

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:297  
ANSWERED ON:03.07.2009  
BLACK MONEY  
Agarwal Shri Jai Prakash

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

- (a) the amount of black money in the country at present;
- (b) whether the said amount is getting augmented continuously over a period of time; {
- (c) if so, the reasons therefor;
- (d) the difficulties being faced by the Government in unearthing black money;and
- (e) the concrete steps taken by the Government to check the increasing black money in the country?

**Answer**

Minister of State in the Ministry of Finance (Shri S. S. Palanimanickani)

(a) to (c): There is no exact estimate of black money presently in circulation in the country. However, at the instance of the Government, the National Institute of Public Finance and Policy (NIPFP) had attempted an estimate of black money in circulation in the country. According to the report of NIPFP, the total amount of black money in circulation in the country during the financial year 1983-84 was estimated between Rs 31,584 Crores to Rs 36,786 Crores. The authors of the report had, however, admitted that their estimate was based on numerous assumptions and approximations, each of which could be challenged. No study has thereafter been conducted by the Government for estimating the quantum of black money in circulation in the country. There is no authentic information available as regards black money getting augmented over a period of time.

(d) & (e): There are several underlying causes of black money generation, including various socio-economic factors, some of which are exogenous to the direct tax laws for combating tax evasion. Most of the transactions generating unaccounted money are unrecorded, thereby making unearthing of black money difficult. The Income tax Department takes several punitive and deterrent steps to control black money in the country. These include scrutiny of returns, surveys, search and seizure action, imposition of penalty and launching of prosecution in appropriate cases. A Tax Information Network (TIN) has been set up as a depository of important tax related information. The information collected from various sources is also collated electronically to create a 360 degrees 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.