

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

**LOK SABHA
UNSTARRED QUESTION NO. 114
TO BE ANSWERED ON MONDAY, 03RD FEBRUARY, 2020
MAGHA 14, 1941(SAKA)**

BLACK MONEY

**114: SHRI PRATHAP SIMHA:
SHRI ADHIKARI DEEPAK (DEV):**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has made an assessment of black money stashed abroad and its circulation within the country;*
- (b) if so, the details thereof and if not, the reasons therefor along with the reaction of the Government thereto;*
- (c) whether the figures of black money have changed after demonetisation and if so, the details thereof;*
- (d) whether the Government has reviewed the existing machinery in tracing/ recovering black money particularly stashed abroad during the last three years and the current year and if so, the details thereof;*
- (e) the quantum of black money recovered so far within the country and stashed abroad; and*
- (f) the corrective steps taken by the Government in this regard?*

**ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a) & (b): There is no official estimation regarding the amount of black money within the country and stashed abroad. However, the Government had commissioned a study, *inter alia*, on estimation of unaccounted income and wealth inside and outside the country, through National Institute of Public Finance and Policy (NIPFP), National Council of Applied Economic Research (NCAER) and National Institute of Financial Management (NIFM). The reports and a detailed Government's response on them were forwarded to the Lok Sabha Secretariat for placing them before the Standing Committee on Finance. The Standing Committee on Finance, after due deliberations and taking necessary oral evidences, presented a preliminary report on the matter (i.e. 73rd Report of Standing Committee on Finance) to Hon'ble Speaker of Lok Sabha on 28.03.2019.

(c): Post demonetisation, during November 2016 to March 2017, searches were conducted in 900 groups leading to seizure of Rs. 900 crores, including cash of Rs. 636 crores and admission of undisclosed income of Rs.7961 crores. During the same period, 8239 surveys were conducted leading to detection of undisclosed income of Rs.6745 crores.

Notices were issued and sms and emails were sent to *persons who had deposited substantial amount of cash but had not filed their return of income till the due date of filing*. As a result, Returns were filed by 2.09 lakh such identified non-filers and they paid self-assessment tax of Rs. 6,531 Crore.

Electronic Campaign was also executed for Non-filers with potential tax liabilities for Assessment Years 2016-17 and 2017-18. A total Self-Assessment Tax of more than Rs 13000 crores was paid by targeted non-filers.

Net direct tax collections for 2017-18 amounted to Rs. 10.03 lakh crore, which is 18% higher than the collections for 2016-17. The collections for 2016-17 were also 14.6% higher than the collections for 2015-16. On the other hand, the growth rates in 2015-16 and 2014-15 were only 6.6% and 9.0%, respectively. The robust growth in direct tax revenue in the year of demonetisation and the year after that is indicative of a positive impact of demonetisation on the level of tax compliance in the country.

(d) and (e): The Government is committed towards its fight against black money, including black money stashed abroad and has taken various actions in this regard. Further, periodic review of the Government's machinery to make it more effective in fight against black money is an on-going process.

Appropriate actions against evasion of taxes/black money 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 value of assets seized by the Income Tax Department in the search and seizure actions during the last three F.Ys. is as under:

S.No.	F.Y.	Value of assets seized (in Rs. crore)
1	2016-17	1469.62
2	2017-18	992.52
3	2018-19*	1584.11

** figures are provisional*

The Income Tax Department has taken continuous and concerted actions under the Black Money (Undisclosed Foreign Income & Assets) and Imposition of Tax Act, 2015 since this Act came into force from 1st July, 2015. As a result, as on 31.12.2019, notices have been issued in 422 cases under this Act, involving undisclosed foreign assets and income of over Rs. 12,600 crores.

The details of action taken by the Income Tax Department on some of the significant categories of foreign assets/ income cases, are as under:

(i) On account of deposits made in unreported foreign bank accounts in HSBC cases, so far, undisclosed income of more than Rs. 8460 crores have been brought to tax and penalty of more than Rs. 1290 crores levied.

(ii) Sustained investigations conducted in the cases revealed by International Consortium of Investigative Journalists (ICIJ) have led to detection of more than Rs. 11,010 crore of credits in the undisclosed foreign accounts so far.

(iii) In the Panama Paper Leaks investigations, undisclosed foreign investments amounting to over Rs. 1500 crores have been detected.

(f): The Government has taken several steps in its fight against black money. Some of these steps taken in recent years include:

(i) Enactment of 'The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015' which has come into force w.e.f. 01.07.2015 to specifically and more effectively deal with the issue of black money stashed away abroad.

(ii) Enactment of the Benami Transactions (Prohibition) Amendment Act, 2016 to comprehensively amend the Benami Transactions (Prohibition) Act, 1988 with a view to, inter alia, enable confiscation of benami property and prosecution of benamidar and the beneficial owner.

(iii) The Government has brought in a large number of legislative provisions in the Income Tax Act, 1961 to effectively tackle the menace of black money.

(iv) Effective enforcement actions and expeditious investigation in relevant cases.

(v) Extensive use of information technology and data analytics tools for identification of high-risk cases, expeditious e-verification of suspect cases and consequential enforcement actions in appropriate cases.

(vi) Mandatory linking of Aadhaar with PAN, which will not only help in de-duplication of PAN but will also prevent potential tax frauds and money- laundering.

(vii) India has proactively engaged with foreign governments with a view to facilitate and enhance the exchange of information under Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs)/Multilateral Conventions.

(viii) India has been a leading force in the efforts to forge a multi-lateral regime for proactive sharing of financial information known as Automatic Exchange of Information which will greatly assist the global efforts to combat tax evasion. The Automatic Exchange of Information based on Common Reporting Standard has commenced from 2017 enabling India to receive financial account information of Indian residents in other countries.

(ix) India has entered into information sharing agreement with the USA under the Foreign Account Tax Compliance Act of USA. The exchanges under Foreign Account Tax Compliance Act have taken place for the financial years 2014, 2015, 2016, 2017 and 2018.
