

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
RAJYA SABHA UNSTARRED QUESTION NO.1515  
TO BE ANSWERED ON 20.12.2022

Cash in circulation

1515: Shri Rajeev Shukla:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Ministry is aware of the total notes in circulation in the economy along with the details thereof, year-wise, for the last five years;
- (b) whether Government plans to move from a cash based economy to a cashless economy;
- (c) if so, whether cash flow in the economy is in line with Government policy of cashless economy;
- (d) whether reducing cash flow in the economy was one of the goals of demonetisation; and
- (e) whether, in case of cash surge in the economy, Government plans another demonetisation?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PANKAJ CHAUDHARY)

- (a) As per the data published in the Reserve Bank of India Annual report, Notes in Circulation (NIC) as on March 31, 2015, March 31, 2016, March 31, 2017, March 31, 2018, March 31, 2019, March 31, 2020; March 31, 2021; and March 31, 2022 are as under:

Banknotes in Circulation	Volume (in lakhs)	Value (in crores)
March 2015	8,35,790	14,28,896
March 2016	9,02,660	16,41,571
March 2017	10,02,930	13,10,193
March 2018	10,23,951	18,03,709
March 2019	10,87,594	21,10,892
March 2020	11,59,768	24,20,975
March 2021	12,43,671	28,26,863
March 2022	13,05,326	31,05,721

(b) & (c) It is the policy of the Government to move towards less cash economy and a digital payment ecosystem. The quantum of banknotes that needs to be printed broadly depends on the requirement for meeting the demand for banknotes due to inflation, GDP growth, replacement of soiled banknotes, reserve stock requirements, growth in non-cash modes of payments, etc. The Government of India, in consultation with the Reserve Bank of India, decides the volume and value of banknotes to be printed each year.

(d) No, Sir. In terms of Gazette notification S.O. 3407 (E) dated November 08, 2016 issued by GoI, the objectives of demonetization are as under:

- i. To contain the rising incidence of fake currency notes of the specified banknotes which were largely in circulation.
- ii. To limit the usage of high denomination banknotes for storage of unaccounted wealth.
- iii. To contain the rising level of using fake currency for financing subversive activities like drug trafficking and terrorism.

(e) No, Sir.

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