

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

**LOK SABHA
UNSTARRED QUESTION NO. 2804
TO BE ANSWERED ON FRIDAY, 28TH DECEMBER, 2018
PAUSHA 7, 1940 (SAKA)
BLACK MONEY**

2804: SHRI K.N. RAMACHANDRAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken steps to curb black money and corruption in the country;*
(b) if so, the details thereof;
(c) whether even after demonetization and other efforts, black money menace is not stopped in the country;
(d) if so, the details thereof and the reasons therefor; and
(e) the steps taken by the Government to curb this menace?

**ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI SHIV PRATAP SHUKLA)**

(a): Yes Madam.

(b) & (e): The Government has taken several concrete actions in this regard which include putting in place robust legislative and administrative frameworks, systems and processes with due focus on capacity building and integration of information and its mining through increasing use of information technology. Recent major initiatives in this regard 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 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) Restriction on cash transaction of Rs. 2 lakh or more (Section 269ST of the I.T. Act) were imposed.
- (iv) No deduction under section 80G allowed w.e.f. 01.04.2018 if cash donation exceeds Rs. 2000, and restriction imposed on donations of Rs.2000/- or more to political parties otherwise than by a bank account or through electoral bonds.
- (v) In case of tax evasion or non-compliance of any relevant provisions of the Direct tax laws by any person, the prosecution, as appropriate, is launched against the concerned person as per law.
- (vi) Wherever required, systematic improvements and reforms have been undertaken to provide transparent citizen-friendly services and reduce corruption, like: (a) Disbursement of welfare benefits directly to the citizens under various schemes of the Government in a transparent manner through the Direct Benefit Transfer initiative. (b) Implementation of e-tendering in public procurements. (c) Introduction of e-governance

and simplification of procedures and systems. (d) Introduction of Government procurement through the Government e- Marketplace (GeM).

- (vii) Discontinuation of interviews in recruitment of Group 'B' (Non- Gazetted) and Group 'C' posts in Government of India.
- (viii) Issue of instructions by the CVC asking the organizations to adopt Integrity Pact in major procurement activities.

(c) & (d): Appropriate action against black money is an on-going process. However, demonetization has had a positive impact on curbing black money and improving tax compliance, which is duly reflected from the following: -

- (i) Robust growth rate of 18% for F.Y. 2017-18 in net direct tax collections which is highest in last seven financial years is indicative of the positive impact of demonetization on the level of tax compliance in the country.
- (ii) In 2017-18, Personal Income-tax (PIT) Advance Tax collections increased by 23.4% and PIT Self-Assessment Tax by 29.2% over those for 2016-17, corroborating the premise that demonetization and the subsequent use of bank deposit data by the Income-tax Department had a major impact on voluntary tax payments by the non-corporate/ individual taxpayers.
- (iii) A growth rate of 25% has been achieved in the number of Income Tax Returns (ITRs) filed with the Income-tax Department during FY 2017-18. It has been the highest rate achieved in last five years.
- (iv) A clear upswing in the new tax filers after F.Y. 2015-16 has been observed which can be attributed to higher level of compliance due to transfer of cash into the formal channels as a result of demonetization.
