

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO. 2077
ANSWERED ON 02.12.2019

CURRENCY EXCHANGE ISSUES

2077. SHRI MANOJ TIWARI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has resolved all currency exchanges issues with Nepal;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) the details of implementation procedure regarding the same?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (d): Usage and exchange of Indian Currency notes of Rs. 100/- denomination and below is permitted in Nepal. Following Government of India's decision in November 2016 to demonetize Indian Currency notes of Rs. 500/- and Rs. 1,000/- denominations, the Nepal Rastra Bank has disallowed the usage of high denomination Indian currency notes (i.e. denominations above Rs. 100/-) in Nepal.

The Nepal Rastra Bank (NRB) requested the Reserve Bank of India (RBI) to permit individuals to carry new series of Indian currency notes of Rs. 200, Rs. 500 and Rs. 2000 denominations from India to Nepal. Subsequently, the RBI on 26.02.2019 made an amendment to the Foreign Exchange Management (Export and Import of Currency) Regulations 2015 thereby permitting an individual travelling from India to Nepal to carry RBI currency notes in Mahatma Gandhi (new) series of denominations of Rs.200/- and Rs.500/- up to a total limit of Rs. 25,000/-.

NRB also requested RBI to exchange the Specified Bank Notes (SBNs)/demonetized RBI currency notes in old series of Rs.500 and Rs.1000 denominations held by the NRB and the general public in Nepal. The matter relating to extending exchange facility of SBNs lying in the possession of Nepal and other neighbouring countries has been examined and it is decided that action may be taken only as per the provisions of Specified Bank Notes (Cessation of Liabilities), Act 2017 and rules made thereunder.
