

# All Rs 500, Rs 1000 banned notes back: RBI Annual Report

By: [FE Bureau](#) | Updated: August 31, 2017 5:31 AM



The Reserve Bank of India (RBI) revealed on Wednesday that nearly 99% of the high-denomination currency notes of Rs 1,000 and Rs 500 that had been withdrawn on November 9, 2016, had returned to banks. (Image: IE)

## TOP NEWS



From Chandrayaan-2 to a communications satellite; check out what Isro plans next after completing 100th launch



Pakistan upset at Isro satellite launch, warns India; makes this big statement



NCLT approves Vodafone-Idea merger: Here's all you need to know about the deal

The Reserve Bank of India (RBI) revealed on Wednesday that nearly 99% of the high-denomination currency notes of Rs 1,000 and Rs 500 that had been withdrawn on November 9, 2016, had returned to banks. “Subject to future corrections based on verification process when completed, the estimated value of SBNs received as on June 30, 2017, is 15.28 trillion,” the central bank said in its annual report. The total value of high-denomination currency circulating in the system on November 8, 2016, was Rs 15.44 lakh crore. SBNs are specified banknotes that were no longer considered legal tender after November 8, 2016.

While the return of almost all thousand-rupee notes would appear to have defeated the purpose of demonetisation, economists point out that the deposits in banks would leave a trail that could be investigated by tax authorities. The finance ministry said recently it had identified Rs 1.75 lakh crore of deposits that it would probe.

Finance minister [Arun Jaitley](#) said the government's intention had been to give a blow to **black money** and expand the tax base. "Individuals have been compelled to deposit into banks. Direct taxes have gone up and those dealing in cash currency are now compelled to deposit it in the banks so the money has been identified," the finance minister said.

Jaitley added that the goods and services tax collections were an indication there are more transactions are taking place within the system.

Personal income tax collections between April and July were up 15.7% over the corresponding period of FY17 while corporate income tax rose 7.2%. GST collections for July came in at close to `93,000 crore. The RBI observed the of deposits of SBNs into bank accounts may provide valuable information to revenue authorities in tracing unaccounted money. It said in 2016-17 the number of suspicious transaction reported by filed by banks had seen a big jump. The finance minister said while digitisation had climaxed, the government was trying to sustain the momentum.

The RBI wrote in the report that year-on-year growth rates of the total volume of retail electronic payments, which had averaged around 37% during April to October 2016, shot up to nearly 70% in November and then further to as much as 123% in December 2016; in subsequent months, the growth rates had moderated, it said. Former RBI deputy governor R Gandhi said on a television channel that one impact of demonetisation had been the lower volume of cash in circulation, which had come down by 17% to around Rs 15 lakh crore. "In the normal course, the cash levels would have been at around Rs 19 lakh crore," Gandhi said. The RBI said in its annual report that the value of banknotes in circulation declined by 20.2 % over the year to Rs13.1 lakh crore as of end-March 2017. The volume of banknotes, however, increased by 11.1 %, mainly due to

"In the normal course, the cash levels would have been at around Rs 19 lakh crore," Gandhi said. The RBI said in its annual report that the value of banknotes in circulation declined by 20.2 % over the year to Rs13.1 lakh crore as of end-March 2017. The volume of banknotes, however,