

OVER 99% OF BANNED NOTES RETURNED: RBI

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Taxation & Black Money

Overall, the value of banknotes in circulation was Rs. 18,037 billion as on March 2018, a growth of 9.9% over March 2016. A report from the State Bank of India (SBI) pointed out that the value share of high denomination currency (Rs. 500 and Rs. 2,000) in overall currency composition in March 2018 was 80.6%, which is lower than it was in the pre-demonetisation period (86.4%).

“Thus, there is a 5.8%/Rs. 1 lakh crore shift in favour of small denomination currency notes,” the report said.

The central bank said the processing of the withdrawn bank notes has been completed at all centres of the Reserve Bank.

While cash has come back into the system, electronic payments also registered a healthy growth, RBI data showed.

The share of electronic transactions in the total volume of retail payments increased to 92.6% in 2017-18, from 88.9% in the previous year with a corresponding reduction in the share of paper-based clearing instruments from 11.1% in 2016-17 to 7.4% in 2017-18.

Prepaid payment instruments (PPIs) recorded a volume of about 3.5 billion transactions, valued at Rs. 1,416 billion while mobile banking services witnessed a growth of 92% and 13% in volume and value terms. The number of registered customers rose by 54% to 251 million at end-March 2018 from 163 million at end-March 2017, the RBI said.

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