**Abstract**

India being the largest democracy in the world with a population of over 1.25 crores have to cater to the need of a greatly diverse society. Since Independence measures have been taken by different governments in order to achieve high rate of economic growth. The efforts taken in this direction have been subdued by the rising population accompanied by corruption in the society. The BJP Government led by the Prime Minister Mr. Narendra Modi took a massive step which was to Demonetize the two major currency notes of rupees 500 and rupees 1000 in order to curb the menace of black money prevalent in the society. This paper aims to analyze the positive and the negative impacts of the entire demonetization process. In order to study the impact of the process this paper laid a great emphasis on differentiating between undisclosed income and Black and also tried to answer a critical question of whether the black money was discovered or destroyed in the entire process. It was observed that the process has effected differently to the different sections of the society and has not been able to achieve the tall claims as have been suggested by the government. However this has certainly created awareness and a caution regarding the accumulation of black money in India.