

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:419  
ANSWERED ON:21.02.2014  
WITHDRAWAL OF CURRENCY NOTES IN CIRCULATION  
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**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government/Reserve Bank of India proposes to withdraw currency notes issued before 2005 from circulation;
- (b) if so, the details thereof and the reasons therefor along with the estimated value of such notes;
- (c) the time by which withdrawal of such notes is likely to be completed; and
- (d) the procedure proposed to be adopted by the Government in this regard?

**Answer**

MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (d) : A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 419 for answer on 21st February, 2014

(a) to (b) : The Reserve Bank of India has announced the decision to withdraw from circulation all currency notes printed prior to 2005. It is a standard international practice to withdraw old series of banknotes from time to time. The reason for withdrawal of banknotes printed prior to 2005 is to remove them from the market as they have fewer security features compared to banknotes printed after 2005. It is expected that this will prevent counterfeiting of banknotes. The Reserve Bank of India has already been withdrawing these notes from the market in a routine manner through banks. In RBI's view, the volume of the banknotes printed prior to 2005 today, still in circulation, is not significant enough to impact the general public in a large way.

(c) to (d) : The schedule of withdrawal announced by the RBI is as under:

- (i) All older series of banknotes issued prior to 2005 would be acceptable for all kinds of monetary transactions only till March 31, 2014.
- (ii) Thereafter the public will be required to approach bank branches which would provide them exchange facilities on an ongoing basis.
- (iii) From July 1, 2014 onwards, members of public can exchange any number of these old series notes from the bank branches where they have their accounts. However, non-customers would have to furnish proof of their identity and residence to the Bank to exchange more than 10 pieces of ` 500 and ` 1000 notes.
- (iv) These notes will continue to be legal tender and, therefore, no end date has been specified for the exercise.