



Ministry of Finance

Meeting conducted by RBI prior to demonitization

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RBI held a meeting of its Central Board on November 8, 2016. The agenda of the meeting, inter-alia, included the item : "Memorandum on existing banknotes in the denomination of Rs 500 and Rs 1000 - Legal Tender Status"

The following Directors of Central Board of Reserve Bank of India attended the meeting:

1. Dr. Urjit R. Patel, Governor
2. Shri R. Gandhi, Deputy Governor
3. Shri S. S. Mundra, Deputy Governor
4. Shri Shaktikanta Das, Director
5. Ms. Anjuly Chib Duggal, Director
6. Dr. Nachiket Mor, Director
7. Shri Bharat N. Doshi, Director
8. Shri Sudhir Mankad, Director

RBI periodically estimates and reviews the demand for currency and accordingly in consultation with Gol indents for supply is placed with the Presses. The same is a continuous process. As regards to printing of new banknotes in the denomination of Rs. 2000 and 500 the same had been printed to facilitate the cash requirements of the members of public. Towards this, Presses had augmented production of banknotes which were being sent to different parts of the country on priority.

The white paper on Black Money, dated May, 2012 by the Department of Revenue had noted that the estimate of Black Money has increased from 15-18 % of GDP to 19-21 % of GDP during 1975-76 to 1983-84. Report of the Special Investigation Team (SIT) mentioned that in India a large amount of unaccounted wealth is stored and used in the form of cash and also there have been huge cash recoveries by law-enforcement agencies from time to time. As per the World Bank report, the shadow economy was estimated at 20.7% of the GDP in 1999 and had risen to 23.2% in 2007.

This was stated by Shri Arjun Ram Meghwal, Minister of State in the Ministry of Finance in written reply to a question in Lok Sabha today.

DSM/KA

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