

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7110
ANSWERED ON:18.05.2012
INVESTMENT OF TERROR-FUNDS IN REAL ESTATE
Pal Shri Jagdambika

Will the Minister of FINANCE be pleased to state:

- (a) whether the revenue authorities have apprehended/expressed fears of the unaccounted black money and terror-funds being invested in the real estate sector and if so, the details thereof;
- (b) whether such funds have severely distorted real estate sector and if so, the details thereof;and
- (c) the steps taken/proposed to be taken by the Government to weed out such money and trap their sources?

Answer

TO BE ANSWERED BY THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (Shri S.S.PALANIMANICKAM)

- (a) As per the current assessment of revenue intelligence agencies such as Investigation Directorates of Central Board of Direct Taxes, Directorate of Revenue Intelligence, Directorate General of Central Excise Intelligence and Directorate of Enforcement, etc., no specific instance of flow of terror funds into the real estate sector has been found. However, investigations by the Income Tax Department reveal unaccounted or undisclosed income or assets in various sectors of the economy including real estate.
- (b) No information as regards distortion of real estate due to presence of such funds in the sector is available.
- (c) The Income Tax Department takes several punitive and deterrent steps to unearth unaccounted money and curb tax evasion. These include scrutiny of tax returns; surveys, search and seizure actions; imposition of penalty; and launching of prosecution in appropriate cases. Information technology is used in a systematic way for collection and collation of information to take anti-evasion action against tax evaders. The Investigation wing of the CBDT investigates cases whenever any credible information about evasion of direct taxes is received, and any untaxed amount detected is invariably brought to taxation. Drive against tax evasion is a continuous and ongoing process.