

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4507  
ANSWERED ON:20.08.2010  
BLACK MONEY  
Singh Shri Sukhdev

**Will the Minister of FINANCE be pleased to state:**

- (a) Whether the parallel economy driven by the menace of black money tends to derail the economic growth of the country;
- (b) if so, the reaction of the Government thereto; and
- (c) the measures taken or proposed to be taken by the Government to unearth the black money and channelize the same for the development of the country?

**Answer**

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

(a) & (b): The economic growth of the country is measured by growth of Gross Domestic Product (GDP) at factor cost at constant prices. The Gross Domestic Product is estimated by using three approaches namely Production, Income and Expenditure.

The unaccounted money mainly represents clandestine and illegal activities in the economy. The estimates of national income do not take into account such activities.

(c); The Government takes several punitive and deterrent steps to unearth unaccounted 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 information collected from various sources is also collated electronically to create a 360 degrees profile of the high net-worth assesseees so as to detect tax evasion. A Computer Aided investigation Tool (CAIT) has been developed to scrutinise computerised Books of Accounts. Modern Cyber Forensic Techniques are utilised for handling of digital evidence seized during Search and Survey operations. Information as regards suspicious transactions and large cash transactions, as disseminated by the Financial Intelligence Unit, India (FIU-IND), is also investigated by the Income Tax Department. Appropriate action under the provisions of Direct Tax Laws is taken in cases where unaccounted income/wealth is detected.