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In an attempt to curb black money, PM Narendra Modi declares Rs 500, 1000 notes to be invalid

By ECONOMICTIMES.COM | Updated: Nov 09, 2016, 12.09 AM IST

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In a move to curb the **black money** menace, **PM Narendra Modi** declared that from midnight currency notes of Rs 1000 and Rs 500 denomination will not be legal tender. People can deposit notes of Rs 1000 and Rs 500 in their banks from November 10 till December 30, 2016.

In his 40-minute address, first in Hindi and later in English, the Prime Minister said the notes of Rs 500 and Rs 1000 "will not be legal tender from midnight tonight" and these will be "just worthless piece of paper."

Also Read: [Prime Modi's full speech](#)

However, he said that all notes in lower denomination of Rs 100, Rs 50, Rs 20, Rs 10, Rs 5, Rs 2 and Re 1 and all coins will continue to be valid.

"You have 50 days (From 10 Nov to 30 Dec) to deposit notes of Rs 500 and Rs 1000 in any Bank or Post office," PM Modi told the nation in a televised address to the nation.

RELATED VIDEO



PM Modi declares Rs 500, 1000 notes to be void from midnight



(In Pic: New Rs 500 note that will be issued)

He also announced that new notes of Rs 2000 and Rs 500 will be introduced.

ATM withdrawals will be restricted to Rs 2000 per day and withdrawals from bank accounts will be limited to Rs 10,000 a day and Rs 20,000 a week.

Banks will remain closed tomorrow and ATMs will also not function tomorrow, Modi said.

Also Read: [Outlets that will accept Rs 1,000 and Rs 500 notes in next 72 hours](#)

He expressed confidence that the staff of banks and post offices will rise to the occasion to introduce the new order within the available

time.

He also expressed confidence that political parties, workers, social organisations and the media will go further than the government in making it a success.



(In Pic: New Rs 2000 Note that will be issued)

Besides depositing money in bank accounts, the Rs 500 and [Rs 1000 notes](#) can also be exchanged with lower denomination currency notes at designated banks and post offices on production of valid government identity cards like PAN, Aadhaar and Election Card from November 10 to November 24 with a daily limit of Rs 4000.

Those unable to deposit Rs 1000 and [Rs 500 notes](#) till December 30 this year can do so in designated RBI offices till March 31 next year after filling a declaration form along with proof and reasons, the Prime Minister said.

Rs 500 and Rs 1000 notes will be valid for transactions related to booking of air tickets, railway bookings, government bus ticket counters and hospitals till the midnight of November 11 and 12.

"Banks will be closed tomorrow. It will cause some hardship to you....Let us ignore these hardships... In country's history, there comes a moment when people will want to participate in the nation building and reconstruction. Very few such moments come in life," Modi said.

While making the announcement, the Prime Minister said the sweeping measures were aimed at curbing the "disease" of corruption and black money which have taken deep root.

"There is a need for a decisive war against the menace of corruption, black money and terrorism... Corruption, black money and terrorism are festering wounds which make the country hollow from within," he said, adding such activities hold back the nation's progress.

Describing illegal financial activities as the "biggest blot", Modi said that despite several steps taken by his government over the last two-and-a-half years, India's global ranking on corruption had moved only to 76th position from 100th earlier.

"This shows the extent of the web of corruption in the country. The disease of corruption is the domain of some vetted people who are flourishing. Some people have misused their positions and benefitted. On the other hand, honest people are suffering," he said.

He linked fake currency to terrorism and questioned how enemies of the countries are using such methods to harm India.

"We have to get rid of this termite of corruption," he said.

Highlights:

1. Currency notes of Rs 500 and Rs 1000 denominations will not be legal beginning November 9
2. New notes of Rs 500 and Rs 2,000 would be released and circulated from November 10
3. ATMs will not work on November 9, and at some places on November 10 as well

4. People can deposit notes of Rs 1000 and Rs 500 in their banks from November 10 till December 30, 2016
5. Those unable to deposit Rs 1000, Rs 500 notes by December 30 for some reason, can change them till March 31, 2017 by furnishing ID proof
6. Currency notes of Rs 1000 and Rs 500 will be just paper with no value
7. Banks will remain closed on 9th November
8. All banks and post offices will remain shut tomorrow
9. Cashless fund transfer won't be affected by this
10. Respite for people for the initial 72 hours, Govt hospitals will accept old Rs 500 and 1000 notes till 11 November midnight
11. Some medical facilities will be exempted from this for the time being
12. Rs 20,000 weekly cap on exchange of Rs 500 & Rs 1,000 notes

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