

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
RAJYA SABHA

STARRED QUESTION NO. 83  
TO BE ANSWERED ON TUESDAY, 30<sup>TH</sup> JULY 2024/SRAVANA 8, 1946 (SAKA)

**“PRINTING AND DESTRUCTION OF ₹2,000 NOTES”**

**\*83: SHRI SANDEEP KUMAR PATHAK,**

Will the Minister of Finance be pleased to state:

- (a) the number of ₹2,000 notes printed so far;
- (b) the estimated cost of printing and destruction of total ₹2,000 notes respectively;
- (c) the number of notes that have been returned to the banks/RBI from the day of announcement of its withdrawal till date, bank-wise and State-wise; and
- (d) on recommendation of which committee, Government decided to introduce notes of ₹2,000 and on recommendation of which committee the same was withdrawn and the reasons thereof along with the impact of introduction and withdrawal of ₹2,000 notes respectively on Indian economy?

**ANSWER**

**FINANCE MINISTER  
(SMT. NIRMALA SITHARAMAN)**

(a) to (d): A Statement is laid on the Table of the House.

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**Statement referred to in reply to parts (a) to (d) of Rajya Sabha Starred Question No. 83 for 30.07.2024**

(a): As per Reserve Bank of India (RBI), the total supply of ₹2000 denomination banknotes so far has been 3702 million pieces of value ₹7.40 lakh crore.

(b) & (c): As per RBI, the total expenditure incurred on security printing for all denominations during July 2016-June 2017 and July 2017-June 2018 is ₹7965 crore and ₹4912 crore, respectively. The cost of printing of ₹2000 denomination banknotes was ₹3540 per thousand pieces. Expenditure on the exercise of withdrawal of ₹2000 notes has not been calculated separately. As on May 19, 2023, when the withdrawal from circulation was announced, total value of ₹2000 denomination banknotes in circulation was ₹3.56 lakh crore. The value of ₹2000 banknotes returned till June 30, 2024 is ₹3.48 lakh crore. All banks were allowed to deposit and exchange ₹2000 banknotes from public and these banknotes were deposited in various currency chests of the same as well as other banks. The RBI maintains currency chest-wise data. However, bank-wise/state-wise data is not maintained.

(d): The ₹2000 banknote was introduced by RBI on November 10, 2016 under section 24 (1) of the RBI Act, 1934, primarily to meet the currency requirement of the economy, in an expeditious manner after the withdrawal of legal tender status of all ₹500 and ₹1000 banknotes, which constituted 86.4% of the value of Notes in Circulation (NIC) at that time. The objective of introducing ₹2000 banknotes was met once banknotes in other denominations became available in adequate quantities. The withdrawal of ₹2000 denomination banknotes is being carried out as a normal currency management operation exercise on an ongoing basis. Moreover, the stock of banknotes in other denominations is adequate to meet the currency requirement of the public. The life span of ₹2000 notes, most of which were issued prior to March 2017, was close to the end of their useful life. Also, as per RBI, ₹2000 banknotes were no longer being preferred for transactions.

On due consideration of the above facts and in pursuance of "Clean Note Policy" of the Reserve Bank, it was decided by RBI to withdraw ₹2000 banknotes from circulation. The withdrawal of ₹2000 denomination notes on May 19, 2023 resulted in a smaller increase in currency in circulation (3.9% in 2023-24 as against 7.8% in 2022-23). The lower outgo of currency results in improvement in banking system liquidity. The public at large was also informed of the rationale of the measure through a press release issued on May 19, 2023 by the Reserve Bank of India.

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