

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6340
ANSWERED ON:06.05.2005
BLACK MONEY
Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

- (a) whether the estimated black money circulating in India is to the tune of 40% of the GDP;
- (b) if so, the factors responsible for this black money circulating in the country;
- (c) whether RBI has taken notice of it;
- (d) if so, the steps taken or being taken by RBI to restrict the black money circulation in the country?

Answer

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

- (a) There is no exact estimate of black money in the country. However at the instance of the Government, the National Institute of Public Finance and Policy (NIPFP) had attempted to estimate the black money in circulation in the country in 1983-84. It had estimated the black money generated in the year 1983-84 between Rs.31,584/- crore to Rs.36,786/- crore which works out to 18 to 21% of the Gross National Product.
- (b) NIPFP has in its Report identified various factors for generation of black money. These include evasion of taxes levied by Government, misuse of various laws and regulations, inflation, etc.
- (c)&(d) The RBI has reported that it does not have any information on the matter.