**Black Money and Its Impacts**

Black money is unaccounted money, illegally acquired wealth or other assets made through accepting bribery or other morally deprived acts. It may be in the forms of real estate, gold, jewellery, shares, bonds, securities, vehicles etc.

Black money in India is estimated to be 200 million crores. It is also believes that black money to the tune of several crores is created every year. This reflects the magnitude of black money market in India. The creation of black money is mostly through the avoidance of income and sales taxes.

Lack of proper maintenance of accounts on the part of the businessman leads to the accumulating large amount of unaccounted wealth.

Black money is also created through illegal trades. Income obtained through smuggling of gold, brown sugar, narcotics and other goods which cannot be sold in black money. Despite a tight vigil by the Board Security force, goods worth crores of rupees are smuggled from and into India every day. In this way the smuggles secure millions of rupees as black money.

At least certain political in India hold a large amount of black money. They have assets north over several crores of rupees. People in power collect money, mainly from big businessmen for allotment of petrol pumps, plots of commercial land, licenses for doing particular business like liquor contracts, setting up Special Economic Zones, etc. During their tenure they amass large sums of money.

As black money is illegally acquired money it is devoid of tax restrictions. Large amount of money which should have gone to the government coffers go to the personal accounts of black marketers. If the government has received this money it would have used it to take up new projects of development or would have completed ongoing projects.

Black money is docile money. It does not play any economic function. If the black money lying idle reaches the government, there will be faster development. Keeping and transferring black money is another way of corruption. As it is devoid of tax restrictions it should not help in anyway both the government and the society. If it comes to the government treasury it may help to the people in many ways.

Some people believe that the black money in India is creating a parallel economy worth thousands of millions of rupees. It is also performing an important economic function. This money creates demand for goods and services helping the industry and producers of services. Despite these arguments, one has to say that the accumulation of black money is a poor reflection on our society.