

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6908

ANSWERED ON:07.05.2010

BLACK MONEY IN REAL ESTATE SECTOR

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Will the Minister of FINANCE be pleased to state:

- (a) whether black money is being used on a large scale in transactions related to land and buildings as a result of which prices of land, buildings and houses are sky-rocketing in and around Delhi;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) the drive launched to defeat the use of black money in such transactions during the last three years; and
- (d) the number of cases detected under the said drives during the said period?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a): There is no verifiable information available to suggest that use of unaccounted money in transactions related to land and building in Delhi and NCR region has resulted in rise in prices of land, buildings and houses in and around Delhi.

(b): Does not arise in view of reply to (a) above.

(c) & (d): The Income Tax Department takes several punitive and deterrent steps to detect black money. These include scrutiny of returns, surveys, search and seizure action, imposition of penalty and launching of prosecution in appropriate cases. Among other efforts to unearth black money, Tax Information Network (TIN) has been set up as depository of important tax related information which can be accessed by the Department. The Income Tax Department is receiving information in respect of specified category of High Value Transaction through Annual Information Returns (AIRs) and Central Information Branches (CIB). The information collected from various sources are also collated electronically to create a 360 degree profile of the High Net Worth assesseees. Under the provisions of section 206A of the Income Tax Act certain entities responsible for paying to resident any income by way of interest (other than interest on securities) without deduction of tax at source are required to furnish quarterly returns. Information as regards suspicious transactions and large cash transactions, as disseminated by the Financial Intelligence Unit of India (FIU-IND), is also investigated by the Income Tax Department. Appropriate action under the provisions of Direct Tax Laws is taken to bring to tax the amount of undisclosed income detected by the Department.