

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2842
ANSWERED ON:13.03.2015
BLACK MONEY IN REAL ESTATE
Shetti Shri Raju alias Devappa Anna

Will the Minister of FINANCE be pleased to state:

- (a) whether Central Vigilance Commission (CVC) has recommended enactment of stricter laws and investment of black money in the real estate sector in the form of Benami properties;
- (b) if so, the details thereof and reaction of the Government thereto;
- (c) whether the Government proposes to formulate and implement regulation in this regard;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the other steps/measures proposed to be taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a)&(b) The Benami Transactions (Prohibition) Act was enacted in the year 1988. The rules under that Act could not, however, be formulated due to inherent infirmities in the Act. References had been received from various quarters such as the Central Vigilance Commission, Law Commission for implementation of the Benami Transactions (Prohibition) Act, 1988. The Government, therefore, introduced a comprehensive Bill, namely, the Benami Transactions (Prohibition) Bill, 2011 in Parliament (Lok Sabha) on 18th August, 2011. This Bill proposed to replace the existing Benami Transactions (Prohibition) Act, 1988. The Bill was referred to the Standing Committee on Finance by Lok Sabha for its examination. The report was submitted by the Standing Committee in June, 2012. The Bill has lapsed in view of dissolution of the 15th Lok Sabha.

(c&d) The Finance Minister in his Budget Speech 2015-16, has stated that in order to curb domestic black money, a new and more comprehensive Benami Transactions (Prohibition) Bill will be introduced in the Parliament. This law will enable confiscation of benami property and provide for prosecution, thus blocking a major avenue for generation and holding of black money in the form of benami property, especially in real estate.

(e) Appropriate action against evasion of taxes including tax evasion in real estate sector is on-going process. Such action under direct tax laws includes searches, surveys, enquiries, assessment of income, levy of taxes, penalties etc. and filing of prosecution complaints in criminal courts, wherever applicable. The Finance Bill, 2015, proposes to prohibit any acceptance or re-payment of advance of Rs. 20000/- or more in cash in relation to transfer of an immovable property by prescribing penalty of an equivalent amount. Further, Finance Minister in his Budget Speech, 2015-16 has stated that Government proposes to enact a comprehensive new law on black money.