

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA UNSTARRED QUESTION NO.3978
TO BE ANSWERED ON 28.03.2022

Impact of Demonetisation

3978: SHRIMATI HARSIMRAT KAUR BADAL

Will the Minister of Finance be pleased to state:

- (a) whether the Government has assessed the impact of demonetisation on business, employment, agriculture and poverty;
- (b) if so, the measures taken by the Government to tackle its impact on businesses, employment and poverty alleviation initiatives;
- (c) the overall amount exchanged by the Government in lieu of old currency notes ;
- (d) whether any post-demonetisation study has been done or any report has been published in this regard; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PANKAJ CHAUDHARY)

(a) to (d): The economic growth of a country depends on a number of factors including structural, external, fiscal and monetary factors. Therefore, pinpointing of impact of demonetisation on the economy independent of other factors is difficult. RBI has published a Study titled “Macroeconomic Impact of Demonetisation – A Preliminary Assessment” in March 2017, which is available on the website of RBI. The study has noted that there has been a sharp increase in the number of accounts under the Pradhan Mantri Jan Dhan Yojana and the deposits in such accounts have also surged. Total volumes of digital payments have increased post-demonetisation from 1459.02 crore in financial year (FY) 2017-18 to 4371.18 crore in FY 2020-21. These two trends of increased access to bank accounts and digital transactions have benefits associated with reduced corruption, increased flow of financial services and greater formalisation of the economy. In so far as exchange of overall amount is concerned, as per RBI data, an amount of Rs. 15,31,094 crore (rounded off) has been paid towards the Specified Bank Notes (SBNs) till March 31, 2021.