerance level of reissuable notes in the soiled banknote remittance to RBI from the existing 10% (cf. circular RBI / 2004-05 / 372 – DCM (NPD) No. 402 / 09.39.00 / 2004-05 dated February 22, 2005) to 5% of each remittance, with immediate effect. You may advise your currency chest branches suitably and ensure that the Note Sorting Machines installed at the currency chest branches invariably sort the banknotes and only the non-issuables are sent to RBI.
3. Please acknowledge receipt.

Yours faithfully

(U.S.Paliwal)  
Chief General Manager