

## Details for registration number : PMOPG/E/2026/0047695

Name Of Complainant	Dr Ishtdev Sharma
Date of Receipt	22/03/2026
Received By Ministry/Department	Prime Minister's Office
Grievance Description	

To  
The Hon'ble Prime Minister's Office  
Government of India

Date: 22/03/2026

**Subject: Urgent National Security Concern Regarding High Cash Circulation, Financial Opacity, and Potential Violations under PMLA, UAPA, and Income Tax Framework**

Respected Sir/Madam,

I, Dr. Ishtdev Sharma, Chairman of Helpful Foundation, respectfully submit this representation in public interest highlighting serious concerns arising from the exceptionally high level of cash circulation in the Indian economy and its potential implications for national security, financial transparency, and statutory compliance.

As per official data placed before the Rajya Sabha (Unstarred Question No. 232, Ministry of Finance), the currency with the public stands at approximately ₹37.22 lakh crore and total currency in circulation is approximately ₹38.20 lakh crore as of June 2025.

Such a significant volume of untraceable physical cash raises substantial concerns under existing legal and regulatory frameworks, including but not limited to the Prevention of Money Laundering Act, 2002 (PMLA), the Unlawful Activities (Prevention) Act, 1967 (UAPA), the Income Tax Act, 1961, and the Payment and Settlement Systems Act, 2007.

The following legal and security concerns arise:

### 1. Risk of Money Laundering under PMLA, 2002

Large-scale cash circulation facilitates layering and integration of illicit funds, undermining the

objectives of anti-money laundering laws and weakening enforcement by the Financial Intelligence Unit (FIU-IND).

## 2. Threat of Terror Financing under UAPA, 1967

The anonymity of cash transactions creates systemic vulnerabilities that may be exploited for terror financing, directly impacting national security and internal stability.

## 3. Violations and Evasion under Income Tax Act, 1961

Despite statutory restrictions such as Sections 269ST, 40A(3), and 194N, the continued growth in cash circulation indicates possible circumvention and ineffective enforcement mechanisms.

## 4. Counterfeit Currency and Economic Security Risk

High cash circulation increases susceptibility to Fake Indian Currency Notes (FICN), which has documented linkages with cross-border hostile elements, thereby posing a threat to economic sovereignty.

## 5. Regulatory and Policy Inconsistency

While legislative and policy measures promote digital transactions and financial transparency, the persistent rise in cash circulation reflects a structural gap between policy intent and ground-level implementation.

In light of the above, it is humbly submitted that this matter warrants urgent and comprehensive intervention. Accordingly, I request the following:

1. Constitution of a high-level inter-ministerial and national security review involving PMO, Ministry of Finance, RBI, Ministry of Home Affairs, FIU-IND, and intelligence agencies to assess the implications of excessive cash circulation.
2. Direction for a detailed audit and risk assessment of cash-intensive sectors to identify potential money laundering, tax evasion, and terror financing linkages.
3. Strengthening of enforcement mechanisms under PMLA, UAPA, and Income Tax provisions, including real-time monitoring and intelligence coordination.
4. Issuance of a comprehensive White Paper on cash economy versus digital economy from a legal, financial, and national security perspective.
5. Consideration of policy reforms to ensure alignment between statutory provisions and actual currency circulation trends.

**This issue directly impacts India's financial integrity, rule of law, and national security architecture. Immediate attention and necessary action are therefore warranted in the interest of the nation.**

**I request that this representation be treated as a matter of urgent public importance and necessary directions be issued at the earliest.**

Thanking you.

Yours faithfully,  
Dr. Ishtdev Sharma  
Chairman, Helpful Foundation

Current Status	Grievance Received
Date of Action	22/03/2026
Officer Concerns To	
Forwarded to	Prime Minister's Office
Officer Name	Mukul Dixit ,Under Secretary (Public)
Organisation name	Prime Minister's Office
Contact Address	Public Wing 5th Floor, Rail Bhawan New Delhi
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