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RESEARCH ARTICLE

IMPACT OF DEMONETISATION, GOODS AND SERVICE TAX & COVID-19 ON INDIAN ECONOMY

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Abstract

The Indian economy is hit by Tragic-Trio in in the last four years. The unexpected and largely unwelcomed trio is Demonetization, Goods and Service Tax (GST) and COVID-19. While demonetization and GST were the part of the government's policy decisions to strengthen the economy, the COVID-19 is the global pandemic which has shaken all the world economies. The Indian economy has been affected to a great extent by all three of them. The growth of the economy has been on a halt since the demonetization in October 2016 and the economy continues to remain in economic slowdown. The country has suffered a lot due to this tragic trio but it would be unfair to say that they haven't done any good for the country. Many consequences of the trio have been on the positive side and would be beneficial for the economy and social wellbeing of the people in the long run. This paper is written in an attempt to study the consequences of the trio, both in positive as well as in negative aspect. The researchers have tried to establish the fact that all three have been instrumental in affecting the Gross Domestic Product (GDP) and employment growth of the country.

Introduction:-

What affects the economic growth of a country? The answer to the question is enough to describe the difference between developed countries, developing countries and under developed countries. The genesis of economic growth theories and models provides different ways in which present economic activity can have an influence on future economic development (Boldeanu & Constantinescu, 2015). There are four major factors which affect the economic growth of any country. These are human resource, natural resource, capital formation and technology. And the economic growth is measured by Gross Domestic Product GDP. The countries which nourish its human capital, utilize their natural resources in a judicial manner, increase the capital formation and make advancements in technology have become developed countries today. India is on its way to become a developed country and currently stand as one of the fastest growing developing countries. The growth of Indian economy is affected by various factors, major factors being education, employment, Agricultural activities, industrial output, infrastructure, implementation of plans, human resource management, anti-corruption measures, disaster management, natural and alternative resource management and fund level (Johnson, 2018). However, many glitches do occur in the path of transition from developing country to a developed country. The Indian economy is facing many such glitches which

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are hindering its growth. Not only these glitches have slowed the progress of the economic growth but also they have brought an economic slowdown in the recent past.

Within the span of four years, from October 2016 to September 2020, Indian economy has faced three important macro-economic shocks which have halted the growth trajectory of the country. The three Macro-economic shocks are Demonetization, Goods and Service Tax (GST) and COVID-19. The effect of these three events is so severe that we have referred them in the research paper as Tragic-Trio. Demonetization and GST were the part of government's policy decisions to strengthen the economy and have been introduced to build up the economy by changing the status quo which were in some way or the other,were restricting the rapid growth of the country. The COVID-19 was an unexpected shock to the whole world and the speed at which it spread all over the world was threatening for the lives of the people around the globe. It was declared a global pandemic by the World Health Organization (WHO) and the world economies including India has suffered a lot due to the pandemic. India along with many countries had announced lockdown to curb the spread of the virus. The lockdown is a good way to stop the spread but it cannot be done for an extended period of time. The lockdown has resulted in negative growth in the biggest of the developed and developing nations. With no vaccine till this paper is written, it has become challenging for the countries to open the economies again as they can't let the economy shrink and at the same time they can't even put the lives of their people in danger.

Review of Literature: -

(Kushwaha, Kumar, & Abbas, 2018)discussed the meaning and importance of demonetisation. They presented a sector-wise impact of demonetization on different sectors in the Indian economy. The positive and negative impact of demonetisation was thoroughly discussed and it was established that demonetisation would certainly prove beneficial for the Indian economy in the medium and long-run.

(Shirley, 2017)discussed that demonetisation is a good measure to curb black money but the Indian government didn't have any policy skeleton before implementing the demonetisation. There was no cost-benefit analysis, no alternative policy options were considered and no impact study was carried out. Due to poor planning and execution the income, production, employment etc. were down and the economy was at a halt. Daily wage earners and local industries had to suffer due to lack of proper planning and foresightedness.

(Gaur & Padiya)studied the effects of demonetization on the digitization in India and its trends, strategies and challenges. The researchers were of the view that the demonetisation was a great move towards digitization and it could be achieved by creating the right legal framework for digital transactions. The researcher also pointed out that there was a need to incentivize digital transactions to promote cashless economy and use of digital currency.

(Nagdev, Kumar, Rajesh, & Kumar, 2017)analysed the immediate impact of demonetisation, barriers in moving towards cashless economy and effect of demonetisation on cashless economy. It was revealed that IT enabled services and online payment portals were at a gain and traditional banking was hit negatively due to demonetization. It was observed that demonetisation was helpful in reduction of black money, disclosure of income, transparency in business transactions and less cash in the hands of people in the short run immediately after the demonetisation.

(Ghosh, 2017)developed a macro-theoretic model to examine the possible effects of demonetization in India. He found that demonetization would result in a decline in output levels in both the organized and unorganized sector. However, it was reported that the speed of remonetisation would decide the extent of such cumulative contraction. The author argued that the demonetization was unlikely to curb black money as the big players would get away with it and the poor's had to bear the real pain of demonetisation.

(Kaur, 2016)studied the features of GST and the effects of GST on the prices of goods and services. The researcher explained the goods and services which would become costly and which would become cheap due to GST. The researcher concluded that the introduction of GST was a good step and would lead to great positive changes in the economy.

(Nayyar & Singh, 2018)highlighted the background of the taxation system in India, the introduction of GST and its comparison with the other tax systems with other economies. They presented an analysis of the benefits of GST to the various sectors of the economy and the challenges in the implementation of GST. They showed with the proper

illustrations that how the GST would reduce the tax burden on the consumers. The researchers concluded that the GST will certainly improve tax collection and boost up the economic through a transparent tax system.
(Shankar, 2017) and (Dixit, 2018) discussed the legislative history of GST bill in India and impacts on various sectors of the economy including consumer goods, telecommunications, real estate, information technology, infrastructure etc.

(Ramkumar, 2017)Studied the relationship between GST and consumer spending ability with the help of multiple regression analysis. Respondents from the Chennai city was taken for the study and relationship between the factor affecting the purchase decision after the implementation of GST was studied. The researcher found that consumers were left with less money after the GST rollout and GST had resulted in inflation. There were positive cause and effect relationship between GST rates and consumer spending.

(Kadam, 2018)discussed the conceptual framework of GST and its prospects and challenges. He was of the opinion that changing rules and regulations of GST as per the demand and supply will be a key factor in the success or failure of GST. He also opined that an effective ground level assessment with proper feedback is necessary to support GST and export environment.

(Gunaseelan & Kesavan, 2020) studied the effects of COVID-19 on the business and economic aspect on various domains such as international trade, gold market, industrial progress, stock market, agriculture etc. the authors also suggested various measures to revamp the national, cultural and economic changes from the COVID-19. The author concluded that India and world economies have been affected by the COVID-19 and are heading towards an economic recession.

(Mehta & Jha, 2020)conducted a retrospective analysis of macro-economic repercussions of the previous pandemics and forecasted the possible impact of COVID-19 on the India economy. They suggested that the lockdown was a major method along with social distancing and self-isolation to contain the spread of the virus. They also suggested economic, fiscal and monetary measures like lowering interest rates on loans, bank charges, water bills and other charges etc. to lessen the expense burden on people so that they could spend more.

(Sardar, Nadim, Rana, & Chattopadhyay, 2020)assessed the effect of lockdown on in some states and overall India with the help of a mathematical model. They predicted that huge mass testing of COVID-19 is required to contain the spread of the virus in communities. The model forecasted that a high rise was expected in most of the location in the coming days. They were of the opinion that an effective lockdown was necessary to reduce the transmission of the virus in India.

Research Methodology:-

Statement of the problem:

Since the demonetization, many researchers have made an attempt to study the impact of demonetization and Goods and Service tax. Presently a number of studies are emerging on the impact of COVID-19 in the Indian economy. The researchers have studied them separately as and when they were introduced and happened to the people and the economy. There is no study which shows the impact of all the three demonetization, Goods and Service Tax and COVID-19 on the Indian economy. The present study deals with the effects of the trio in both positive and negative aspects.

Rationale of the Study:

No doubt that the trio has individually hampered the growth of the Indian economy but the current economic slump is a combined effect of all three to a large extent. The researcher has tried to find the synchronicities in the effects of the trio which has resulted in the current downturn in the growth of the Indian Economy. It is needed to understand the chronology of events to establish the fact that the current economic downfall is not just about the COVID-19 crisis but it was started since demonetisation. It is important to study the major impacts of the trio and outline the lack of policy actions which has led the problems to magnify in the economy.

Scope of the Study:

The present study provides a detailed insight into the need and implementation of demonetization and GST, the positive and negative effects of the demonetization and GST on the society and economy, the severity of COVID-19 and its implications in the India economy and the overall impact of the trio on the Gross Domestic Product (GDP) and Employment.

Nature of Study:
The research is descriptive and exploratory in nature. The data used in the study are retrieved from published secondary sources which include government website and reports, working papers, academic journals and other reliable electronic sources.

Objectives of the study:-

The objectives of the study are as follows
1. To gain an in-depth understanding of Demonetization, Goods and Service Tax (GST) and COVID-19.
2. To study the impact of Demonetization, Goods and Service Tax (GST) and COVID-19 on the Indian economy.

Demonetisation: 8th November 2016; Q4 Of FY 2016-17
In order to unearth the black money and prevent counterfeit currency and chocking the parallel economy, the government of India announced demonetization in the midnight of November 08, 2016. The demonetization resulted in the ceasing of ₹ 5,00 and ₹ 1,000 note to be legal tender which was 86 percent of all currency notes in circulation. This was not the first time that demonetization was done in India. In the year 1946, ₹ 1,000 and ₹ 10,000 notes were banned by the government and in 1978, the then prime minister of India, Morarji Desai banned the ₹ 1, 000, ₹ 5,000 and ₹ 10,000 notes. The present demonetization was done with the following aim
1. To curb black money and corruption by preventing hoarding of cash
2. To prevent counterfeiting of currency notes
3. To fight against terrorism by cutting off cash funding of terrorist groups operating in India

Negative effects of Demonetisation:
1. The demonetization resulted in Cash crunch and Liquidity crisis among common people and the informal sector as they mostly run on cash. A sudden withdrawal of approximately 86 percent of legal money had resulted in a massive chaos as people did not have any option to do anything with the money they had. (Neralla, 2018).
2. Unemployment in the informal sector and demand for work in MNREGA increased due to closure of businesses which run on day to day cash as they were unable to procure working capital. The rural development ministry had sought for additional funds to cope with the situation with the help of NREGA to provide supplementary means of livelihood to rural people just after demonetisation(The Economic Times, 2016)**.**
3. The RBI data released in September 2019 suggested that the earnings of people were affected badly and thus household consumption was decreased after demonetization. The consumer goods loan was ₹ 20,791 at the end of March 2017 and it had grown for continue six years. After the demonetization, the consumer goods loan fell by 73per cent to ₹ 5,623 crores(Moharkan & Goel, 2019)**.**
4. The Demonetisation was the starting point of the slowdown which we are witnessing today. Demonetization provided the initial trigger to the economic slowdown when the whole of India was in a liquidity crunch. The rural population which constitute around 70per cent of the total population did not have any growth in the income (Deshmane, 2019).
5. The demonization caused uncertainty in the economy and common people had to suffer a lot. The long queues outside the banks were seen in the days after Demonetisation. Millions of people had to wait outside banks to exchange the cash they had (Hindustan Times, 2017).

Positive effects of Demonetisation:
1. RBI data shows an increase in digital transactions immediately after Demonetisation. Transactions through debit card at Point of Sale (POS) terminals and m-wallets increased by 134per cent and 163per cent, respectively between October 2016 and December 2016. Three years later in 2019, the RBI reported that the digital transaction has tripled since demonetisation(Singh, 2019).
2. One of the aims of demonetization was to curb counterfeit currency. The counterfeit currency had risen before the demonetization. The data provides that the counterfeit currency in the circulation was 5.94 lakh, 6.33 lakh and7.62 lakh respectively in the years FY 2014-15, FY 2015-16 and FY 2016-17. Since the demonetisation, the number of counterfeit currency had gone down drastically to 5.22 lakh and 3.17 lakh in FY 2017-18 and FY 2018-19 respectively (Nahta, 2019).

3. The demonetisation resulted in Increase in domestic Mutual fund investments. The Asset Under Management (AUM) by mutual funds increased from nearly ₹ 16 lakh crore to ₹ 21 lakh crore within a year between October 2016 and October 2017. Total cash deposits had also increased during the same period. In one way it can be said that the demonetization has also prompted the people to look for investments opportunities rather than just holding the cash in hand. This is instrumental in encouraging saving habits among people (Mudit, 2018).
4. The demonetization has helped the Indian government in bringing new tax payers under the tax net. InFY 2013-14, there were only 3.79 crore taxpayers in India, which increased substantially after the demonetization. The number of taxpayers increased to 4.07 crore in FY 2015-16 and 6.84 crores in FY 2017-18. The gross tax revenue has also seen a jump from ₹ 12.44 lakh crore in FY 2014-15 to ₹ 14.60 lakh crore in FY 2015-16 and ₹ 17.15 lakh crore in FY 2016-17 (Mudit, 2018).

After Effects of Demonetisation:

1. Although the digital use of cash payments has increased, the government has failed to curb holding of physical cash by the people. Currency in circulation has remained almost the same in the economy before and after Demonetisation. Of ₹15.41 lakh crore worth ₹ 500 and ₹ 1,000 notes in circulation on November 8, 2016, notes worth ₹ 15.31 lakh crore came back during the 50-day window for depositing junk notes given to resident Indians and till June 2017 for non-resident Indians. Notes in circulation had grown at an average growth rate of 14.51per cent year on year since October 2014 (Economictimes Indiatimes, 2019).
2. Three years after the demonetization, the RBI board confirmed that Government failed to curb black money as most of the black money is held not in the form of cash but in the form of real sector assets such as gold or real estate (Outlook Web Bureau, 2019).

GST: One Nation, One Market, One Tax; 1 July 2017, Q1Of FY 2017-18

Goods and Service Tax (GST) introduced on 1st July 2017 is an All-inclusive, multi stage, destination based tax. This is said to be one of the biggest tax reform in India since independence. It is a Technology driven tax as most of the work is done through the use of digital means. The introduction of e-way bills for inter-state and intra-state transportation of goods is one such example and online filing of returns etc. are also being performed online. The history of GST dates back to the 1950's when it was first adopted by France in 1954 and since then 166 countries have adopted the GST framework. The first initiation for GST in India as a single tax system was made in the year 2000 during the reign of Prime Minister AtalBihari Vajpayee. The Kelkar Task force had given inputs for implementation of GST in India for the first time. 17 different indirect taxes and 23 Cesses have been subsumed by GST. Following taxes has been subsumed by GST

1. Central taxes that have been subsumed under GST include Service Tax Duties of Excise, Central Excise Duty, Additional Excise Duties, Additional Duties of Customs, Central Surcharges and Cesses related to the supply of goods and services.
2. The State taxes that have been subsumed under GST are: State VAT/Sales Tax, Central Sales Tax, Purchase Tax, Entertainment Tax, Luxury Tax, Entry Tax (All Forms), Taxes on lottery, betting & gambling, Taxes on Advertisements, Surcharges &Cesses, Provisions of GST Have been amended more than 200 times since the introduction

Types of GST:

1. CGST (Central Goods and Services Tax): The tax is collected by the central government on the intrastate sale of goods and services.
2. SGST (State Goods and Services Tax): The state government collects this tax based on the intrastate supply of services and products.
3. IGST (Integrated Goods and Services Tax): The tax is charged on the supply of products and services between two states. The taxes are shared between the central and state governments.

After many revisions, GST is currently Levied under four slabs 5per cent, 12per cent, 18per cent and 28per cent. Certain products like petroleum, liquor and tobacco etc. have been excluded from the GST net. Taxes which are being paid to the local bodies are also not covered under GST. The government is continuously working on simplifying the compliance procedures and easing the transitional pain for the taxpayers. The GST council meets from time to time to make relevant changes in the structures and operations in the GST.

Positive Impact of GST:

1. Within a year of the implementation of GST, the government data revealed that the number of registered taxpayers jumped from 64 lakhs before GST to over 1.12 crore, a 40 per cent increase till July 2018. This means that as many as 48.40 lakh new dealers have registered themselves since the introduction of GST (Dipak , 2018).
2. Cascading effect of tax has been removed by merging the taxes of central and state government. This is due to a more comprehensive mechanism to credit input taxes against taxes on outputs. Prior to the GST under the VAT system, the central excise duty was levied at the manufacturing stage and it resulted in cascading into final sale value. Also, the lack of a systematic mechanism for providing input tax credit between excise duty and service tax was contributing to the cascading effect (Rao, 2019).
3. Digitization of returns is a major step within the GST framework as Online filing of return is mandatory. Although it is a little painful for small businesses, the digitization would surely prove to be beneficial for them if sufficient infrastructure is provided to them (Mittal, 2017).
4. The Supply chain and logistics have improved as a result of Abolition of Interstate check post. Movement of goods have increased and Transportation time has also decreased due to GST. This has helped in improvement in supply chain management (Rao, 2019)

Negative Impacts of GST:

1. Small Manufacturers and traders had to face difficulties. Higher compliance costs and disruptions in the supply chain resulted in a temporary halt in activities of small businesses. The big businesses were having the clarity about the GST and they were able to sail through the transition process easily but it was small manufacturer which had to bear the maximum pain of transition from old tax structure to the new tax structure. (Kapoor , 2018).
2. Businesses have been facing difficulties since the beginning regarding the process of GST registration and GST e-filling. Reconciliation of data between seller and supplier before submitting a return created an additional burden on CA's. Also, many discrepancies were found in GST fillings as 84per cent of taxpayers were unable to correctly report revenue statements. (Mittal A. , 2020)
3. Many exporters faced problem in refunds due to mismatch of invoices. Due to this, the exporters were faced with liquidity issues as their funds were blocked. This had further resulted in blockage of working capital which could have been otherwise used in more production (Dave, 2020).
4. India's unemployment rate stood at 8.9per cent in FY 2017-18 after Demonetisation and GST as per unreleased NSSO data in February 2019. The Business Standard newspaper reported that the unemployment rate was 9.1per cent for females and 8.8per cent for males, according to NSSO data for FY 2017-18 (The Wire, 2019).
5. In its first report on GST, the Comptroller and Auditor General (CAG) of India reported that the revenue of government actually declined by 10 per cent for the FY 2017-18 after the implementation of GST. Again, in FY 2018-19, the tax collection was only ₹5.81 trillion as against the estimate of ₹7.43 trillion.

Way Ahead:

1. More training programs should be offered with respect to technicalities of GST as even CA's are not aware of certain technicalities regarding the incidences of tax.
2. An integrated software must be designed and provided by the government for GST billing and GST e-return filing.
3. The success of GST could improve the business environment in the form of improved ease of doing business.
4. The government revenue has declined since the introduction of GST. The government should take steps to remove the loopholes and drawbacks in the tax structure.
5. Government has been able to curb Tax evasion. The significant result is yet to be achieved due to problems in implementation. The traders were clueless in the beginning but now they have understood the technicalities.

COVID-19:

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The first case of COVID-19 in India was reported on 30 January 2020. To curb the spread of COVID-19, the prime minister announced lockdown after 24th March 2020 in an address to the nation. The pandemic and the subsequent lockdown has created a mess in the economy in various forms. The lockdown added to the slowdown in the economy and its effects is very serious on the economic growth of the country.

Effects of Lockdown:

1. The country was already in slowdown before the pandemic as the GDP growth rate was continuously decreasing since Q1 of FY 2018-19. Due to the lockdown, for the first time in history, India has recorded negative GDP. This is the lowest GDP rate among all developing nations. This GDP data for Q1 of FY 2020-21 is twice worse than expected by industry experts (Deccan Chronical, 2020).
2. Lack of wok and closure of industries across the country resulted in increased unemployment. During the lockdown, an estimated 14 crores people lost their jobs while employees in different industries had to bear the pain of salary cut. Private companies had to lay-off employees due to lack of work and inability to pay. Unemployment rose to 6.7 per cent on 15 March to 25.50per cent in May 2020. The current level of unemployment is 8.3per cent as on 04th Sep. 2020. (CMEI, 2020).
3. According to a report from Acuite Ratings, the Indian economy was expected to lose over ₹32,000 crores (US$4.5 billion) every day during the first 21days of complete lockdown. The services impacted by the lockdown were majorly transport, hotels, restaurants, real estate activities etc. (Business Line, 2020).
4. Due to the nationwide lockdown, India witnessed the worst migrant crisis when nearly 26 lakh migrants were stranded and struggled to get back to their home. The migrants have to walk thousands of kilometers barefoot to rich their homes (Chisthi, 2020).
5. Along with industrial establishments, educational institutions were also shut. The classes were suspended and examinations were cancelled. This has also affected the economy in the sense that the potential human capital has been degraded due to the lockdown.

Effect of Demonetisation, GST, COVID-19 on GDP:

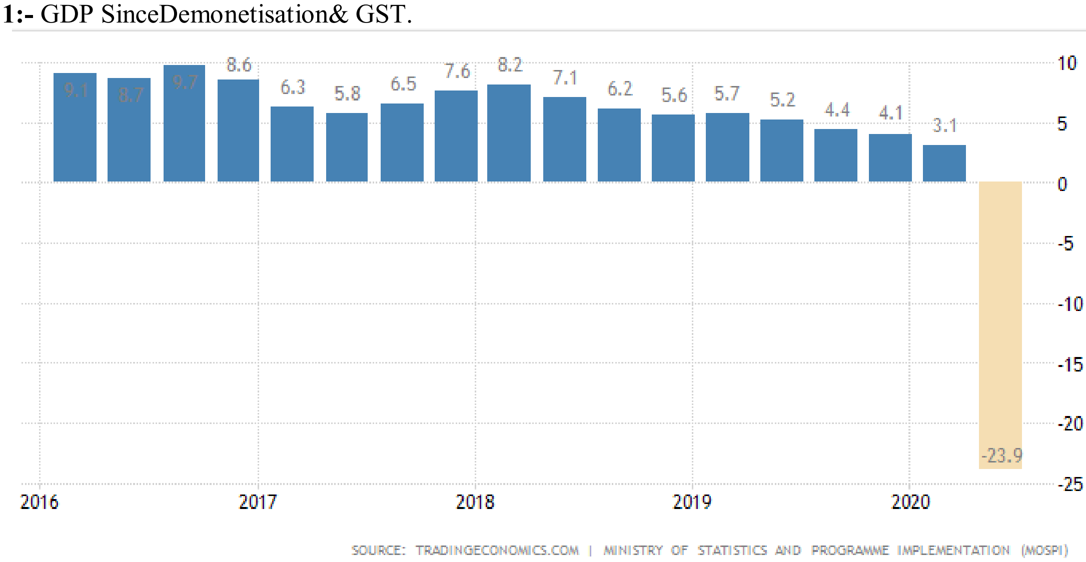
The trio has affected the GDP and employment in the country in a negative way. The decline in GDP and rise in unemployment level is as follows:

GDP SinceDemonetisation:

After Demonetisation GDP started decreasing from 9.3per cent in Q2 to 8.6per cent in Q3 of FY 2016-17 due to Low economic activity in the informal sector and cash crunch to pay for raw material and wages. Consumer spending also decreased because of the lack of cash in the hands of the consumer.

After the introduction of GST, GDP increased for two consecutive quarters i.e. Q3 and Q4 of FY 2017-18 and then started declining. Reasons for the increase in GDP was that the informal sector was affected badly and was unable to meet the demand consequently the formal sector gained by meeting the demand. The formal sector's gains helped in GDP increase. Since then, the GDP has been falling continuously and the worst has been seen in the Q1 of FY 2020-21 when GDP was reported at -23.9 per cent.

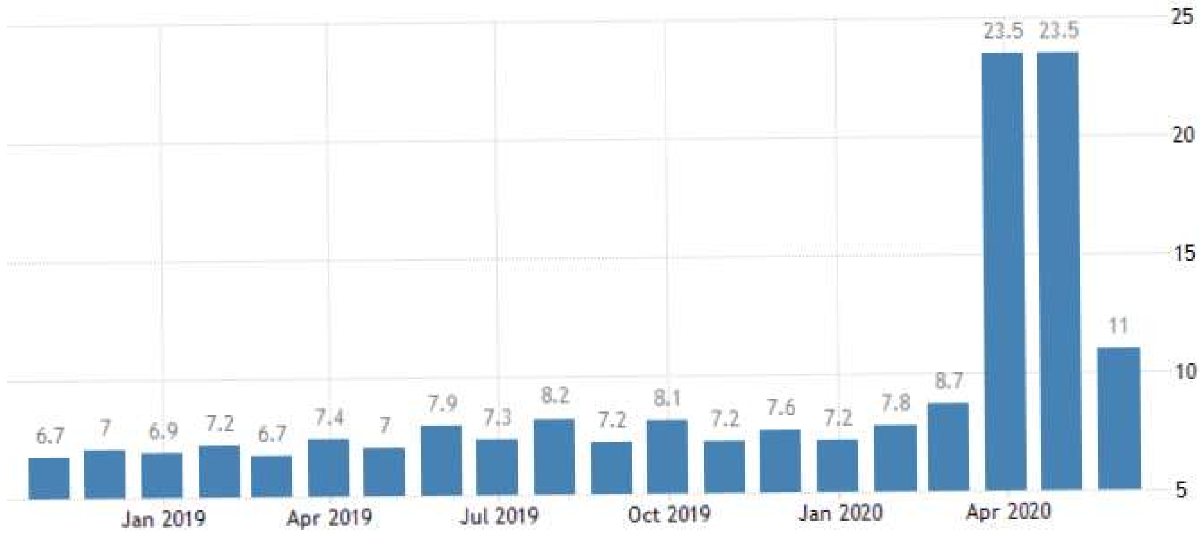
Table 1:- GDP SinceDemonetisation& GST.



Source: Tradingeconomics.com | Ministry of Statistics and Programme Implementation (MoSPI)

Unemployment SinceDemonetisation:
Centre for Monitoring Indian Economy Pvt. Ltd. (CMIE) released areport in January 2019 which said that nearly 11 million people lost jobs in 2018 after the demonetisation of high value notes in late 2016 and chaotic launch of GST in 2017. The unemployment level rose to 6.1 per cent during FY 2017-18 which was highest in 45 years. Based on this data, the Business Standard news has reported (using the current weekly status approach for calculating unemployment) that the unemployment level stood at 9.1 per cent in FY 2018-19.
The situation got worse since 2019 and unemployment level never went below 6per cent. Unemployment rose to 6.7per cent on 15 March to 25.50per cent in May 2020. The current level of unemployment is 8.3per cent as on 04th September 2020. the below table shows the unemployment level since November 2018.

Table 2:- Unemployment since Nov 2019.



Source: Tradingeconomics.com | Ministry of Statistics and Programme Implementation (MoSPI)

Key Negative aspects of Demonetisation, GST, COVID-19:
There are numerous positive and negative outcomes of the trio. these can be summarized as follows

1. All three lead to Social, Economic and Industrial Distress. The early management in all three situations was bad and unplanned. The measures to deal with the consequences were not well organized. The long queues outside banks, the difficulty in filling the returns, the migrant crisis etc. could have been well managed with prompt decision making.
2. The unorganized sector is most vulnerable to economic shocks. In all three cases, the unorganized/informal sector has been hit badly. People lost their jobs and factories were shut. The non-form unorganized sector which relies mainly on daily wages as their only source of incomehad to bear the most pain in all three situations.
3. All three has increased the problem of unemployment in the country. The unemployment rate as was highest in at 23.50 per cent in April and May 2020 during the lockdown. It is now at 8.3 per centin September 2020 and at par with the level of 8.48 per cent which was during Demonetisation in Oct. 2016. The unemployment rate increased immediately after Demonetisation and reached its peak during the COVID-19.
4. MSMEs did not get the chance to revive since Demonetisation. When MSMEs started to gain the growth momentum after Demonetisation, the GST was rolled out. GST created many uncertainties as to how to file returns, hiring of CA, pricing of product etc. Once they started understanding the know-how of GST, the COVID-19 emerged as a new threat and has hit MSMEs badly.
5. Rural demand has decreased Since Demonetisation. This is due to the fact that wages and income of the rural population have decreased due to unemployment and low level of economic activities in small businesses. COVID-19 has affected both demand and supply all over the world.

Key positive aspects of Demonetisation, GST, COVID-19:

It is not that the tragic-trio has not done any good for the economy. Every coin has two sides, any curse will do good to some and do bad to some. In the same way, the trio has also improved many things in the economy which would prove to beneficial in the long run.

1. In both the cases of Demonetisation and GST, the number of taxpayers has increased. The number of taxpayers increased from 3.79 crores in FY 2013-14 to 6.84 crore in FY 2017-18. This indicates that 48.40 lakh new dealers have entered after GST. The government has been able to bring most of the population under the umbrella of tax with these compelling measures.
2. Aftethe happening of the trio, adoption to technology has increased among government, corporates or people. The digitization and use of ICT have helped in accelerating the speed of the events and processes in all walks of life. Online return filing, online payments, online teachings etc. have been accepted by the people as a necessary mode of survival.
3. The economy has tested its capability of reviving itself from any kind of uncertainty. The people in the country have faith in the system and have shown maturity in cooperating with the government whether it is Demonetisation, GST or COVID-19. The people showed their patience during Demonetisation and COVID-19 and cooperated with the government. The corporate sector has also shown maturity during the GST rollout and no major dissent was seen by corporates as well.
4. Both Demonetisation and GST has helped in uprooting the parallel economy. The government has been able to bring most of the unaccounted money into the system by Demonetisation and related steps like Jan Dhan Account and adoption of digital payments. GST has helped in tracking every payment made in the supply chain starting from manufacturer to final consumer.

Findings:

The study reveals that the uncertainties caused and chaos created by the trio has been very painful for the common people of India. Similarly, the small business has to suffer the most among sectors and industries. The unemployment level has risen, the GDP has shrunk, the demand has fallen and the businesses in selected sectors are facing an existential crisis. The economy is in a stage from where it needs a revolutionary, planned and well chalked out steps to leadthe economy towardsrevival. It has been observed that certain states have not cooperated with the center in dealing with various issues related to the trio. The country has also witnessed some positives due to the trio. Prevention of counterfeit currency, removal of cascading effect in taxation, use of ICT in day to day life, digital payments, cleanliness in the country, the focus on small industries etc. will be helpful to the economy in the long run.

Suggestions:-

The Q2 GDP results of FY 2020-21 are shocking and alarming. A growth rate of -23.9per cent indicates that it's not normal and India is heading towards a slowdown. However, a large part of the fall in GDP can be attributed to COVID-19 but previous to COVID-19 also, lower GDP growth rates were registered for consecutive quarters. Although the government has announced the economic package worth ₹ 20,000 crores, it is not sufficient to revive the economy. We suggest the following measures to bring back the Indian economy on track

1. **Strengthening the MSME ecosystem**: MSMEs are the growth engine of economic development and it is the sector which has been affected worst by the tragic-trio. The sector must be assisted financially, technologically and handholding support must be provided to them. The taxation system and labour laws must be made flexible so that they do not remain stuck in completing the stringent regulations only.
2. **Providing employment opportunities:** Both organized and unorganized sector has reported job losses in the last four years. Provisions must be made to ensure employment in both sectors. Due to lack of job and vacancies the youth is sitting idle, the backlogs in government vacancies must be filled and rapid actions must be taken. More employment opportunities should be provided through MNREGA in rural areas.
3. **Technological adoption:** History shows that the countries which did not accept the technological changes with the flow of time had been left behind in the competitive world. Exchange of technology among the countries for better utilization of the resource, minimization of time, and efficiency in the process is a must. The government must make provisions for technological adoption through ICT, internet of things, big data cloud computing etc. in every field including industry, education and government departments.
4. **Rapid implementation of new education policy:** The new education policy is another revolutionary step. But it is not valid to say before it is implemented on the ground and the human capital is nourished to produce an extraordinary result. The implementation must be speedy and robust to change the mindset of the new

generation. The focus must be given to the course which imparts an entrepreneurial mindset to the new generation.
5. **Strengthening the GST framework:** GST is a revolutionary reform but the implementation has been not upto the mark. The GST council must formulate new provisions which eases the indirect tax norms. The small traders who are facing issues in GST return filing and getting input credit must be provided free handholding support.
6. **Practical steps towards atmanirbharBaharat:** The dream of atmanirbhar will remain a slogan only, if organized efforts are not taken. The schemes like Make in India, Startup India which has already been launched must be combined with the Atmanirbhar Bharat to make India a self-reliant country. The local businesses must be provided incentives to establish their businesses and legal approvals for new businesses must be smoothened.
7. **The revival of the rural economy:** The rural economy has shrunk due to lack of job and low income level. Steps must be taken to revive the rural economy by economic activities parallel to strengthening the infrastructure in the rural areas itself. Introducing new projects under MNREGA Schemes and increasing the number of working days in MNREGA employment would help in reviving rural economy. The government should ensure the buying of agricultural products directly from the farmers.

Conclusion:-

The tragic trio has hit the economy badly. The effects of demonetization had been absorbed in the economy but the recent COVID-19 outbreak has again shaken the economy and the wounds of demonetization and GST have again revived. The major indicator of economic development i.e. GDP has shown the true picture of the economic situation of the country. The major focus must be on to find the solution and design the future sustainable course of action to revive the economy. The Atmanirbhar Bharat drive is something which can do wonders to strengthen the economy from within. The reliability from other countries should be lessened so that human capital, natural resources, technology etc. of our country could be effectively utilized for the good of our own economy. The government should learn from the previous mistakes and should design an alternative and supplementary course of action before making revolutionary changes so that the common person should not suffer if things don’t turn out as expected. The government should also build a robust infrastructure to face any new deadly virus like COVID-19 as the emergence of such a virus is highly likely to occur in near future. With a strong infrastructure, we will be able to face any future shock and such shocks will not have a disastrous impact like covid-19. The economy is in a stage from where it needs a revolutionary, planned, well chalked out initiatives for growth and revival. The state and centre must work together to get the economy back on track.

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