

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 4124
TO BE ANSWERED ON MONDAY, 18TH AUGUST 2025 / SRAVANA 27, 1947 (SAKA)

Withdrawal of Rs. 2000 Currency Notes

4124: Shri Bhartruhari Mahtab:

Will the Minister of Finance be pleased to state:

- (a) whether the Government has assessed the impact of the withdrawal of 2000 denomination currency notes on the overall liquidity and cash-dependent sectors of the economy;
- (b) if so, the main findings of such assessment particularly with regard to rural and informal sectors;
- (c) the quantum and percentage of Rs. 2000 notes yet to be returned to the banking system; and
- (d) the steps taken by the Government to ensure the stability of currency circulation and liquidity post-withdrawal?

ANSWER

MINISTER OF STATE IN THE MINISTRY FOR FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (b): The Reserve Bank of India (RBI), as part of a continuous process, assesses the requirement of different denominations of banknotes and makes recommendation to the Government on the required denomination mix to be printed as well as the need for introduction/withdrawal of any particular denomination. The ₹2000 denomination banknote was introduced in November, 2016 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 in circulation at that time. The objective of introducing ₹2000 banknotes was met once banknotes in other denominations became available in adequate quantities. About 89% of ₹2000 denomination notes were issued prior to March 2017 and are close to the end of their useful life which spans from 4-5 years. Further, the stock of banknotes in other denominations continues to be adequate to meet the currency requirement of the public. In view of the above, and in pursuance of the “Clean Note Policy” of the Reserve Bank of India, it was decided to withdraw the ₹2000 denomination banknotes from circulation on May 19, 2023.

(c): As per RBI, the total value of ₹ 2000 banknotes in circulation, which was ₹3.56 lakh crore at the close of business on May19, 2023, has declined to ₹ 6,017 crore as on July 31, 2025. Thus, only 1.69% of the ₹2000 banknotes in circulation as on May 19, 2023 were yet to be returned to RBI from circulation as on July 31, 2025.

(d): Before undertaking the exercise of withdrawal of ₹2000 banknotes, it was ensured that sufficient buffer stock of cash was available with banks across the country to meet the exchange/withdrawal requirements. The same was augmented through regular supply of cash to various banks located across the country.
