

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:365

ANSWERED ON:23.11.2012

BLACK MONEY

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Will the Minister of FINANCE be pleased to state:

- (a) the quantum of black money seized from various individuals classified as bureaucrats, legislators and businessmen etc. by the Government in the last one year and current year in the country, State-wise;
- (b) the details of the efforts made/steps undertaken by the Government to put a check on black money along with the achievement made thereon, till date;
- (c) whether the Government proposes to open new income tax offices in foreign countries in order to put a check on black money;
- (d) if so, the details thereof and the achievement made in this regard till date, country- wise; and
- (e) the strategy adopted and steps taken/proposed to be taken by the Government to bring back money stashed in the various banks abroad?

Answer

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

a) The Income tax Department conducts search, seizure and survey actions based on credible information relating to `persons`, which includes individuals, Hindu undivided families (HUFs), firms, companies, association of persons (AOPs), body of individuals (Bols), local authorities and any artificial juridical person, who are in possession of any money, bullion, jewellery, documents or any other valuable article or thing which represents undisclosed income. As these persons are engaged in diversified businesses/professions across different sectors spread all over the country. Person-wise/Sector-wise details of such operations are not separately maintained. The Income-tax Department seized Rs 905.6 crores of unaccounted assets during the FY 2011-12 and Rs 290.29 crores during the current FY upto 30.9.2012.

b) Drive against tax evasion is a continuous and ongoing process. 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 also used in a systematic way for collection and collation of information to take action against tax evaders. The increase in direct tax collection of over 6 times in the last ten years, from Rs 69,198 crore in FY 2001-02 to Rs 4.46,070 crore in FY 2010-11 and growth of nearly 2 times in the Direct Tax to GDP ratio in the same period i.e. from 3.03 percent in FY 2001-02 to 5.66 percent in FY 2010-11 gives an indication of better enforcement measures and improved tax compliance.

c) Inter-departmental consultations are on to examine such a need.

d) Income-tax Overseas Units (ITOU) manned by tax officers at the level of First Secretary have been established in Mauritius and Singapore. Further, posting orders in respect of officers to be posted to newly created ITOUs in Indian missions at Cyprus, France, Germany, Japan, Netherlands, UAE, UK and USA have been issued. The relieving of these 8 officers to join their respective ITOU is pending for finalization of terms & conditions of their posting by Ministry of External Affairs.

The ITOUs in Mauritius and Singapore facilitate and expedite the exchange of information process under Double Taxation Avoidance Agreements (DTAA) with these countries. However, the information received cannot be disclosed as it is governed by the confidentiality clause of the respective DTAA with these countries.

e) The Government has framed a five pronged strategy in order to unearth black money both inside and outside the country. The strategy comprises:

- (i) Joining the global crusade against `black money`;
- (ii) Creating an appropriate legislative framework;
- (iii) Setting up institutions for dealing with illicit funds;

(iv) Developing systems for implementation; and

(v) Imparting skills to the manpower for effective action.