

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2937

ANSWERED ON:30.03.2012

REVELATION OF BLACK MONEY BY CBI

Bhagora Shri Tarachand;Kashyap Shri Virender;Singh Chaudhary Lal;Sukur Shri Jadhav Baliram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Central Bureau of Investigation (CBS) has recently revealed that an estimated amount of 500 billion US dollar of illegal money belonging to Indians is deposited in tax havens abroad;
- (b) if so, the details and basis of such revelation thereof;
- (c) the reaction of the Government thereto;
- (d) whether as per the Global Financial Integrity Washington, black money worth 25 lakh crores was stashed abroad by Indians between 1948 to 2008; and
- (e) if so, the details thereof alongwith the progress made by the Government in seeking information in this regard from the banks in Washington?

Answer

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

(a),(b) & (c): The CBI, being an investigative agency, organized the First Interpol Global Programme on Anti Corruption and Assets Recovery, whose focus was on tracing the proceeds of crime. The purpose of the speech of Director, CBI, was to highlight the difficulty in recovery of the proceeds of crime stashed abroad. The CBI Director has clarified that as regards the amount of illegal money, the estimate of around 500 billion dollars of illegal money was in context of reporting of the matter in the Supreme Court on 4th July, 2011 where the Supreme Court, inter alia, had observed 'There are reports and analysis generated by Government of India itself which place the amount of such unaccounted monies at astronomical levels'.

The CBI Director has further clarified that the Reuters in its report on the Hon'ble Supreme Court proceedings then stated that a Govt. Panel in 2009 found illicit funds to the range between 500 billion dollars to 1.4 trillion dollars and he had taken the base figure in his speech as it was meant to be illustrative of the problem. However, in this regard, it is submitted that there is no authentic estimate of quantum of Indian money stashed in foreign banks.

The Government has commissioned a study to estimate the quantum of unaccounted income / wealth inside and outside the country and its ramifications on national security on the basis of the recommendations of the Standing Committee on Finance. The study is being conducted separately by three Government Institutes namely, National Institute of Public Finance and Policy (NIPFP), National Institute of Financial Management (NIFM) and the National Council for Applied Economic Research (NCAER). The study is expected to be completed in a period of 18 months i.e., by September, 2012.

(d) & (e): Global Financial integrity, Washington has published a report under the title 'The Drivers and Dynamics of Illicit Financial Flows from India: 1948-2008'. This study estimated that a total of USD 213.2 billion was shifted out of India over 61 years between 1948 and 2008. Government has not sought any information in this regard from the banks in Washington.