

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIR
LOK SABHA UNSTARRED QUESTION NO. 735
TO BE ANSWERED ON 12.12.2022

Circulation of Currencies

735: SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH :
SHRI DINESH CHANDRA YADAV:
SHRI SANTOSH KUMAR:

Will the Minister of Finance be pleased to state:

- (a) whether few 2000 rupee notes are in circulation and it is gradually going to be out of circulation even at ATMs and if so, the details thereof and the reaction of the Government thereto;
- (b) whether 22.68 percent of 2000 rupee notes were in circulation in 2020, it came down to 13.8 percent in 2022 showing that 2.25 lakh crore rupees disappeared from the market and if so, the details thereof and the reaction of the Government thereto;
- (c) whether the circulation of Rs. 500 notes was about 60.8 percent in the year 2000 which has increased to 73.38 per cent in the year of 2022 and if so, the details thereof; and
- (d) the number of total currency notes of Rs. 500 and Rs. 2000 released by RBI that are in circulation in the market?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHOUDHARY)

(a): Printing of banknotes of a particular denomination is decided by Government of India in consultation with Reserve Bank of India (RBI) to maintain desired denomination mix for facilitating transactional demand of public. No fresh indent has been placed with the presses for printing of ₹ 2000 denomination notes from 2018-19 onwards. Further, banknotes go out of circulation as they get soiled/mutilated.

(b) & (c): On 31.03.2020 the share of ₹ 2000 denomination banknotes in terms of value to the total Notes in Circulation (NIC) was 22.6%. As on 31.03.2022, the share of ₹ 2000 denomination banknotes in terms of value to the total NIC was 13.8%. The share of ₹ 500 denomination banknotes, in terms of value to the total NIC has increased from 29.7% as on 31.03.2000 to 73.3% as on 31.03.2022. Demand for currency depends upon several macro-

economic factors including economic growth and level of interest rate. Increase of digital transactions also affects requirement for currency.

(d): As per the data published in RBI's Annual Report 2021-22, NIC as on March 31, 2022 comprised of 4,55,468 lakh pieces (₹ 22,77,340 crores) and 21,420 lakh pieces (₹ 4,28,394 crores) of ₹ 500 and ₹ 2000 denomination, respectively.
