

According being  
withdrawn and shifted  
to a



**ASSIGN  
BUSTER**

According to Global Financial Integrity Study of 2009, \$ 1. 4 trillion belongs to Indians were parked in safe havens abroad. \$ 1. 4 trillion is equivalent to Rs.

70 lakh crore, more than India's national income of around Rs. 50 lakh crore. A statement from the Swiss Central Bank declared that Indians have \$2. 5 billion deposits in various Swiss Banks. It is suspected that the deposits of Indians in tax havens are mostly being withdrawn and shifted to a third country; making it difficult for the government to gather any further details once the accounts are closed. Harmful Effects of Parallel Economy: The circulation of black money has adversely affected the economy in several ways. First, is the misdirection of precious national resources? A part of black money is kept in a form that contributes nothing/little to productive activities. Again, much around half to two third is squandered away on ostentatious consumption of goods and services.

Second, it has enormously worsened the income distribution, and has thereby undermined the fabric of the society. Third, the existence of a big-sized unreported segment of the economy is a big handicap in making a correct analysis and formulation of right policies for it. Nor. it is possible to monitor the development in the economy with precision. Fourth, the black money has eroded the social values of the society. The undeclared income is ' earned' by illegitimate ways. This is spent in undesirable and vulgar manner.