

A STUDY ON DEMONETIZATION AFFECTATION ON THE INDIAN ECONOMY

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Received: 10 Feb 2023

Accepted: 14 Feb 2023

Published: 17 Feb 2023

ABSTRACT

The decision to demonetize currency was announced by our Prime Minister, Shri Narendra Modi, on November 8th, 2016. Approximately Rs. 14 lakh crore (\$190 billion) or 87% of this currency is in the shape of Rs. 500 and Rs. 1,000 notes. There have been numerous effects of the Indian demonetisation on the economy, some of which are expected to be favourable while others are expected to be very adverse.

The household's financial reserves are generated largely through corrupt or illegal business transactions that are not reported to tax authorities. Demonetization's sudden announcement has left people feeling uneasy and afraid.

People lined up outside ATMs across the nation to withdraw smaller denominations of currency, and there were massive line-ups there. Newspapers and news outlets projected both the negative effects of demonetization and its positive effects. Therefore, the purpose of this research study is to investigate the actual situation and the effects of demonetisation on the various Indian economic sectors.

KEYWORDS: *Demonetization, Cashless Transaction, Digital Economy, Indian Economy*