



DEMONETIZATION

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ABSTRACT :- On 8 th November 2016 Prime Minister Narendra Modi announced that two of india's largest notes INR500 and INR 1000 will cease to be legal tender except for a few purposes . 86 percent of cash in circulation was rendered invalid and these notes had to be deposited in banks by the 30th of December 2016.

This move is aimed at controlling black money , take currency circulation and terror financing . One need to understand that 80% of India's labour force is employed in the informal sector , Which comprise of 45% of the GDP of our coemtry . Ouer 60% of population of india lives in below the international poverty .Since our economy is an under banked economy , present demonetization move would no doubt cause a serere social experiment across the segment of our population . At the first place and on a shortterm basis this move would benefit the Govt ,which shall effectually deploy its resources to percolate the impact to the poor and needy of our Country . This study will help us to know about the positive and negative impact of note ban decision taken by Indian Govt.

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Key Words :- Indian Government note ban economist Demonetisation , expert ,Opinion, credit, cashless transaction, Black money.

Introduction :- Demonetization of high valued currency notes of INR 500 and INR 1000 on Nov 2016 has shaken the country by disrupting normal behavior of Indian politics canony and society . The ruling coalition quickly articulated this as a big bang step to unearh black money and attached its success in the election held in the country post demonetization as an endorsement of people for the demonetization decision. The opposition on the other hand has termed it a an irresponsible step that adversely affected all sections of society.

The slowdown in the economy post demonetization by 1 to 2 percent of GDP Growth rate constituting a loss of income of rs 1 to 2 lakh crores plus the new currency printing and trans potation costs , caused in convenience and loss of lives etc are considered then the demonetization as an economic case does not stand the sorting clearly the cost outweighed the benefits what needs to be done to curtail the black money is fix the demand for black money that comes from political parties real estate business government private sector nexus rather than focusing on to curtail the supply of black money through cash less measures.

Objectives of the Study :-

1. To know about actual present outcomes of the note banned decision.
2. To know the potential of the note ban decisions
3. To estimate the consequences for future of the note ban decision
4. To know the impact of note ban decision on various sector of Indian economy

Sectoral Impact :- The different affected sectors of demonetization are as follows –

1. Real Estate :- Real Estate is arguably the most effected sector due to demonetization impact of demonetization is more prominent in un organized sector comprising small builders and real estate agents. Due to demonetization,it has been assumed that the price will be reduced 30% -40% in property . In Real Estate sector demonetization will bring increased transparency which is likely to improve the affordability at real estate in medium to long trem.

Key Initiatives By the Govt.

- Indian's Prime Minister Mr. Narendra Modi approved the launch of housing for all by 2022.
- Under the Sardar Patel Urban housing mission ,30 milion houses will be built in India by 2022 mostly for the economically weaker sections and low-income group, through public private partnership (PPP) and interest subsidy.
- In August 2015, the Union Cabinet approued 100 smart city Projects in india
- The Government has also raised fdi limits for tounships and settlements development projects to 100 per cent.
- Real estate projects within the special Economic Zone (SEZ)are also permitted 100percent FDI.

Pros :-

1. Over all decrease in inflation due to low living cost