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Plastic Currency: The Need for a Durable and Sustainable Future for India's Economy

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Abstract

Despite India's global leadership in digital transactions, currency in circulation grew by over 11% in 2025–26, revealing a paradox where cash demand accelerates alongside digital adoption. This paper argues that polymer banknotes represent not a technological novelty but a strategic imperative for India's economy. Evidence from three decades of international adoption demonstrates that polymer notes last 2.5 to 6 times longer than paper notes, reduce counterfeiting rates from 470 ppm to approximately 10 ppm (Canada), and generate net savings exceeding $1 billion over 25 years (Australia). Life cycle assessments confirm polymer's superior environmental performance, with 30% lower greenhouse gas emissions and up to 90% reduced water consumption compared to paper. For India, where the RBI spent over ₹6,300 crore on security printing in 2024–25 and detected a 37.3% increase in counterfeit ₹500 notes, transitioning lower denominations (₹10, ₹20) to polymer would dramatically reduce replacement costs, enhance public hygiene through non-porous surfaces, and embed advanced security features including transparent windows and micro-optic structures. While initial capital expenditure for ATM upgrades and public education presents challenges—evident in the UK's £240 million transition cost—the long-term economic, environmental, and security benefits substantially outweigh upfront investments. The paper concludes that polymer currency is not a competitor to digital payments but an essential foundation for a resilient, inclusive, and sustainable cash system serving millions of Indians who continue to rely on physical money.

Keywords: Polymer banknotes, plastic currency, currency management, sustainable finance, digital payments, RBI, counterfeiting prevention, circular economy

Introduction

In an era where digital payments are celebrated as the pinnacle of financial modernity, a quiet but significant transformation is underway in India's currency management. The Reserve Bank of India (RBI) is reportedly revisiting the idea of introducing polymer (plastic) banknotes – a move that might seem unnecessary at first glance, especially when India is already a global leader in digital transactions. Yet, the numbers tell a different

story. Far from making cash irrelevant, India's digital revolution has coincided with a steady and substantial rise in the use of physical currency. This paradox presents a unique challenge: how to make currency circulation more efficient, secure, and sustainable. The answer, increasingly, points towards polymer notes – not as a replacement for digital payments, but as a vital complement to them (Business Standard, 2026).

The fundamental reality is that cash remains deeply embedded in India's economic and social fabric. For millions of citizens – from daily wage earners to small-town shopkeepers – physical money offers reliability, anonymity, and a sense of tangibility that digital payments cannot fully replicate. Therefore, the question is not whether to eliminate cash, but how to improve its quality, lifespan, and environmental footprint. Polymer currency emerges as a compelling solution. It is time to explore why plastic money – in the form of banknotes – is not just a technical upgrade but a strategic necessity for India's growing economy (Hello Entrepreneurs, 2026).

Objective of the Study:

1. To examine the need for plastic (polymer) currency in facilitating the smooth flow of money.
2. To analyze the role and significance of polymer currency in modern monetary systems.
3. To explore the relationship between digital payment systems and polymer currency.
4. To assess the potential impact of plastic currency on the Indian economy.
5. To study how plastic currency can contribute to enhancing the efficiency and circulation of money in the economy.

Methodology:

The study employs a mixed-method approach combining secondary data analysis, comparative case study evaluation, and cost-benefit assessment. Data sources include Reserve Bank of India annual reports (2024–2026), peer-reviewed research on polymer substrate performance, life cycle assessments from central banks (Bank of England, Bank of Canada, Reserve Bank of Australia), counterfeiting statistics, and technical patent literature. Comparative analysis examines polymer adoption outcomes across Australia, Canada, the United Kingdom, and India's 2012–2014 pilot phase.

Need for Plastic Currency to Facilitate Money Flow

The demand for cash in India is not declining; it is accelerating. According to the RBI's latest annual report, the currency in circulation grew by over 11% in 2025–26 – nearly double the previous year's growth of 5.8% (Business Standard, 2026). During the same period, digital payments also expanded rapidly. This indicates that digital and cash payments are not substitutes but coexisting, complementary modes of transaction. The rising volume of currency notes in circulation places immense pressure on the printing, storage, distribution, and disposal infrastructure. Every year, billions of worn-out, soiled, and torn notes are withdrawn, and new ones are printed at enormous cost.

The production of paper-based banknotes involves significant expenditure on raw materials (cotton, water, chemicals), energy, and transportation. In 2024–25 alone, the RBI spent over ₹6,300 crore on security printing – a 25% jump from ₹5,101 crore in the previous year (Economic Times, 2025; Business Standard, 2026). At the same time, nearly 24 billion notes were withdrawn from circulation due to damage and wear (Hello Entrepreneurs, 2026). This cycle of constant replacement is not only costly but also operationally burdensome. Smaller denomination notes, which change hands frequently, are particularly prone to rapid deterioration. A

₹10 or ₹20 note in paper form may last only a few months before becoming unusable. This frequent replacement strains the banking system, inconveniences the public, and creates hidden costs in terms of logistics and manpower.

The introduction of polymer currency in lower denominations can dramatically alter this scenario. Polymer notes, made from thin, flexible plastic, are resistant to moisture, dirt, grease, and tearing. They can last several years – even in high-circulation environments. By extending the lifespan of each note, the need for frequent printing, transportation, and disposal is drastically reduced. This, in turn, accelerates the velocity of money circulation, as cleaner, more durable notes remain in active use for longer periods without being pulled out for replacement. In essence, plastic currency ensures that money stays on the move, fuelling economic activity without interruption.

Role of Polymer Currency

Polymer banknotes are no longer a futuristic fantasy or a niche experiment. They are a proven, mature technology, currently serving as legal tender in over 30 countries – including Australia, Canada, New Zealand, the United Kingdom, and Vietnam – with many more nations actively conducting feasibility studies. Made from biaxially oriented polypropylene (BOPP), a specialised thermoplastic film, these notes represent the most significant evolution in physical currency since the transition from cloth-based to wood-pulp paper money (Bank of England, 2017).

1. Unmatched Durability and Economic Efficiency

While a typical paper note lasts anywhere from 6 to 24 months (depending on denomination and circulation intensity), a polymer note consistently lasts **2.5 to 6 times longer**. Bank of England research, based on data from multiple central banks, shows that low-denomination polymer notes last on average **3.8 times** the life of equivalent paper notes; mid-denominations last **4.5 times** longer, and high denominations as much as **6 times** longer (Bank of England, 2017). The Bank of Canada conservatively estimated a 2.5-fold lifespan extension when it switched, but actual experience has exceeded that, with polymer notes lasting about **four times** longer than paper notes (Bank of Canada, 2023). This extended life has a dramatic effect on cost and logistics.

The Reserve Bank of Australia (RBA) conducted a detailed cost-benefit analysis covering 25 years of polymer use. It found that, despite a higher initial printing cost (polymer substrate is roughly 2 to 2.5 times more expensive than paper substrate), the switch to polymer generated *net savings of nearly $1 billion in inflation-adjusted terms*. These savings come from reduced printing, transportation, processing and destruction costs (Wakefield, Delaney & Finlay, 2019). For lower-value notes, the savings are greatest because they are replaced most often. Australia's paper $5 note lasted only **six months** in circulation; its polymer successor issued in 1992 lasts **at least two years**, and subsequent designs last even longer (RBA Annual Report, 1997).

Beyond economics, polymer notes are tear-resistant, water-resistant, and withstand extreme heat and cold, making them ideal for tropical climates (e.g., India, Nigeria) and for use in ATMs and vending machines, where paper notes frequently jam. The Bank of England's laboratory tests confirmed that a standard washing machine cycle has minimal effect on a polymer note, whereas paper notes degrade substantially. However, polymer notes begin to shrink and melt at temperatures above 120°C, so they can be damaged by ironing or

extreme surface heat (Bank of England, 2017).

2. Superior Hygiene and Public Health Advantages

Paper notes are highly porous. Their fibrous structure acts like a sponge, absorbing sweat, oils, water and airborne pathogens. Studies have found that a single paper note can host hundreds of bacterial species, including *E. coli*, *Salmonella* and even drug-resistant *Staphylococcus aureus*. During the COVID-19 pandemic, many central banks began quarantining or disinfecting paper currency.

Polymer notes are non-porous and hydrophobic (water-repellent). Liquids simply bead and roll off, taking dirt and microbes with them. Independent laboratory tests have shown that polymer notes retain significantly fewer bacteria after routine handling, and they can be easily disinfected with standard cleaning agents without degrading. This is a critical public health advantage in densely populated, cash-intensive nations like India, Nigeria or Bangladesh, where millions of daily cash transactions could otherwise contribute to the spread of infectious diseases. Restaurants, retail stores and healthcare facilities benefit directly from cleaner tender.

The Bank of England also demonstrated the practical advantage: when a polymer note is submerged in red wine or fruit cordial, it can simply be wiped clean, whereas a paper note absorbs the liquid and becomes permanently stained (Bank of England, 2017). This combination of durability and cleanliness helps maintain a high standard of quality banknotes in circulation, and it makes security features easier to check – directly hampering counterfeiters.

3. Advanced, Embedded Security Features

Counterfeiting is a persistent threat to any national economy, eroding public trust and funding illicit activities. Polymer notes offer a layered defence against forgery that paper notes cannot match. Because the substrate itself is a synthetic film, security features are not merely printed on the surface but can be embedded within the material.

Key features include:

- **Clear transparent windows:** Impossible to replicate with paper-based printing. These windows can contain optically variable devices, such as a star or a national emblem, that change appearance when tilted. Patent literature shows that micro-optical structures – including lens arrays – can be placed directly in the window region to create moving or three-dimensional images (EP 2767395 A1, 2014).
- **Shadow images and embossed tactile elements:** Raised printing on the polymer surface helps visually impaired users authenticate notes by touch.
- **Metallic foil patches and colour-shifting inks:** Integrated during the film-extrusion process, these features are extremely difficult for counterfeiters to simulate using consumer-grade scanners or offset printers.
- **Micro-perforations and diffraction gratings:** Laser-cut tiny holes or holographic images that can be verified with the naked eye or a simple light source.
- **Nano-optic and microlens features:** Modern polymer notes can incorporate nano-optic structures and microlens arrays that produce effects such as animation or depth, which are not reproducible with standard printing technology (CCL Secure, 2021).

The effectiveness of these features is evident in counterfeiting statistics. Canada had the highest counterfeiting rate among G20 countries before adopting polymer notes, peaking at **470 parts per million (ppm)** in 2004. After fully switching to polymer in 2011, its counterfeiting rate fell to around **10 ppm** (Spurling & Solomon, 2017). Australia's counterfeiting rate dropped dramatically from about 15 ppm in the late paper era to just **1–2 ppm** after polymer notes were introduced, though it later rose to around 25 ppm as counterfeiters adapted (RBA, 2019). Despite occasional upticks, the overall rate remains far below the pre-polymer levels, and the vast majority of counterfeits detected are poorer-quality paper fakes rather than high-quality polymer replicas (RBA, 2019).

For India, where counterfeiting remains a concern – the RBI's 2024–25 report noted a 37.3% increase in counterfeit ₹500 notes and a 13.9% increase in counterfeit ₹200 notes – transitioning to polymer would close a major security loophole and significantly reduce the burden on law enforcement and the banking system (Economic Times, 2025).

4. Environmental Lifecycle and Circular Economy Potential

The environmental argument for polymer notes is nuanced and has been the subject of rigorous study by multiple central banks. Early private reports, such as one commissioned by the UK payday lender Moneyboat, claimed that polymer notes have a higher carbon footprint than paper notes despite lasting 2.5 times longer (Coin World, 2019). However, these claims have been contested on methodological grounds, and large-scale life-cycle assessments (LCAs) conducted by central banks tell a more complete story.

The Bank of Canada commissioned an LCA that examined greenhouse gas emissions, energy use and other categories across Canada's geography and cash distribution system. In **every category**, the results showed that the environmental impact of polymer notes would be **at least 30% smaller** than that of paper notes. The largest benefit came from reduced transportation: because polymer notes last four times longer, fewer trips to and from the Bank's cash distribution centres are needed, resulting in significant energy and emission savings (Bank of Canada, 2023).

The Bank of England's LCA, conducted by PE INTERNATIONAL, concluded that polymer banknotes have superior environmental performance to paper banknotes based on the impact categories considered. Among waste management options, mechanical recycling was found to have the lowest environmental impact for polymer waste, with negative global warming potential (-1.40 kg CO_2 equivalent per tonne) when recycling displaces virgin plastic production (Bank of England, 2019). Freshwater consumption, abiotic depletion and eutrophication potentials all favoured polymer when a proper lifecycle approach was taken.

Key comparative environmental benefits include:

- **Water consumption:** Polymer production uses up to 90% less water than cotton-paper production.
- **Energy and transport:** Polymer notes are thinner and lighter (roughly one-third the weight of paper notes), reducing fuel consumption and CO_2 emissions by approximately 15–20% per million notes.
- **Waste reduction:** A polymer note lasts 2–5× longer, meaning 50–80% fewer notes are printed and discarded over any given decade.
- **Recyclability:** End-of-life polymer notes can be shredded, melted and reprocessed into new plastic products. The Bank of Canada, for example, ships shredded notes to a recycling company that converts the material into pellets used to manufacture compost bins, garden furniture and decking material

(Bank of Canada, 2023). The Bank of England prioritises mechanical recycling as the most environmentally beneficial waste management route.

Furthermore, the industry is moving towards **certified circular polymer substrates**. Spectra Systems has commercialised the world's first certified circular polymer banknote substrate, which uses advanced recycling of plastics as an alternative to fossil fuels, enabling central banks to claim that their currency is part of an audited mass-balanced recycled plastics supply chain (Spectra Systems, 2024). CCL Secure has also introduced **GUARDIAN™ ENVIRO**, a polymer banknote with reduced fossil fuel inputs, further improving the sustainability profile (CCL Secure, 2025).

5. Global Adoption, Case Studies and Lessons Learned

- **Australia (pioneer, 1988):** The first nation to fully convert. After initial public skepticism about the "slippery" texture, the Reserve Bank introduced tactile features and educational campaigns. Today, polymer is universally accepted, and counterfeiting is negligible relative to early paper eras. Over 25 years, net savings reached nearly $1 billion (Wakefield, Delaney & Finlay, 2019).
- **Canada (2011–2013):** Swift transition across all denominations. Public acceptance was high due to clear security and durability benefits. The Bank of Canada noted a drop in counterfeiting rates from 470 ppm to about 10 ppm (Spurling & Solomon, 2017). The Bank also confirmed that polymer notes last about four times longer than paper notes, with a $5 note lasting approximately eight years, a $10 note 11 years, and $20 and higher notes **at least 16 years** (Bank of Canada, 2023).
- **United Kingdom (2016–2020):** Gradual replacement of £5, £10 and £20 paper notes. The Bank of England emphasised the cleanliness and longevity advantages. One notable challenge was the initial incompatibility with some vending machines and self-checkout units, requiring a nationwide upgrade of cash-handling equipment – a transitional cost often overlooked. The ATM upgrade programme was estimated at £45 million, with total costs including vending machines reaching as high as £240 million (Fintech Futures, 2016).
- **India (pilot phase, 2012–2014, and revival 2026):** The Reserve Bank of India first attempted a polymer note pilot in 2012, planning to issue one billion ₹10 notes for field trials in five cities – Jaipur, Bhubaneswar, Kochi, Shimla and Mysore – chosen for their geographic and climatic diversity (The Hindu, 2010; The Hindu Business Line, 2014). However, the rollout was delayed because selected bidders failed to meet the required technical specifications (Chakrabarty, 2014). The project was eventually abandoned due to these technical hurdles, particularly the inability of legacy ATMs and counting machines to accurately detect, handle and dispense the plastic substrates (Business Standard, 2026). The RBI has now revived the proposal, reportedly considering a new pilot involving ₹10 and ₹20 notes, with the benefit of a decade of technological improvements that have resolved many earlier challenges (Hello Entrepreneurs, 2026).

6. Challenges and Considerations for Broader Adoption

No technology is without drawbacks, and a balanced analysis must include the following evidence-based challenges:

- **Initial capital expenditure:** Central banks and commercial banks must invest in new printing equipment (polymer requires different inks, drying methods and cutting tools). Cash-reliant industries (vending, public transport) may need to upgrade note acceptors. The UK experience shows

that ATM and vending machine upgrades can cost tens to hundreds of millions of pounds (Fintech Futures, 2016). For India, with its vast ATM network and millions of retail cash points, this would represent a substantial upfront investment.

- **Static electricity:** Polymer notes can sometimes cling together or to surfaces, frustrating users and ATM mechanisms. Patents confirm that build-up of static electricity on the transparent window regions of BOPP banknotes can lead to jamming and double-feeding during printing and in ATM machines. This is mitigated by incorporating anti-static agents into coating layers, such as the opacification layers, or by using conductive particles in the coatings (EP 2767395 A1, 2014; US Patent Application 2021/0300123).
- **Heat sensitivity:** While highly durable under normal conditions, polymer notes will shrink, warp or melt if exposed to extreme heat – typically above 120°C. The Bank of England notes that they can be damaged by ironing, for example (Bank of England, 2017). However, paper notes also react to extreme heat, and such temperatures are rare in practical use.
- **Public education:** Transition requires nationwide awareness campaigns to help citizens recognise new security features and accept the different tactile feel. Bangladesh, the Philippines and other countries that have adopted polymer notes have run extensive public education programmes to familiarise users with the new notes and to ensure that businesses and banks calibrate their equipment (Bangko Sentral ng Pilipinas, 2022).
- **Continued evolution of counterfeiting:** Although polymer notes are much more secure than paper, they are not immune to counterfeiting. Australia has seen an increase in polymer-based counterfeits in recent years, and counterfeiters using advanced 3D printing and other technologies have become more sophisticated. The RBA notes that polymer counterfeits now represent more than half of all counterfeits detected, and around 40% of counterfeits are considered high quality (RBA, 2019). This underscores the need for continuous upgrades – the so-called "arms race" between issuers and counterfeiters.
- **Higher initial unit cost:** Polymer substrate is roughly 2 to 2.5 times more expensive than paper substrate on a per-note basis. As the RBA's cost-benefit analysis shows, this higher upfront cost is only recouped over time through the note's extended lifespan. The break-even point typically occurs after two to three years, after which polymer becomes more cost-effective (Wakefield, Delaney & Finlay, 2019).

7. Future Innovations: Smart and Sustainable Polymer Currency

The polymer platform is still evolving. Emerging research and commercial developments include:

- **Antimicrobial additives:** Embedding silver nanoparticles or copper compounds into the BOPP film to actively kill surface bacteria, further enhancing hygiene. Patents exist for antimicrobial polymer materials specifically for banknotes, incorporating antimicrobial agents such as silver nanoparticles, colloidal silver or silver compounds into the polymer substrate or coating layers (Patent Application US 2011/0195273).
- **Biodegradable and bio-based polymers:** CCL Secure has introduced **GUARDIAN™ ENVIRO**, a polymer banknote substrate with reduced fossil fuel inputs, representing an environmentally driven evolution of established polymer technology (CCL Secure, 2025). Louisenthal has developed **Green LongLife™**, a sustainable pre-coating solution optimised for all aspects of sustainability (Louisenthal, 2024).

- **Embedded electronics:** Ultra-thin RFID chips or LED elements could be laminated into polymer notes, enabling machine-readability for automated commerce and providing digital authentication without changing the note's feel. Patents describe embedding RFID nano-size silicon integrated circuit packages into polymer or paper banknotes using lamination or fibre-weaving processes (Patent US 2009/0201131 A1).
- **Solar-powered security:** Transparent solar cells printed into windows could power a tiny, flickering light or a thermochromic element, creating a dynamic, difficult-to-replicate visual cue. Research into cheap power sources for banknote security applications is ongoing (E-Sylum, 2012).
- **Certified circular substrates:** Spectra Systems has commercialised the world's first certified circular polymer banknote substrate, using advanced recycling of plastics as an alternative to fossil fuels. This enables central banks to use a mass-balanced recycled plastics supply chain, significantly improving the environmental credentials of polymer currency (Spectra Systems, 2024).

Polymer currency is not merely a marginal improvement over paper; it is a foundational upgrade to the security, hygiene, durability and environmental sustainability of physical money. While transition costs and public acclimatisation are real challenges, the overwhelming evidence from over three decades of global use shows that polymer notes are safer, cleaner and more cost-effective. For any nation still relying on paper – especially those with high population density, tropical climates or significant counterfeit problems – the question is no longer *if* they should adopt polymer, but *when* and *how* to manage the migration. Resilience, after all, is the ultimate strength of any currency.

Digital Payments and Polymer Currency

A common misconception is that the rise of digital payments – UPI, mobile wallets and online banking – will eventually eliminate the need for physical currency. However, evidence from India and around the world suggests otherwise. Digital transactions have grown exponentially, yet the demand for cash has also increased in absolute terms. People are using digital modes for convenience, while still holding and using cash for smaller, everyday purchases, for emergencies and for those who remain unbanked or underbanked.

Polymer currency does not compete with digital payments; it complements them. A robust cash system powered by durable, secure and clean polymer currency ensures that no section of society is left behind. Even as India pushes for a digital-first economy, the reality is that millions of citizens – particularly in rural areas, informal sectors and among the elderly – rely on cash for their daily needs. Polymer currency enhances their experience by reducing the frustration of dealing with torn, soiled or taped notes that are often rejected by shopkeepers or ATMs.

Furthermore, the coexistence of digital and polymer currency creates a resilient financial ecosystem. During times of digital outages, natural disasters or cyber-attacks, cash becomes the ultimate fallback. With polymer notes lasting longer and maintaining their quality, this fallback is more reliable. The RBI's focus should not be on replacing digital with cash or vice versa, but on ensuring that both systems are efficient, secure and user-friendly. Polymer currency plays a critical role in this vision by modernising the cash component of the economy.

Role of Plastic Currency in the Indian Economy

The Indian economy is characterised by high-volume, low-value transactions. From a cup of tea at a roadside

stall to a bus ticket in a small town, cash dominates. These small denomination notes – ₹10, ₹20, ₹50 – are the workhorses of the economy. They are used, folded, crumpled and stored in pockets, wallets and cash boxes under varying conditions of heat, humidity and dust. Paper notes in these denominations wear out quickly, often within six to twelve months. The cost of continuously replacing them is enormous, both in direct printing expenses and in the indirect costs of logistics, storage and disposal.

By transitioning to polymer notes for lower denominations, the RBI can achieve substantial long-term savings. Although the upfront cost of printing a polymer note is higher (approximately 2 to 2.5 times that of a paper note), the extended lifespan ensures that the per-year cost is significantly lower. For example, if a paper note lasts one year and a polymer note lasts five years, the central bank would print only one polymer note instead of five paper notes over the same period. This reduces not only printing costs but also the associated environmental and logistical burdens.

Additionally, the improved quality of polymer notes reduces the frequency of ATM jams, counting machine errors and manual sorting. Old paper notes tend to stick together, tear or become limp, causing frequent malfunctions in automated cash-handling equipment. Polymer notes, with their crispness, uniformity and resistance to wear, work seamlessly in modern ATMs, vending machines and currency-counting machines. This increases operational efficiency across the banking system, from RBI's currency chests to bank branches to retail points.

The psychological and behavioural impact should not be underestimated either. Clean, crisp and colourful polymer notes instil confidence in the currency. People are less likely to hoard or distrust notes that look new and feel sturdy. This trust accelerates the velocity of money – the speed at which notes change hands – which is a key driver of economic growth. When money moves faster, transactions increase, consumption rises and the overall economy benefits.

Need for Plastic Currency to Accelerate Money Flow in Economy

The velocity of circulation is a critical metric for any economy. In India, the sheer volume of small-value cash transactions means that notes in lower denominations are constantly on the move. However, when notes become dirty, torn or unfit for use, they are withdrawn from circulation, creating a temporary reduction in the money supply and forcing the system to replace them. Each withdrawal and replacement cycle creates friction – a slowdown in the smooth flow of currency.

Polymer notes, by virtue of their durability, remain in circulation for much longer periods without needing replacement. This reduces the frequency of withdrawal cycles and ensures that the total stock of currency remains consistently available for transactions. In simple terms, a polymer note stays in a wallet or a cash register longer, and when it does leave, it is still in good enough condition to be accepted without hesitation. This uninterrupted circulation directly enhances the velocity of money.

Furthermore, the ease of handling polymer notes – they do not absorb moisture, do not tear easily and can be stored without special care – encourages their use in remote and rural areas where banking infrastructure may be limited. People are more willing to hold and use notes that remain in good condition. This increased willingness translates into higher transaction volumes and a more dynamic local economy.

From a macroeconomic perspective, the introduction of polymer notes can be seen as an investment in the efficiency of the payment system. The initial costs are offset by years of reduced operational expenses, lower

replacement rates and improved public satisfaction. As the RBI considers reintroducing polymer notes – particularly for the ₹10 and ₹20 denominations – it is not merely following a global trend; it is responding to the unique demands of India's cash-intensive economy.

What's Next…

India stands at a crossroads where digital payments are soaring, yet the demand for physical currency remains strong. This dual reality calls for a dual strategy: embrace digital innovation while modernising cash. Polymer currency offers a practical, proven and forward-looking solution. It addresses the chronic problems of frequent note wear, high replacement costs, counterfeiting risks and environmental concerns. By extending the life of banknotes, improving their security and enhancing user experience, plastic notes can significantly reduce the burden on the RBI and the banking system.

The previous attempt to introduce polymer notes in 2012 faced technical hurdles, particularly incompatibility with older ATMs and counting machines. Today, with upgraded infrastructure and global best practices, those challenges can be overcome. The RBI has the opportunity to lead a quiet revolution in currency management – one that does not grab headlines but delivers tangible benefits for years to come.

As the famous saying goes, "A penny saved is a penny earned." In the case of polymer currency, every rupee saved on printing, transporting and disposing of worn-out paper notes is a rupee that can be invested in development. More importantly, a durable, clean and secure currency restores public trust in cash and keeps the wheels of the economy turning smoothly. It is time for India to embrace plastic currency – not as a substitute for digital, but as a robust, resilient and refreshingly practical upgrade to the cash that still powers millions of lives every day.

"Keep cash alive – make it with polymer."

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