

PRESS RELEASE**RESERVE BANK OF INDIA**

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Issue of Star Series Banknotes

The Reserve Bank of India will soon issue Star series banknotes. These will be issued to begin with in Rs.10, Rs.20 and Rs.50 denominations in the Mahatma Gandhi Series-2005. The Star series banknotes will look exactly like the existing banknotes of Rs.10, Rs.20 and Rs.50 but will have an additional character, viz., *(star) in the number panel between the prefix and the serial number. Consequently, some fresh banknote packets issued by the Reserve Bank may contain some notes having a *(star) in the number panel in the space between the prefix and the number. The bands of the packets containing the Star series number will clearly indicate the presence of such banknotes in the packets. Fresh note packets with Star series notes will, as usual, have 100 pieces with the Star series notes placed at the bottom of the packet. The Star series banknotes will be legal tender and members of public may freely accept and use these banknotes.

The fresh banknote packets issued by the Reserve Bank of India at present are serially numbered from 1 to 100. Each banknote bears a distinctive serial number along with a prefix. Currently defectively printed banknotes in any packet are replaced at the note printing presses with a good note bearing the same number as the one with defect in order to maintain the sequential numbering of banknotes in the packet. This procedure involves additional time/cost and manual intervention.

As part of the ongoing efforts to benchmark its procedures to international best practices, as also, for cost effectiveness and greater operational efficiency at note printing presses, the Reserve Bank has adopted the Star series numbering system for replacement of defectively printed banknotes. This was announced in April this year, in the Annual Policy Statement for 2006-07.

Alpana Killawala
Chief General Manager

Press Release : 2006-2007/ 307