

- (iv) During FY 2017-18, the number of new ITR filers has also increased to 1.07 crore as compared to 85.5 lakh new ITR filers added during FY 2016-17. This indicates a clear upswing in the new tax filers with a growth of 25%. In earlier years, the new filers were between 50 lakh and 66 lakhs. This upswing can be attributed to higher level of compliance due to transfer of cash into the formal channels as a result of demonetization.

Positive and negative impacts of demonetisation

2100. SHRI VAYALAR RAVI: Will the Minister of FINANCE be pleased to state:

(a) the assessment of Government after two years of demonetisation on its positive as well as negative impacts on the economy; and

(b) whether it is a fact that the above controversial decision is responsible for the crisis in the Banking, Industrial, employment and other sectors of the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P): (a) and (b) The overall economic growth of the Indian economy is dependent on many factors that, *inter alia*, include the rate of capital formation and savings, utilization of technology, availability of infrastructure, efficiency of resource allocation, quality of institutions, governance and the policy framework in place, money supply and degree of financial development. It is difficult to pin-point the impact of demonetization on the economy *via* its impact on the aforesaid factors.

The Economic Survey 2017-18 indicated that implementation of GST and demonetization lead to increase in number of new taxpayers (income tax), increase in voluntary registrations in the indirect tax. The Economic Survey 2017-18 Volume 1 noted that there was around ₹ 2.8 lakh crores less cash (1.8 per cent of GDP) and about ₹ 3.8 lakh crores less high denomination notes (2.5 per cent of GDP) in circulation post-demonetisation, as of 19th January 2018. The Survey observed that there has been a substantial increase in digitalization across all categories. And even though the immediate post-demonetization surge, has moderated in some cases, the level and pace of digitalization are still substantially greater than before demonetization.

Anomaly of inflation in urban and rural areas

2101. SHRI RAJMANI PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that inflation is higher in rural areas, in respect of fuel, transportation and food items compared to urban areas;

(b) if so, the reasons therefor;