

Table 8.E Chronology of Major Events pertaining to Note Ban

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| Nov 8 | Exchange restriction of Rs 4,000 on demonetized Rs 500 and Rs 1,000 notes. Limit on withdrawal from bank accounts: Rs 10,000 per day and Rs 20,000 per week. Deposits into an account: No limit, but deposits over Rs 10 lakhs to be reported to tax department. Withdrawal from ATMs: Rs 2,000 per day. |
| Nov 10 | Banks open after being closed on November 9. |
| Nov 14 | RBI prohibits deposit and exchange of banned old notes into district credit cooperative banks. |
| Nov 15 | Restriction of Rs 50,000 for deposits into Jan Dhan accounts. |
| Nov 16 | Those exchanging old notes marked with indelible ink to avoid multiple daily exchanges. If combined cash deposits exceed Rs 2.5 lakh, PAN required. The earlier threshold was Rs 10 lakhs. |
| Nov 17 | Withdrawal limit raised to Rs 25,000 per week and other concessions for farmers. |
| Nov 18 | Government warns that misuse of bank accounts will lead to prosecution. |
| Nov 27 | RBI governor Urjit Patel justifies demonetization; says the new notes are difficult to counterfeit. |
| Nov 28 | Tax amnesty announced for unreported cash. Government will charge 50% in taxes. |
| Dec 6 | “The entire demonetized notes to come back to the banking system, so that the tax authority can trace the transactions and tax black money hoarders”, Hasmukh Adhia, Revenue Secretary. |
| Dec 7 | The repo rate left unchanged at RBI’s Monetary Policy Meeting. The Chief Economic Adviser, Arvind Subramanian called it a “bold and brilliant move”. |
| Dec 13 | “Banks have distributed Rs 4.61 trillion of notes through branches and ATMs between November 10 and December 10”, R Gandhi, RBI Deputy Governor. |
| Dec 15 | “In the figures RBI announced, there are a lot of areas where we feel there could be double counting. We have identified those and requested RBI and banks to double-check,” Shaktikanta Das, Economic Affairs Secretary. |
| Dec 16 | Old notes deposited into accounts of political parties (not in individual accounts) exempted from tax. Those declaring under PMGKY (Pradhan Mantri Garib Kalyan Yojna) shall be levied a charge of 50% which breaks down as 30% tax, 33% surcharge and 10% penalty. In addition, 25% of the amount declared will go into non-interest bearing PM Garib Kalyan Deposit Scheme for four years. |
| Dec 17 | Supreme Court declines to give immediate relief on any of the demonetization measures but in response to 90 petitions filed against it, refers 9 queries to a Constitutional Bench. Two of those below are: (a) Whether it violates Section 26(2) and various other Sections of RBI Act 1934. (b) Whether it contravenes Article 300(A) of the Constitution on right to private property. |
| Dec 19 | RBI replies to a Right to Information (RTI) Act that it had Rs 4.94 trillion in new Rs 2000 bank notes ready as of November 8, 2016. |
| Dec 21 | New currency issued was Rs 5.297 trillion was mostly in Rs 2000 notes. |
| Dec 29 | Ordinance cleared by Cabinet allowing RBI’s currency liability to be extinguished by the value of the extinguished notes. |
| Dec 31 | Prime Minister in his New Year speech announces 4% interest relief for home loans upto Rs 9 lakhs, no interest on loans taken for rabi crops for 60 days, 8% interest rate on ten year deposits for senior citizens upto Rs 7.5 lakhs and Rs 2 cr. Credit guarantee for small traders etc. Also, 8% interest for seniors on 10 year deposits. |
| | Addendum |
| Jan 18 | RBI Governor tells parliamentary panel, (i) Rs 9.2 trillion was put into circulation after 8 November but did not provide figures for how much demonetized currency was back. RBI’s statement reportedly said that figures would need to be reconciled with physical cash balances to eliminate accounting errors, possible double counting etc. before disclosing amount, (ii) The discussion about the scheme started in May 2016 and the printing of Rs 2000 notes began in August-September 2016. |
