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Prime Minister Narendra Modi's speech: Historic moment against black money in India

By Agencies | Updated: Nov 09, 2016, 12.12 AM IST

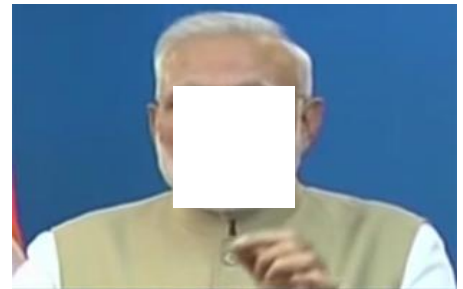
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Full text of Prime Minister [Narendra Modi](#)'s speech in which he announced the scrapping of [Rs 500](#) and [Rs 1000](#) notes.

My Dear Citizens

I hope you ended the festive season of Diwali with joy and new hope. Today, I will be speaking to you about some critical issues and important decisions. Today I want to make a special request to all of you. You may recall the economic situation in May 2014 when you entrusted us with an onerous responsibility. In the context of BRICS, it was being said that the "I" in BRICS was shaky. Since then, we had two years of severe drought. Yet, in the last two and a half years with the support of 125 crore Indians, India has become the "bright spot" in the global [economy](#). It is not just we who are saying this; it is being stated by the International Monetary Fund and the World Bank.

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Rs 500, Rs 1000 notes won't be legal tender from tonight: PM Modi

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In this effort for development, our motto has been 'Sab Ka Saath Sab Ka Vikas': We are with all citizens and for development of all citizens. This Government is dedicated to the poor. It will remain dedicated to them. In our fight against poverty, our main thrust has been to empower the poor, and make them active participants in the benefits of economic progress.

The Pradhan Mantri Jan Dhan Yojana,

the Jan Suraksha Yojana,

the Pradhan Mantri Mudra Yojana for small enterprises,

the Stand-up India programme for Dalits, Adivasis and Women,

the Pradhan Mantri Ujjwala Scheme for gas connections in the homes of the poor,

the Pradhan Mantri Fasal Beema Yojana and Pradhan Mantri Krishi Sinchai Yojana to protect the income of farmers,

the Soil Health Card Scheme to ensure the best possible yield from farmers' fields,

and the e-NAM National Market Place scheme to ensure farmers get the right price for their produce

—these are all reflections of this approach.

In the past decades, the spectre of corruption and [black money](#) has grown. It has weakened the effort to remove poverty. On the one hand, we are now No. 1 in the rate of economic growth. But on the other hand, we were ranked close to one hundred in the global corruption perceptions ranking two years back. In spite of many steps taken, we have only been able to reach a ranking of seventy-six now. Of course, there is improvement. This shows the extent to which corruption and black money have spread their tentacles.

The evil of corruption has been spread by certain sections of society for their selfish interest. They have ignored the poor and cornered benefits. Some people have misused their office for personal gain. On the other hand, honest people have fought against this evil. Crores of common men and women have lived lives of integrity. We hear about poor auto-rickshaw drivers returning gold ornaments left in the vehicles to their rightful owners. We hear about taxi drivers who take pains to locate the owners of cell phones left behind. We hear of vegetable vendors who return excess money given by customers.

There comes a time in the history of a country's development when a need is felt for a strong and decisive step. For years, this country has felt that corruption, black money and terrorism are festering sores, holding us back in the race towards development.

Terrorism is a frightening threat. So many have lost their lives because of it. But have you ever thought about how these terrorists get their money? Enemies from across the border run their operations using fake currency notes. This has been going on for years. Many times, those using fake five hundred and thousand rupee notes have been caught and many such notes have been seized.

Brothers and sisters,

On the one hand is the problem of terrorism; on the other is the challenge posed by corruption and black money. We began our battle against corruption by setting up an SIT headed by a retired Supreme Court judge, immediately upon taking office. Since then

- a law was passed in 2015 for disclosure of foreign black money;*
- agreements with many countries, including the USA, have been made to add provisions for sharing banking information;*
- a strict law has come into force from August 2016 to curb benami transactions, which are used to deploy black money earned through corruption;*
- a scheme was introduced for declaring black money after paying a stiff penalty;*

My dear countrymen,

Through all these efforts, in the last two and a half years, we have brought into the open nearly 1 lakh 25 thousand crore rupees of black money belonging to the corrupt. Honest citizens want this fight against corruption, black money, benami property, terrorism and counterfeiting to continue. Which honest citizen would not be pained by reports of crores worth of currency notes stashed under the beds of government officers? Or by reports of cash found in gunny bags?

The magnitude of cash in circulation is directly linked to the level of corruption. Inflation becomes worse through the deployment of cash earned in corrupt ways. The poor have to bear the brunt of this. It has a direct effect on the purchasing power of the poor and the middle class. You may yourself have experienced when buying land or a house, that apart from the amount paid by cheque, a large amount is demanded in cash. This creates problems for an honest person in buying property. The misuse of cash has led to artificial increase in the cost of goods and services like houses, land, higher education, health care and so on.

High circulation of cash also strengthens the hawala trade which is directly connected to black money and illegal trade in weapons. Debate on the role of black money in elections has been going on for years.

Brothers and sisters,

To break the grip of corruption and black money, we have decided that the five hundred rupee and thousand rupee currency notes presently in use will no longer be legal tender from midnight tonight, that is 8th November 2016. This means that these notes will not be acceptable for transactions from midnight onwards. The five hundred and thousand rupee notes hoarded by anti-national and anti-social elements will become just worthless pieces of paper. The rights and the interests of honest, hard-working people will be fully protected. Let me assure you that notes of one hundred, fifty, twenty, ten, five, two and one rupee and all coins will remain legal tender and will not be affected.

*This step will strengthen the hands of the common man in the fight against corruption, black money and fake currency. **To minimise the difficulties of citizens in the coming days, several steps are being taken.***

- 1. Persons holding old notes of five hundred or one thousand rupees can deposit these notes in their bank or post office accounts from 10th November till close of banking hours on 30th December 2016 without any limit.*
- 2. Thus you will have 50 days to deposit your notes and there is no need for panic.*
- 3. Your money will remain yours. You need have no worry on this point.*
- 4. After depositing your money in your account, you can draw it when you need it.*
- 5. Keeping in mind the supply of new notes, in the first few days, there will be a limit of ten thousand rupees per day and twenty thousand rupees per week. This limit will be increased in the coming days.*

6. Apart from depositing your notes in your bank account, another facility will also be there.

7. For your immediate needs, you can go to any bank, head post office or sub post office, show your identity proof like Aadhaar card, voter card, ration card, passport, PAN card or other approved proofs, and exchange your old five hundred or thousand rupee notes for new notes.

8. From 10th November till 24th November the limit for such exchange will be four thousand rupees. From 25th November till 30th December, the limit will be increased.

9. There may be some who, for some reason, are not able to deposit their old five hundred or thousand rupee notes by 30th December 2016.

10. They can go to specified offices of the Reserve Bank of India up to 31st March 2017 and deposit the notes after submitting a declaration form.

11. On 9th November and in some places on 10th November also, ATMs will not work. In the first few days, there will be a limit of two thousand rupees per day per card.

12. This will be raised to four thousand rupees later.

13. Five hundred and thousand rupee notes will not be legal tender from midnight. However for humanitarian reasons, to reduce hardship to citizens, some special arrangements have been made for the first 72 hours, that is till midnight on 11th November.

14. During this period, government hospitals will continue to accept five hundred and thousand rupee notes for payment.

15. This is for the benefit of those families whose members may be unwell.

16. Pharmacies in government hospitals will also accept these notes for buying medicines with doctors' prescription.

17. For 72 hours, till midnight on 11th November, railway ticket booking counters, ticket counters of government buses and airline ticket counters at airports will accept the old notes for purchase of tickets. This is for the benefit of those who may be travelling at this time.

18. For 72 hours, five hundred and thousand rupee notes will be accepted also at

- Petrol, diesel and CNG gas stations authorised by public sector oil companies
- Consumer co-operative stores authorised by State or Central Government
- Milk booths authorised by State governments
- Crematoria and burial grounds.

These outlets will have to keep proper records of stock and collections.

19. Arrangements will be made at international airports for arriving and departing passengers who have five hundred or thousand rupee notes of not more than five thousand rupees, to exchange them for new notes or other legal tender.

20. Foreign tourists will be able to exchange foreign currency or old notes of not more than Rs 5000 into legal tender.

21. One more thing I would like to mention, I want to stress that in this entire exercise, there is no restriction of any kind on non-cash payments by cheques, demand drafts, debit or credit cards and electronic fund transfer.

Brothers and sisters,

In spite of all these efforts there may be temporary hardships to be faced by honest citizens. Experience tells us that ordinary citizens are always ready to make sacrifices and face difficulties for the benefit of the nation. I see that spirit when a poor widow gives up her LPG subsidy, when a retired school teacher contributes his pension to the Swachh Bharat mission, when a poor Adivasi mother sells her goats to build a toilet, when a soldier contributes 57 thousand rupees to make his village clean. I have seen that the ordinary citizen has the determination to do anything, if it will lead to the country's progress.

So, in this fight against corruption, black money, fake notes and terrorism, in this movement for purifying our country, will our people not put up with difficulties for some days? I have full confidence that every citizen will stand up and participate in this 'mahayagna'. My dear countrymen, after the festivity of Diwali, now join the nation and extend your hand in this Imandaari ka Utsav, this Pramanikta ka Parv, this celebration of integrity, this festival of credibility.

I am sure that all political parties, all governments, social services organizations, the media and indeed all sections of the society will take part in this with enthusiasm and make it a success.

My dear countrymen,

Secrecy was essential for this action. It is only now, as I speak to you, that various agencies like banks, post offices, railways, hospitals and others are being informed. The Reserve Bank, banks and post offices have to make many arrangements at very short notice. Obviously, time will be needed. Therefore all banks will be closed to the public on 9th November. This may cause some hardship to you. I have full faith that banks and post offices will successfully carry out this great task of national importance. However, I appeal to all of you to help the banks and post offices to meet this challenge with poise and determination.

My dear citizens,

From time to time, based on currency needs, the Reserve Bank with the approval of the Central Government brings out new notes of higher value. In 2014, the Reserve Bank sent a recommendation for issue of five thousand and ten thousand rupee notes. After careful consideration, this was not accepted. Now as part of this exercise, RBI's recommendation to issue two thousand rupee notes has been accepted. New notes of five hundred rupees and two thousand rupees, with completely new design will be introduced. Based on past experience, the Reserve Bank will hereafter make arrangements to limit the share of high denomination notes in the total currency in circulation.

In a country's history, there come moments when every person feels he too should be part of that moment, that he too should make his contribution to the country's progress. Such moments come but rarely. Now, we again have an opportunity where every citizen can join this mahayajna against the ills of corruption, black money and fake notes. The more help you give in this campaign, the more successful it will be.

It has been a matter of concern for all of us that corruption and black money tend to be accepted as part of life. This type of thinking has afflicted our politics, our administration and our society like an infestation of termites. None of our public institutions is free from these termites.

Time and again, I have seen that when the average citizen has to choose between accepting dishonesty and bearing inconvenience, they always choose to put up with inconvenience. They will not support dishonesty.

Once again, let me invite you to make your contribution to this grand sacrifice for cleansing our country, just as you cleaned up your surroundings during Diwali.

Let us ignore the temporary hardship

Let us join this festival of integrity and credibility

Let us enable coming generations to live their lives with dignity

Let us fight corruption and black money

Let us ensure that the nation's [wealth](#) benefits the poor

Let us enable law-abiding citizens to get their due share.

I am confident in the 125 crore people of India and I am sure country will get success.

Thank you very much. Thanks a lot.

Namaskar.

Bharat Mata Ki Jai.