

**CHIEF MINISTER'S OFFICE  
GOVERNMENT OF TELANGANA**

**PRESS RELEASE**

**16<sup>th</sup> December, 2016**

Chief Minister Sri K. Chandrashekar Rao's statement on 'Demonetisation of High Denomination Currency Notes - Impact on the State Economy' delivered in the State Legislative Assembly on Friday.

"For realising the objective of eliminating the increase in black money, preventing the use of counterfeit currency, total elimination of political corruption, total cleansing of the political system, tackling terrorism and extremism and thereby building a corruption free India, the Hon'ble Prime Minister of India, Sri Narendra Modi had announced on 8th November that the 500 rupee and 1000 rupee notes in circulation would no longer be legal tender. He requested people of the country to deposit the old 500 and 1000 rupee notes in their bank accounts before the closing of banking hours on 30th December, 2016 without any limit.

The Government of Telangana whole heartedly supports this measure taken in the interests of the nation. At the same time, the Government of Telangana is of the view that the Union Government should initiate many more steps towards elimination of all forms of black money. The Government of Telangana also suggests that besides currency notes, black money held in the form of diamonds, gold, shares and foreign currency and the black money generation through crony capitalism and flow of black money into the country through money laundering from British Virgin Islands, Mauritius, Singapore should be regulated effectively. The Government of Telangana is of the firm belief that these efforts to eliminate black money should continue till the goal of complete transformation of the nation is realised.

Keeping in view the difficulties and inconvenience faced by the people following the implementation of this measure, the State Government is constantly holding discussions with the Central Government and the Reserve Bank of India (RBI). The State Government is also suggesting remedial measures from time-to-time. As the Chief Minister of the State, I have personally met the Hon'ble Prime Minister Sri Narendra Modi on 19th November in Delhi and explained to him the difficulties being faced by the people of the State. I also suggested remedial measures to be taken to minimise the hardship to people. In continuation of this, the then Chief Secretary to Government, Sri Rajiv Sharma has written a letter to the Governor, Reserve Bank of India on 22nd

November and followed it up with another letter on 26th November. In these letters he requested the Governor to supply about Rs.5,000 crore in currency notes of small denomination for meeting the requirement of the State. In response, the officials of the Reserve Bank of India have indicated to the Chief Secretary on 15th December that cash for meeting requirements of the people of the State will be supplied. In his letter to the Reserve Bank officials on 21st November, Telangana State Principal Finance Secretary Sri K. Ramakrishna Rao has pointed out a number of lapses in sending currency notes for meeting the requirements of the State. Difficulties being faced in disbursing Aasara Pensions have also been explained. In addition, he explained the adverse impact of the measure on farmers, small traders and daily wage earners. He requested that Rs.5,000 crore may immediately be supplied to the State in the form of Rs.500 and Rs.100 currency notes. On the same issue, the State Government's new Chief Secretary, Sri Pradeep Chandra in a letter dated 8th December, has brought to the notice of RBI that sufficient money is not being kept in the ATMs. The Telangana State Finance Minister has also strongly expressed the necessity of supplying sufficient currency notes of small denomination while attending the two meetings of the GST Council. The request of the State Municipal Administration Minister for accepting old currency notes for the payment of bills has been favourably considered and the Central Government has permitted payment of bills through old currency notes. The Central Government has also taken into account the request for extending the time limit for such payments. As per the information furnished by the RBI, an amount of Rs.19,109 crore cash has been supplied to the State. All over the State, the amount deposited by people in banks is Rs.57,479 crore. Understanding the problems of the people on humanitarian grounds, the State Government has requested the banks to provide separate queue lines for women and the aged.

The Government is closely monitoring the situation arising from the demonetisation of high value currency notes and has put in place appropriate measures to ensure that the economy of the State does not get derailed. Immediate steps have been taken to encourage cashless transactions. The assessments made by the Central Government institutions indicate that Telangana State stands first in the country in the number of cashless transactions.

On a pilot basis, the State Government is making all out efforts to make Siddipet Assembly Constituency cashless. Already, Ibrahimpur village of this constituency has been converted into a cashless village. In the recently held Collectors' Conference, the steps required to be taken towards promoting cashless transactions have been discussed in detail. The Collectors have indicated that efforts are being made to make a few villages in each district cashless within a short period of time.

The State Government has constituted a Cabinet Sub-Committee to recommend policy measures with regard to cashless transactions. To speedup implementation, a Task Force has been specially formed. The State Government will shortly launch TS Wallet in a manner which will provide confidence to people in cashless transactions. The Government is taking all necessary measures for promoting cashless transactions in the State."

**CPRO to CM**