

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 2868

TO BE ANSWERED ON 28<sup>th</sup> December, 2018 / 7<sup>th</sup> PAUSHA, SAKA, 1940.

**VALUE OF OLD CURRENCY NOTES**

**QUESTION**

2868. SHRI LALLU SINGH; SHRIMATI REKHA VERMA :

Will the Minister of **FINANCE** be pleased to state :

- (a) The total value of old currency notes replaced by new currency notes including their colour, dimensions and technical specifications as on date in the country ;
- (b) The anticipated short term and long term effects of this step on the economy of the country; and
- (c) The effective steps taken by the Government to eliminate fake currency in the country?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI Pon. RADHAKRISHNAN)

- (a) The total value of banknotes destroyed in FY 2016-17 is Rs. 3.61 lakh crore and in 2017-18 is Rs.16.88 lakh crore.

Details of currency supplied in the last 2 years are as follows:

| Year        | (number in million pcs.) |       |       |        |        |                           |                           |         |         |        | Value<br>in crore |
|-------------|--------------------------|-------|-------|--------|--------|---------------------------|---------------------------|---------|---------|--------|-------------------|
|             | Rs.10                    | Rs.20 | Rs.50 | Rs.100 | Rs.200 | Rs.500<br>(old<br>design) | Rs.500<br>(new<br>design) | Rs.1000 | Rs.2000 | Total  |                   |
| 2016-<br>17 | 2,785                    | 4,118 | 2,700 | 5,738  | 0      | 2,013                     | 7,260                     | 925     | 3,504   | 29,043 | 13,38,851         |
| 2017-<br>18 | 4,313                    | 2,051 | 2,793 | 3,170  | 2,832  | 0                         | 9,693                     | 0       | 151     | 25,003 | 6,25,570          |

For colour, dimension and technical specification of new bank note, the website of RBI [http://rbi.org.in/scripts/ic\\_currency.aspx](http://rbi.org.in/scripts/ic_currency.aspx) in Press Release Section may please be referred.

- (b) The Government of India decided to cancel the Legal Tender Status of Rs.1000 and Rs.500 denomination currency notes on 8<sup>th</sup> November 2016 with several objectives: (i) flushing out black money, (ii) eliminate Fake Indian Currency Notes (FICN), (iii) to strike at the root of financing of terrorism and left wing extremism, (iv) to convert non-formal economy into a formal economy to expand tax base and employment and (v) to give a big boost to digitalization of payments to make India a less cash economy.
- (c) The Government and Reserve Bank of India (RBI) have taken various measures to check the smuggling and circulation of Fake Indian Currency Notes (FICN) into the country, which inter-alia, include:-
- i. Intelligence and Security Agencies of Centre and States keep a close watch on the elements involved in the circulation of fake currency in the country and take action on any reported violation of law.
  - ii. FICN Coordination Group (FCORD) formed by the MHA shares intelligence/information among the different security agencies of the States/Centre to counter the problem of circulation of fake currency notes in the country.
  - iii. A Memorandum of Understanding (MoU) has been signed between India and Bangladesh to prevent and counter smuggling & circulation of Fake Currency Notes.
  - iv. Security at the international borders has been strengthened.
  - v. Incorporating new security features/ new designs in the banknotes during the year 2005-2006.
  - vi. Banknotes have been issued, in all denominations in Mahatma Gandhi Series -2005, with a new numbering pattern, which is difficult to counterfeit.
  - vii. Instructions have been issued to banks that banknotes in denominations of Rs. 100/- and above should be re-issued by banks over their counters or through ATMs only if these banknotes are duly checked for authenticity/genuineness and fitness by machines.

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