

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:603
ANSWERED ON:25.11.2005
BLACK MONEY
Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

- (a) the value of black money unearthed by Income Tax authorities during the last three years;
- (b) measures taken to tighten the rules to ensure non-accumulation of black money henceforth by anyone ;
- (c) whether it is a fact that filmstars were raided by Income Tax authorities during the last three years and if so, the quantum of black-money unearthed from them; and
- (d) action taken against filmstars for evading income tax, filmstar-wise ?

Answer

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

(a) The Income Tax Department undertakes several measures to unearth black money. These include, among others, undertaking search & seizure and survey actions, and scrutiny of returns in appropriate cases. However, the value of black money is ascertainable only after due process of law, including appellate proceedings in Tribunals and/or Courts is completed which may take several years. The value of assets seized during the search and seizure action of the Department in the last three years is as under:

Financial Year	Value of assets seized (In Rs.Crores)
2002-03	515.86
2003-04	23137
2004-05	202.27

(b) The Government has recently introduced two additional anti-tax evasion measures. From June 2005 onwards, a `banking cash transaction tax` @ 0.1% is being levied in respect of cash withdrawals from banks above a specified amount, other than from savings accounts. The tax is also levied on encashment of bank deposits above a specified amount. Further, it has become obligatory for all banks to report to the Income Tax Department all deposits which are exempt from Tax Deduction at Source

(TDS) on interest.

(c) Search and seizure actions were conducted on film stars. In the last three financial years, total assets seized in these cases was Rs.100.56 lacs and the total amount of tax evasion as per preliminary estimates is Rs.498.18 lacs. Some of these tax proceedings are under further litigation at appellate stage.

(d) The Income Tax Department undertakes several deterrent and punitive measures to combat tax evasion, including search and seizure and survey action, scrutiny of Income Tax Returns, imposition of penalty and launching of prosecution in appropriate cases. These action equally apply to cases of filmstars. Since profession-wise data is not centrally maintained by the Department, it is not possible to furnish this information.