

**COMMITTEE ON  
GOVERNMENT ASSURANCES  
(2020-2021)**

**(SEVENTEENTH LOK SABHA)**

**THIRTY THIRD REPORT**

**REVIEW OF PENDING ASSURANCES PERTAINING TO THE  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)**

Presented to Lok Sabha on 17 / 03 / 2021



**LOK SABHA SECRETARIAT  
NEW DELHI**

**March, 2021 / Phalguna, 1942 (Saka)**



<b>CONTENTS</b>		<b>Page</b>
Composition of the Committee on Government Assurances (2020-2021)		(iii)
Introduction		(iv)
<b>REPORT</b>		
I. Introductory		1-7
II. Review of the Pending Assurances pertaining to the Ministry of Finance (Department of Revenue)		8-14
III. Implementation Reports		14-15
<b>APPENDICES</b>		
I. USQ No. 1395 dated 04.03.2011 regarding 'FEMA Violation'		16
II. USQ No. 1461 dated 04.03.2011 regarding 'Raids on CWG and IPL Officials'		17
III. USQ No. 1482 dated 04.03.2011 regarding 'Amnesty Scheme for Black Money'		18-20
IV. SQ No. 85 dated 05.08.2011 regarding 'Black Money'		21-23
V. SQ No. 66 dated 25.11.2011 regarding 'Black Money'		24-25
VI. Discussion on Adjournment Motion dated 14.12.2011 (Shri Lal Krishna Advani, M.P.) regarding 'Money Deposited Illegally in Foreign Bank and Action Taken'		26-43
VII. USQ No. 2937 dated 30.03.2012 regarding 'Revelation of Black Money by CBI'		44-45
VIII. General Discussion on the Finance Bill, 2012 dated 08.05.2012		46-47
IX. USQ No. 5898 dated 11.05.2012 regarding 'Estimation of Black Money'		48-49
X. USQ No. 881 dated 01.03.2013 regarding 'Information regarding Black Money'		50-51
XI. USQ No. 1913 dated 08.03.2013 regarding 'Panel for Black Money'		52-53
XII. USQ No. 4306 dated 22.03.2013 regarding 'Illegal Financial Outflow'		54-55
XIII. USQ No. 436 dated 06.12.2013 regarding 'Indian Entities' Unaccounted Wealth'		56
XIV. USQ No. 4443 dated 19.12.2014 regarding 'Black Economy'		57
XV. USQ No. 866 dated 27.02.2015 regarding 'Black Money'		58-60
XVI. USQ No. 2852 dated 13.03.2015 regarding 'Outflow of Illicit Money'		61-62
XVII. USQ No. 2252 dated 12.08.2011 regarding 'Action on 2G Spectrum Scam'		63

XVIII.	Discussion on the Customs (Amendment and Validation) Bill dated 25.08.2011 (Shri Vijay Bahadur Singh, M.P.)	64-69
XIX.	USQ No. 4851 dated 02.09.2011 regarding 'FEMA Violation in Commonwealth Games'	70
XX.	USQ No. 2334 dated 07.12.2012 regarding 'FEMA Violation'	71
#XXI.	USQ No. 413 dated 11.07.2014 regarding 'Attachment of Property'	72
XXII.	USQ No. 2379 dated 25.07.2014 regarding 'Double Taxation Avoidance Agreement (DTAA) Amendment'	73-83
#XXIII.	USQ No. 1032 dated 28.11.2014 regarding 'Cases of Money Laundering'	84-85
XXIV.	USQ No. 4101 dated 20.03.2015 regarding 'Service Tax Evasion by Corporates'	86
XXV.	USQ No. 5148 dated 24.04.2015 regarding 'Overvaluation and Undervaluation of Imports'	87-89
XXVI.	Extracts from Manual of Parliamentary Procedures in the Government of India, Ministry of Parliamentary Affairs, New Delhi.	90-94
XXVII.	Minutes of the Sitting of the Committee on Government Assurances (2019-2020) held on 24 August, 2020.	95-98
XXVIII.	Minutes of the Sitting of the Committee on Government Assurances (2020-2021) held on 22.12.2020.	99-100
XXIX.	Composition of the Committee on Government Assurances (2019-2020)	101

# Implementation reports laid on 11-02-2021.

**COMPOSITION OF THE  
COMMITTEE ON GOVERNMENT ASSURANCES\*  
(2020 - 2021)**

**SHRI RAJENDRA AGRAWAL** - Chairperson

**MEMBERS**

2. Shri Sudip Bandyopadhyay
3. Shri Nihal Chand Chauhan
4. Shri Gaurav Gogoi
5. Shri Nalin Kumar Kateel
6. Shri Ramesh Chander Kaushik
7. Shri Kaushalendra Kumar
8. Shri Ashok Mahadeorao Nete
9. Shri Santosh Pandey
10. Shri Pashupati Kumar Paras
11. Shri M.K. Raghavan
12. Shri Chandra Sekhar Sahu
13. Dr. Bharatiben Dhirubhai Shyal
14. Shri Indra Hang Subba
15. Smt. Supriya Sule

**SECRETARIAT**

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director
3. Shri S. L. Singh - Deputy Secretary

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\* The Committee has been constituted w.e.f. 09 October, 2020 *vide* Para No. 1773 of Lok Sabha Bulletin Part-II dated 16 October, 2020



## **INTRODUCTION**

I, the Chairperson of the Committee on Government Assurances (2020-2021), having been authorized by the Committee to submit the Report on their behalf, present this Thirty Third Report (17<sup>th</sup> Lok Sabha) of the Committee on Government Assurances.

2. The Committee on Government Assurances (2019-2020) at their sitting held on 24<sup>th</sup> August, 2020 took oral evidence of the representatives of the Ministry of Finance (Department of Revenue) regarding pending Assurances.

3. At their sitting held on 22.12.2020, the Committee on Government Assurances (2020-2021) considered and adopted this Report.

4. The Minutes of the aforesaid sittings of the Committee form part of the Report.

5. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in the Report.

NEW DELHI;  
12 March, 2021  
Phalgunā 21 , 1942 (Saka)

**RAJENDRA AGRAWAL,**  
**CHAIRPERSON,**  
**COMMITTEE ON GOVERNMENT ASSURANCES**





# REPORT

## I. Introductory

The Committee on Government Assurances scrutinize the Assurances, promises, undertakings, etc., given by the Ministers from time to time on the floor of the House and report the extent to which such Assurances, promises and undertakings have been implemented. Once an Assurance has been given on the floor of the House, the same is required to be implemented within a period of three months. The Ministries/Departments of the Government of India are under obligation to seek extension of time required beyond the prescribed period for fulfilment of the Assurance. Where a Ministry/Department is unable to implement an Assurance, that Ministry/Department is bound to request the Committee for dropping it. The Committee consider such requests and approve dropping, in case, they are convinced that grounds cited are justified. The Committee also examine whether the implementation of Assurances has taken place within the minimum time necessary for the purpose and the extent to which the Assurances have been implemented.

2. The Committee on Government Assurances (2009-2010) took a policy decision to call the representatives of various Ministries/Departments of the Government of India, in a phased manner, to review the pending Assurances, examine the reasons for pendency and analyze operation of the system prescribed in the Ministries/Departments for dealing with Assurances. The Committee also decided to consider the quality of Assurances implemented by the Government.

3. The Committee on Government Assurances (2014-2015) decided to follow the well established and time tested procedure of calling the representatives of the Ministries/Departments of the Government of India, in a phased manner and review the pending Assurances. The Committee took a step further and decided to call the representatives of the Ministry of Parliamentary Affairs also as all the Assurances are implemented through it.

4. In pursuance of the *ibid* decision, the Committee on Government Assurances (2019-2020) called the representatives of the Ministry of Finance (Department of Revenue) and the Ministry of Parliamentary Affairs to render clarifications with regard to delay in implementation of the pending Assurances pertaining to the Ministry of Finance

(Department of Revenue) at their sitting held on 24<sup>th</sup> August, 2020. The Committee examined in detail the following Twenty-Five Assurances:

<b>Sl.No.</b>	<b>SQ/USQ No. dated</b>	<b>Subject</b>
1.	USQ No. 1395 dated 04.03.2011	FEMA Violation (Appendix – I)
2.	USQ No. 1461 dated 04.03.2011	Raids on CWG and IPL Officials (Appendix – II)
3.	USQ No. 1482 dated 04.03.2011	Amnesty Scheme for Black Money (Appendix – III)
4.	SQ No. 85 dated 05.08.2011	Black Money (Appendix – IV)
5.	SQ No. 66 dated 25.11.2011	Black Money (Appendix – V)
6.	Discussion on Adjournment Motion dated 14.12.2011 (Shri Lal Krishna Advani, M.P.)	Money Deposited Illegally in Foreign Bank and Action Taken (Appendix – VI)
7.	USQ No. 2937 dated 30.03.2012	Revelation of Black Money by CBI (Appendix – VII)
8.	Discussion on the Finance Bill, 2012 dated 08.05.2012	General Discussion on Finance Bill, 2012 (Appendix – VIII)
9.	USQ No. 5898 dated 11.05.2012	Estimation of Black Money (Appendix – IX)
10.	USQ No. 881 dated 01.03.2013	Information regarding Black Money (Appendix – X)
11.	USQ No. 1913 dated 08.03.2013	Panel for Black Money (Appendix – XI)
12.	USQ No. 4306 dated 22.03.2013	Illegal Financial Outflow (Appendix – XII)
13.	USQ No. 436 dated 06.12.2013	Indian Entities' Unaccounted Wealth (Appendix – XIII)
14.	USQ No. 4443 dated 19.12.2014	Black Economy (Appendix – XIV)
15.	USQ No. 866 dated 27.02.2015	Black Money (Appendix – XV)
16.	USQ No. 2852 dated 13.03.2015	Outflow of Illicit Money (Appendix – XVI)

17.	USQ No. 2252 dated 12.08.2011	Action on 2G Spectrum Scam (Appendix – XVII)
18.	Discussion on the Customs (Amendment and Validation) Bill dated 25.08.2011 (Shri Vijay Bahadur Singh, M.P.)	Discussion on the Customs (Amendment and Validation) Bill (Appendix – XVIII)
19.	USQ No. 4851 dated 02.09.2011	FEMA Violation in Commonwealth Games (Appendix – XIX)
20.	USQ No. 2334 dated 07.12.2012	FEMA Violation (Appendix – XX)
# 21.	USQ No. 413 dated 11.07.2014	Attachment of Property (Appendix – XXI)
22.	USQ No. 2379 dated 25.07.2014	Double Taxation Avoidance Agreement (DTAA) Amendment (Appendix – XXII)
# 23.	USQ No. 1032 dated 28.11.2014	Cases of Money Laundering (Appendix – XXIII)
24.	USQ No. 4101 dated 20.03.2015	Service Tax Evasion by Corporates (Appendix – XXIV)
25.	USQ No. 5148 dated 24.04.2015	Overvaluation and Undervaluation of Imports (Appendix – XXV)

5. The Extracts from the Manual of Parliamentary Procedures in the Government of India, Ministry of Parliamentary Affairs laying guidelines on the definition of an Assurance, the time limit for its fulfilment, dropping/deletion and extension, the procedure for fulfilment, etc., besides maintenance of Register of Assurances and periodical reviews to minimize delays in implementation of the Assurances are reproduced at Appendix-XXVI.

6. During the oral evidence, the Committee drew the attention of the representatives of the Ministry of Finance (Department of Revenue) to the long pendency of as many as 104 Assurances of the Ministry at the time of constitution of the Committee (2019-2020). The Committee asked the representatives to give an overview of the pending Assurances of the Ministry and also enquired about the system in place in the Ministry for monitoring and reviewing the pending Assurances. The Secretary, Ministry of Finance (Department of Revenue) elucidated as under:

# Implementation Report laid on 11.02.2021.

*"Sir, an Assurance is given when an Honorable Minister is not able to fully provide the information on the floor of the House. The expectation is that the information should be given within 3 months. Of the 25 Assurances we are going to discuss today, we have sent compliance report in respect of 16 of them to the Ministry of Parliamentary Affairs. Acceptance is yet to come from there. 09 Assurances are pending. We have all the details."*

7. He further added as under:

*"I would like to request the Committee that one of the biggest problems that the Department of Revenue faces is that most of the Assurances are linked to one or the other investigation, that too, not only our country but foreign countries are also involved. For example, Questions have been raised about the Prevention of Money Laundering or Commonwealth Games. They all have sources that are connected to many countries. When we try to obtain information from all those countries, we face many legal hurdles. We are slowly resolving them. If we have a complaint and the same Question is asked in Parliament, in that case, reply is given that the investigation is pending. If it is happening in India, then we can call them immediately, take their statement and then immediately file the chargesheet. We can fulfill these Assurances. In this particular case, we come to know that there is a tax heaven, from where these transactions are initiated. We ask them first. Before the years 2013-2014, we used to have very limited resources. We have entered into agreements with many countries in the last 4 to 5 years. Many countries give us information under the agreements. Even if there are agreements with many*

*countries they have difficulty or have delays at their level. If something has happened abroad, then some people challenge it in the court of that country for not to send their information. When we review an Assurance, we keep one thing very clear that if the investigation is taking place in India, then we complete it as soon as possible so that the process of justice takes it forward and the Assurance's compliance in Parliament is also done. In those cases which are outside the country, we try to get information from them and expedite the same. If we have some legal difficulties with those countries and we have not signed an agreement with them, we try to enter into an agreement with them."*

8. Elaborating on the issue, the Secretary, Ministry of Finance, Department of Revenue continued as under:

*"Sir, you asked a question about the system as to what steps are we taking. We used to face a lot of difficulty in getting information from the tax heavens 4-5-6 years ago. Now we enter into bilateral agreements. We are trying to get information from them. Despite all these agreements, we face problems in seeking information from them."*

9. The Committee then desired to know as to whether the Ministry has prepared any system wherein a review meeting is held weekly or fortnightly or monthly for the appraisal of pending Assurances. The Secretary, Ministry of Finance, Department of Revenue in his disposition before the Committee stated during evidence as under:

*"Sir, in investigative matters, our Director (Enforcement) does it for Prevention of Money Laundering Act (PMLA) and Enforcement Directorate (ED), income tax cases are done by Central Board of Direct Taxes (CBDT) and for Directorate of Revenue*

*Intelligence (DRI), Customs and Excise, Central Board of Indirect Taxes and Customs (CBIC) Chairman is there. They undertake review periodically. In the Department also there is a system of reviewing Assurances at the level of Joint Secretary and at our level also."*

10. The Committee then specifically desired to know the frequency of the meetings held in the Department for review of pending Assurances. The Secretary, Ministry of Finance, Department of Revenue replied during evidence as under:

*"Sir, I would collect information about the frequency. If there is frequency, information will be there. If it is not, we will do it.*

11. Subsequently, 15 Assurances mentioned at Sl. Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 24 have since been implemented on 16.09.2020 and 2 Assurances mentioned at Sl. Nos. 1 and 20 have since been implemented on 20.09.2020.

#### **Observations/Recommendations**

**12. The Committee note that out of the 25 pending Assurances pertaining to the Ministry of Finance, Department of Revenue examined by them, the 17 Assurances mentioned at Sl. Nos. 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 20 and 24 have since been fulfilled after a lapse of time ranging from more than 05 to 09 years. However, the 04 Assurances mentioned at Sl. No. 2, 17, 18 and 19 have been pending for more than 09 years and the 03 Assurances mentioned at Sl. Nos. 21, 22 and 23 are pending for more than 06 years. Moreover, the Assurance mentioned at Sl. No. 25 is yet to be fulfilled even after a lapse of more than 05 years. The inordinate delays in fulfillment of the Assurances reflect inadequate monitoring and follow-up action on the part of the Department. Further, the analysis of the Status Notes and testimony of the representatives of the Ministry of Finance, Department of Revenue reveal that the Department's mechanism to deal with Assurances is far from effective and**

The same is yet to be streamlined. The Committee would like the Department to take earnest steps in this direction so that a proper effective and innovative mechanism is put in place. The Committee have been informed that most of the Assurances of the Department of Revenue are linked to one or the other investigation. Further, many of the investigations involved foreign countries and the Ministry faces legal hurdles in extracting information from them thereby causing delay in fulfilling the Assurances. The Committee have also been informed that the Ministry of Finance, Department of Revenue has been working towards resolving these issues by entering into bilateral agreement with foreign countries to get information to expedite the investigations. The Committee desire that the Department of Revenue should step up its efforts, adopt a proactive approach and explore all possible channels including diplomatic and other globally accepted channels for enhancing the level of co-ordination with other countries/agencies concerned for early/timely implementation of all the pending Assurances as well as the Assurances to be made in future. The Committee further desire that the Minutes of the review meetings undertaken by the Ministry/Department for monitoring of pending Assurances be furnished to them.

## **II. Review of the Pending Assurances pertaining to the Ministry of Finance (Department of Revenue).**

13. In the succeeding paragraphs, the Committee deal with some of the pending Assurances pertaining to the Ministry of Finance, Department of Revenue and critically examined by them.

### **A. Raids on CWG and IPL Officials**

14. In reply to the Lok Sabha Question USQ No. 1461 dated 04.03.2011 regarding 'Raids on CWG and IPL Officials' (Appendix-II), it was *inter-alia* stated that the information in respect of the details of financial irregularities in Commonwealth Games (CWG) and Indian Premier League (IPL), details of enforcement agencies which conducted raids on CWG and IPL officials, outcome of such raids and the time by which the Government proposed to file chargesheets against the guilty was being collected from concerned agencies and would be laid on the Table of the House.

15. Apprising the Committee of the further developments in the implementation of the Assurance, the Ministry of Finance, Department of Revenue in their Status Note furnished in August, 2020 stated the following:-

*"Investigation by Enforcement Directorate is in progress."*

16. During oral evidence, the Secretary, Ministry of Finance, Department of Revenue further elaborated the position with regard to implementation of the Assurance as under:-

*"Investigation by Enforcement Directorate is currently on. In this, we have asked for time till December, 2020."*

17. Pointing out that more than 9 years have elapsed and the Assurance was yet to be fulfilled, the Committee specifically asked as to the time by which the investigation is likely to be completed, the Secretary, Department of Revenue submitted during evidence as under:



*"There are 3 types of cases in Commonwealth Games and IPL investigation. The first was Overlays Contract case. The second was Swiss Timing case and the third was IPL case. All the three had cases of FEMA as well as cases of PMLA. In Swiss Timing case, prosecution complaint has already been filed, accused have been declared and now the matter is pending in Trial Court. As far as IPL case is concerned, we have made a request for extradition but nothing has happened as yet. Nothing will happen until our extradition request is acceded to. There has been a new development in the Overlays Contract case. This case is pending with CBI and it is pending on our side also. Neither CBI has filed the chargesheet nor our Department has filed prosecution complaint. The reason for this is that the total payment of Rs. 219 crore was made in this which was a violation of FEMA and PMLA. We have found FEMA violation of Rs. 187 crore and we have already given a show cause notice in this regard. After the completion of the investigation, it is now at the adjudication stage. As regards violation of PMLA, apart from payment of Rs. 219 crore, they had made some more payment. People went for arbitration and the court has approved arbitration. The court has also given the finding that the payment was justified. If there is a court finding, then this case will not be able to proceed. Investigation is complete in one of the 3 cases i.e. in PMLA and prosecution complaint has been filed. In Overlays Contract case in which the PMLA issue is going on i.e. as to whether there is PMLA violation or not, there has already been a FEMA violation of Rs. 187 crore. Show cause notice has already been given in that. In the IPL case, there were about 39 cases which were in violation of FEMA. Investigation in 35 out of 39 has been completed in which the cases are currently*

*under adjudication proceeding. Only 04 cases are there in which investigation is going on. These will be completed in 6 or 7 months.*

18. The Committee, while acknowledging that the matter is a time consuming process as it involves people who have gone to other countries as well, enquired as to whether the Ministry will be able to fulfil the Assurance within the extension of time sought or will they seek further extensions on the matter. To this, the Secretary, Ministry of Finance, Department of Revenue replied during evidence as under:

*"In Overlays Contract case, the matter which is going on in High Court, we think that in 3-4 months it will be cleared. If they hold that this arbitration procedure is wrong then we will file our case. If the High Court approves it, then our case does not hold/stand. Our work in PMLA and that of CBI go together. If they do not file the chargesheet then we also do not file our prosecution complaint."*

19. He further added as under:

*"In this, we have to bring information from other countries. We don't know if we will be able to get it or not. We need to request for extension and if we request open ended extension, then you might have trouble giving it. That's why we are saying in good faith that you should give time till December. In good faith we will also try to do it in this period. May be, if we need extension, then we should be ready for this too."*

#### **Observations/Recommendations**

20. **The Committee are concerned to note that the Assurance given in reply to USQ No. 1461 dated 04.03.2011 regarding 'Raids on CWG and IPL Officials'**

ould not be fulfilled even after a lapse of more than nine years. The Committee have been informed that the Assurance involves 03 types of cases. The first is Overlays Contract case, the second is Swiss Timing case and the third is IPL case. All the three cases involve FEMA cases as well as PMLA cases. In Swiss Timing case, the prosecution complaint has already been filed, the accused have been declared and the matter is pending in Trial Court. In IPL case, the accused ran away from the country and the Ministry has requested for their extradition. However, the Committee have been informed that nothing has been done as yet and nothing can happen until the accused are brought back to the country. In Overlays Contract case, neither CBI has filed chargesheet nor Department of Revenue has filed prosecution complaint. During oral evidence, the Secretary, Department of Revenue was non-committal to a definite timeframe for implementation of the Assurance citing that it involves collecting/collating information from other countries which faces many legal hurdles. Considering the sheer magnitude of the scam and large scale corruption in the IPL and Commonwealth Games, the Committee are of the view that the Ministry still has an onerous task ahead and the Government needs to take all necessary steps to bring the guilty to book, ensure accountability and probity in the cases and fulfil the Assurance given in this regard as early as possible. Subject to these reservations and taking cognizance of the request of the representatives of the Department of Revenue, the Committee agree to grant an extension of time till December, 2020 to fulfill the Assurance. The Committee urge the Department to review its efforts and strategies for negotiations with the foreign authorities/agencies, enhance the level of co-ordination with them and pursue

**the matter vigorously possibly in a time bound manner so that there is no further inordinate delay in fulfilling the Assurance.**

**B. FEMA Violation in Commonwealth Games**

21. In reply to Lok Sabha USQ No. 4851 dated 02.09.2011 regarding 'FEMA Violation in Commonwealth Games' (Appendix – XIX), it was *inter-alia* stated that the investigations conducted in the organizing of Commonwealth Games, 2010 by the Directorate of Enforcement, *prima-facie*, indicate contravention of provisions of Foreign Exchange Management Act, 1999 (FEMA). Investigations in the matter were in progress.

22. In their Status Note furnished in August, 2020, the Ministry of Finance, Department of Revenue apprised the Committee of the following position in this regard:

*"05 Show Cause Notices have been issued so far, out of which 01 has been adjudicated. In remaining cases, investigations are going on."*

23. During oral evidence, the Secretary, Ministry of Finance, Department of Revenue elucidated on the issue as under:

*"This Assurance is of the year 2011. This is about FEMA violations. In 05 cases, show cause notices have been issued, one case has become adjudicated and the remaining cases are still under investigation. An extension is sought till December, 2020."*

24. The Committee while acknowledging that the Assurance involves multiple agencies and wide range of economic crimes, urged the Ministry to expedite the fulfillment of the Assurance. The Secretary, Ministry of Finance, Department of Revenue submitted during oral evidence as under:

*"As I have already said, different countries are involved in this."*

### **Observations/Recommendations**

25. In yet another instance, the Committee find that the Assurance given in reply to USQ No. 4851 dated 02.09.2011 regarding 'FEMA Violation in Commonwealth Games' involving investigations into the matter is pending for more than 9 years. During oral evidence the Committee have been informed that 05 show cause Notices have been issued so far out of which 01 has been adjudicated. In remaining cases, investigations are going on. The Committee are concerned to note the slow progress in the investigation against those who are involved in violations of Foreign Exchange Management Act, 1999 (FEMA) in organizing the Commonwealth Games, 2010. The Committee have been informed that the matter involves multiple agencies and wide range of economic crimes which is causing delays in its implementation. This reveals lack of initiative of the Department and lack of proper coordination among the various agencies involved. The Committee understand that the Assurance involves various agencies and crimes of financial nature that may take much time but the Committee feel that fraudulent practices/scams involving violation of FEMA violations not only damage the country's economy but also tarnish the hard earned image of the country globally. The Committee, therefore, desire that the Ministry should take up the matter at apex level and devise a mechanism for pursuing the matter vigorously and with better co-ordination in such<sup>a</sup> way that all the agencies concerned speed up their efforts, expedite the matter and take strong action against those persons who have been found

**involved in alleged violations of FEMA in the run up to the Commonwealth Games, 2010 and fulfil the Assurance at the earliest without any further delay.**

### **III. Implementation Reports**

26. As per the Statements of the Ministry of Parliamentary Affairs, Implementation Reports in respect of the following 17 Assurances have since been laid on the Table of the House on the dates as mentioned against each:

<b>Sl.No</b>	<b>Sl.No. in the Table (Para No. 4)</b>	<b>SQ/USQ No. dated</b>	<b>Date of Implementation</b>
1.	Sl. No. 1	USQ No. 1395 dated 04.03.2011 regarding 'FEMA Violation'	20.09.2020
2.	Sl. No. 3	USQ No. 1482 dated 04.03.2011 regarding 'Amnesty Scheme for Black Money'	16.09.2020
3.	Sl. No. 4	SQ No. 85 dated 05.08.2011 regarding 'Black Money'	16.09.2020
4.	Sl. No. 5	SQ No. 66 dated 25.11.2011 regarding 'Black Money'	16.09.2020
5.	Sl. No. 6	Discussion on Adjournment Motion dated 14.12.2011 (Shri Lal Krishna Advani, M.P.) regarding 'Money Deposited Illegally in Foreign Bank and Action Taken'	16.09.2020
6.	Sl. No. 7	USQ No. 2937 dated 30.03.2012 regarding 'Revelation of Black Money by CBI'	16.09.2020
7.	Sl. No. 8	General Discussion on the Finance Bill, 2012 dated 08.05.2012	16.09.2020
8.	Sl. No. 9	USQ No. 5898 dated 11.05.2012 regarding 'Estimation of Black Money'	16.09.2020
9.	Sl. No. 10	USQ No. 881 dated 01.03.2013 regarding 'Information regarding Black Money'	16.09.2020

10.	Sl. No. 11	USQ No. 1913 dated 08.03.2013 regarding 'Panel for Black Money'	16.09.2020
11.	Sl. No. 12	USQ No. 4306 dated 22.03.2013 regarding 'Illegal Financial Outflow'	16.09.2020
12.	Sl. No. 13	USQ No. 436 dated 06.12.2013 regarding 'Indian Entities' Unaccounted Wealth'	16.09.2020
13.	Sl. No. 14	USQ No. 4443 dated 19.12.2014 regarding 'Black Economy'	16.09.2020
14.	Sl. No. 15	USQ No. 866 dated 27.02.2015 regarding 'Black Money'	16.09.2020
15.	Sl. No. 16	USQ No. 2852 dated 13.03.2015 regarding 'Outflow of Illicit Money'	16.09.2020
16.	Sl. No. 20	USQ No. 2334 dated 07.12.2012 regarding 'FEMA Violation'	20.09.2020
17.	Sl. No. 24	USQ No. 4101 dated 20.03.2015 regarding 'Service Tax Evasion by Corporates'	16.09.2020

NEW DELHI;

12 March, 2021

Phalgun 21 , 1942 (Saka)

**RAJENDRA AGRAWAL,  
CHAIRPERSON,  
COMMITTEE ON GOVERNMENT ASSURANCES**





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

**LOK SABHA  
UNSTARRED QUESTION NO. 1395  
TO BE ANSWERED ON FRIDAY, THE 4<sup>TH</sup> MARCH, 2011  
PHALGUNA 13, 1932 (SAKA)**

**FEMA Violation**

**1395. SHRIMATI JAYA PRADA:  
SHRI YASHVIR SINGH:  
SHRI NEERAJ SHEKHAR:**

Will the Minister of FINANCE be pleased to state:

- (a) whether a statutory autonomous body of the Government of India had made payment of Rs.146 crore to United Kingdom based firm without permission of Reserve Bank of India (RBI) and thereby has violated the Foreign Exchange Management Act, 1999 (FEMA);
- (b) if so, the details thereof;
- (c) whether Enforcement Directorate has enquired into the matter;
- (d) if so, the details thereof;
- (e) if not, the reasons therefor; and
- (f) the details of action taken by his Ministry against the real culprits?

**ANSWER**

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

(a) to (f): Investigations in the matter have been initiated by the Directorate of Enforcement under the provisions of Foreign Exchange Management Act, 1999 (FEMA), which are currently in progress.

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

**LOK SABHA**

**UNSTARRED QUESTION NO.1461**

**TO BE ANSWERED ON FRIDAY, THE 4<sup>TH</sup> MARCH, 2011  
Phalguna 13, 1932 (Saka)**

**Raids on CWG and IPL Officials**

**1461 DR. CHARAN DAS MAHANT, SHRI DHRUVA NARAYANA :**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether preliminary investigation have indicated financial irregularities in the Commonwealth Games (CWG) and Indian Premier League (IPL) ;
- (b) if so, the details in this regard;
- (c) whether various enforcement agencies have conducted raids on CWG and IPL officials recently;
- (d) if so, the details of such agencies and the outcome of such raids; and
- (e) the time by when Government proposes to file charge-sheets against the guilty?

**ANSWER**

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

(a) to (e) The information is being collected from the concerned agencies and will be laid on the Table of the House.

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

Appendix - III

LOK SABHA UNSTARRED QUESTION No. 1482

TO BE ANSWERED ON FRIDAY, THE 4<sup>th</sup> MARCH, 2011  
(Phalgun, 13, 1932 Saka)

AMNESTY SCHEME FOR BLACK MONEY

1482. DR P. VENUGOPAL:  
SHRIMATI INGRID MCLEOD;  
SHRIMATI BOTCHA JHANSHI LAKSHMI:  
PROF. (DR.) RANJAN PRASAD YADAV:  
SHRI P. KUMAR:  
SHRI SIVASAMI C.:  
SHRI P.C. GADDIGOUDAR:  
DR ARVIND KUMAR SHARMA:  
SHRI P. LINGAM:  
SHRI RAKESH SINGH:  
SHRI PRABODH PANDA:  
SHRI S.S. RAMASUBBU:  
SHRI GURUDAS DASGUPTA:  
MPs

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any estimation of the amounts of black money reported to be in circulation in the country and stashed in foreign banks;
- (b) if so, the details thereof;
- (c) whether the Government proposes to bring forward any amnesty scheme to bring back black money and to set up any committee in this regard;
- (d) if so, the details thereof and the time by which the said scheme is likely to be introduced;
- (e) the other measures taken by the Government to bring back black money alongwith creation of legal framework to curb black money generation;
- (f) whether similar scheme introduced in the past have proved to be successful in bringing back the black money; and
- (g) if so, the details thereof alongwith the details of such schemes introduced earlier?

Contd.....2/-

ANSWER

Minister of State in the Ministry of Finance

(Shri S.S.PALANIMANICKAM)

- (a) No, Sir. The Government has not made any estimation of unaccounted money inside and outside the country, in the recent times. However, the Government has decided to get a fresh study conducted on unaccounted income/wealth both inside and outside the country bringing out the nature of activities engendering money laundering and its ramifications on national security. The proposal was approved by the Government in January, 2011. The study is likely to be completed within a time frame of eighteen months.
- (b) Does not arise in view of reply to part (a) above.
- (c) At present, there is no proposal before the Government to bring an amnesty scheme for disclosure of undisclosed income.
- (d) Does not arise in view of reply to (c) above.
- (e) The Income Tax Department takes several deterrent and punitive steps to unearth unaccounted money and curb tax evasion. These include scrutiny of returns, surveys, search and seizure action, imposition of penalty and launching of prosecution in appropriate cases. Information Technology has also been used in a big way in collection, collation and dissemination of taxpayer information. Tax Information Network (TIN) has been set up as a depository of important tax related information which can be accessed by the Department. The basic components of TIN are information relating to Tax Deduction at Source (TDS), payment of taxes and high value transactions reported in Annual Information Returns (AIR). The Department has set up an Integrated Taxpayer Data Management System (ITDMS) to electronically collate information collected from various sources i.e. Tax Deduction at Source, Electronic Filing of Return, Annual Information Returns, Central Information Branches (CIB) etc, to create 360 degrees profile of High net-worth assesses. Information received from Financial Intelligence Unit under the Department of Revenue regarding suspicious transactions from various banks, Insurance companies etc, are also investigated by the Income Tax Department. Further, the Department has implemented Computer Assisted Selection of Scrutiny (CASS) wherein returns are selected for scrutiny on the basis of comparison of the information gathered from various sources with the information available and declarations made by the assesses in the return of income.

As regards unearthing of unaccounted money and wealth outside the country, Investigation Directorates pursue information regarding any deposit outside the country on top priority. The Department is having two specialized wings under the administrative control of the Director General of Income Tax (International Taxation). The International Tax Division investigates and assesses the cases of foreign companies, Non-residents and other such entities. The Transfer Pricing Division examines

Contd.....3/-

the international transactions between associated enterprises to determine the arm's length price in accordance with the provisions of Chapter X of the Income Tax Act, 1961. Appropriate action under the provisions of Income Tax Laws is taken in cases where tax evasion is detected.

India has initiated the process of putting in place a legislative framework by amending its existing Double Taxation Avoidance Agreements (DTAAs) to widen the scope of Article concerning Exchange of Information. The amendment to tax treaty with Switzerland has also been signed. It will enter into force when Switzerland completes its internal process. Upon entry into force, it will allow India to obtain banking information from Switzerland in specific cases for a period starting from 1st April 2011 or thereafter. India has also completed negotiations of Eleven new Tax Information Exchange Agreements. Government has also proposed certain new provisions in the proposed Direct Taxes Code Bill for unearthing black money.

(f) to (g) Nine voluntary disclosure schemes have been floated by the Government between the period from 1951 to 1997. Significant disclosures were made in these voluntary disclosure schemes.



GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA STARRED QUESTION No. 85

TO BE ANSWERED ON FRIDAY, THE 5<sup>TH</sup> AUGUST 2011  
(Sravana, 14, 1933 Saka)

BLACK MONEY

\*85: SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH:  
DR. SHAFIQR RAHMANBARQ:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has estimated or proposes to make an estimation of the amount of black money reported to be in circulation in the country and stashed in foreign countries;
- (b) if so, the details thereof;
- (c) whether some of the countries including Switzerland have agreed to share the information with the Indian Government regarding the amount of money and names of persons, corporates and other legal entities who have stashed such money in their banks;
- (d) if so, the details thereof;
- (e) whether the Government proposes to amend the existing Double Taxation Avoidance Agreement (DTAA) with various countries including Switzerland;
- (f) if so, the details thereof; and
- (g) the measures taken / proposed to be taken by the Government to bring back black money alongwith the success achieved thereof?

ANSWER

To be answered by the Minister of Finance

(Shri PRANAB MUKHERJEE)

(a) to (g): A statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO**  
**LOK SABHA STARRED QUESTION NO.85 FOR REPLY ON 05.08.2011**

**(a) & (b):** Yes, Sir. The Government has commissioned a study to estimate the quantum of unaccounted income / wealth inside and outside the country and its ramifications on national security on the basis of the recommendations of the Standing Committee on Finance. The study will be conducted separately by three national-level institutes namely, National Institute of Public Finance and Policy (NIPFP), National Institute of Financial Management (NIFM) and the National Council for Applied Economic Research (NCAER). Memorandums of Understanding (MoUs) have been signed with the Institutes on 21.03.2011. The study is expected to be completed in a period of 18 months.

**(c) & (d):** Many countries / jurisdictions are willing to share banking information in specific cases with India under the Double Taxation Avoidance Agreement (DTAA) / Tax Information Exchange Agreement (TIEA) for tax purposes. However, no fishing or roving enquiry is permissible.

**(e) & (f):** So far Government has concluded negotiations of 16 new TIEAs, 18 new DTAAs and 21 existing DTAAs, in last two years, with various countries/jurisdictions. All these DTAAs and TIEAs have provision for effective exchange of information in accordance with the international standards. The Amending Protocol between India and Switzerland, which seeks to amend the existing DTAA between the two countries, was signed on 30th August 2010 at New Delhi and is ready to enter into force from the Indian side. The amending Protocol will, however, enter into force only after Switzerland completes its internal processes. Upon entry into force, the amended Protocol will allow India to obtain banking information, as well as information without domestic interest, from Switzerland in specific cases for a period starting from 1st April 2011.

**(g):** To get back the black money to the country, a five pronged strategy has been formulated by the Government which is summarized as under:

- a. Joining the global crusade against 'black money';
- b. Creating an appropriate legislative framework;
- c. Setting up institutions for dealing with illicit funds;
- d. Developing systems for implementation; and

Contd.....2/-

- e. Imparting skills to the manpower for effective action.

Information regarding details of asset and payments received by Indian citizen in several countries has started flowing in which is now under different stages of processing and investigation. In large number of specific cases information has been obtained under DTAA's. In the cases of money kept by Indian residents in a Liechtenstein bank, tax, interest and penalty equal to nearly the amount kept abroad has been levied and some of it already recovered. Prosecution for tax evasion has also been initiated in these cases.

Directorate of Transfer Pricing has detected mispricing of Rs. 34,145 crore in last two financial years as against mispricing of Rs. 14,655 crore in earlier five years. Directorate of International Taxation has collected taxes of Rs. 33,784 crore from cross border transactions in last two financial years. Investigation wing of CBDT has detected concealed income of Rs. 18,750 crore in last two financial years.

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

**LOK SABHA  
STARRED QUESTION NO. \*66**

**TO BE ANSWERED ON FRIDAY, THE 25<sup>th</sup> NOVEMBER, 2011  
AGRAHAYANA, 4, 1933 (Saka)**

**BLACK MONEY**

**†\*66. SHRI SHAILENDRA KUMAR:  
SHRI P.C. GADDIGOUDAR:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has conducted a study to estimate the quantum of unaccounted income/wealth inside and outside the country and its ramifications on national security;
- (b) if so, the progress made in this regard so far;
- (c) whether some countries including France and Switzerland have initiated measures for sharing tax related information with India and provided the details of account holders who are reported to have stashed black money in their countries;
- (d) if so, the details thereof;
- (e) the reaction of the Government for making their names public alongwith the action taken/proposed to be taken against them;
- (f) the progress made in regard to signing or reviewing/renegotiating the Double Taxation Avoidance Agreements (DTAAs) and Tax Information Exchange Agreements (TIEAs) with other countries to get information about black money stashed there; and
- (g) the other measures taken/proposed to be taken to bring back black money stashed in foreign countries alongwith the success achieved therefrom?

**ANSWER**

**FINANCE MINISTER  
(SHRI PRANAB MUKHERJEE)**

(a) to (g): A statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. \*66  
FOR REPLY ON 25.11.2011**

(a) The Government has commissioned a study to estimate the quantum of unaccounted income/wealth inside and outside the country and its ramifications on national security on the basis of the recommendations of the Standing Committee on Finance. The study will be conducted separately by three government institutes, namely the National Institute of Public Finance and Policy (NIPFP), the National Institute of Financial Management (NIFM) and the National Council for Applied Economic Research (NCAER).

(b) The institutes have been given time up to September, 2012 to submit their reports.

(c) to (e) Yes Sir. Many countries / jurisdictions are willing to share banking information in specific cases with India under the Double Taxation Avoidance Agreement (DTAA)/ Tax Information Exchange Agreement (TIEA) for tax purposes. India has received tax related information from various countries. However, disclosure of such information is governed by the confidentiality provisions of the DTAA/ TIEA under which the information has been received and can be used only for tax purposes.

(f) The Government of India has DTAA's with 81 countries, out of which 75 DTAA's do not have specific paragraph for exchange of banking information. All these 75 DTAA's have been taken up for renegotiation and so far renegotiations have been completed in 22 cases. India has also entered into TIEA's with 5 jurisdictions. All these agreements contain articles concerning exchange of information for tax purposes which allow for exchange of tax-related information.

(g) The Government of India has framed a comprehensive five-pronged strategy in order to bring back the country's money illegally stashed abroad. The strategy comprises of:

- (i) Joining the global crusade against 'black money';
- (ii) Creating an appropriate legislative framework;
- (iii) Setting up institutions for dealing with Illicit Funds;
- (iv) Developing systems for implementation; and
- (v) Imparting skills to the manpower for effective action.

As a result of these efforts, tax-related information has started to flow in large numbers from outside and necessary action is taken to verify such information and bring to tax any untaxed amount. During the last two years, the Directorate of Transfer Pricing has detected mispricing of Rs.66,085 crore and the Directorate of International Taxation has collected taxes of Rs.33,784 crore from cross-border transactions.

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14.12.2011

dt. 14/12/2011

145

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Madam, Speaker, I would have liked to start my observations... (*Interruptions*)

श्री लालू प्रसाद (सारण): दादा, हिन्दी में बोलिये। ... (व्यवधान)

श्री प्रणब मुखर्जी : सब्जेक्ट बहुत गंभीर है, इसलिए मुझे अंग्रेजी में बोलने दीजिए।

Normally, when I start my observations I always appreciate the mover or the leader of the discussion but this is a particular Motion on which I cannot do it, even technically, because it is an Adjournment Motion and at the end of it I will have to oppose it. But surely I would like to appreciate senior Leader Shri Advani ji's *Jan Chetna Yatra*. As a Finance Minister, like any other Finance Minister, I would like to watch the outcome of his *yatra* if it can influence the tax-evaders, the tax-dodgers and black-money generators to reduce their activities and help the exchequer to get the money due to it. As I understand, '*Jan Chetna*' means to create awareness amongst the people, to create some sort of social awareness and if it is achieved, surely I would like to congratulate him for taking that trouble at this age to have such an arduous journey from one end to the other end.

Having said that, I would like to start with how black money is generated? What is the quantum of black money? What steps we have taken in this regard? What steps you could not take? I am not going to enter into the debate to win some brownie points here and there. It is because the issue is serious. Like many other serious issues, I would like this House to debate, discuss and decide that how effective steps can be taken to get rid of this menace.

Whatever be the quantum, I am not indulging in any fancy figure. I do not have the liberty to indulge in that fancy figure. It is because of the Office, I am occupying. I have figures as per reports of the Swiss Banking Association. After my two years' sincere efforts, I could not locate where this Association is. What they do? When I asked through our Ambassador to Switzerland, they have expressed their inability to identify any such organisation. But this Organisation had a very prominent place in Indian media for several days together.

So, I am starting with their assessment. Their assessment is 1500 billion to 1900 billion US dollars. According to BJP's Task Force, Report which was circulated during the General Elections of April, 2009, it is varying from 500 billion US dollars to 1400 billion US dollars. If my figure is incorrect, somebody from that side could correct me.

According to the Global Financial Integrity from 1948, one year after Independence to 2008, 213 billion US dollars have been lost by India since Independence till 2008. The current value of those 213 billion US dollars would be 462 billion US dollars.

But none of these agencies – of course, not non-existing agencies - have clearly defined the assumption. Therefore, when this Debate started, the first task I did, I wanted to have an authentic and authoritative assessment, if possible to make by three important institutions. They are National Institute of Public Finance and Policy; National Institute of Financial Management and National Council of Applied Economic Research.

I have mandated them to make an assessments independently. I will provide them the necessary funds to come out with a dependable assessment of the size and quantum of black money.

Now, what type of strategies are we following? I have discussed this issue on the floor of the House earlier in other forums also. I am talking of the five pronged strategy. We may have emotions and we may indulge in very high sounding phrases but it does not help me when I am to act with other sovereign countries.

There are laws, international practices and norms. I shall have to follow them. Therefore, for the information I would like to have, the instrument, which is available to us, is Double Taxation Avoidance Agreement. We can collect bank information through this Double Taxation Avoidance Agreement. We have 82 Double Taxation Avoidance Agreements. For quite some time, these Double Taxation Avoidance Agreements were being signed to facilitate those entities which are having cross-country operations to avoid double taxation in both the countries. Therefore, primarily it is a trade facilitator.

Here I would like to most respectfully submit to Advaniji that this did not become concern of the world with the UN Convention. The UN Convention dealt substantially on money related to drug trafficking, narcotics and crimes which are

funding terror activities. Even the Convention 2003 is substantially dealing with it. Of course, tax evasion and avoidance is one part. But in many countries, tax evasion and tax avoidance, unless there is a fraud, are not crime. But the issue came to the international forum and was debated in the international fora after the London Summit of G-20 in October 2008. Thereafter, it was followed by Pittsburgh Summit. Then, it was followed by Seoul and it was also followed in the last Summit at Cannes where our Prime Minister very strongly pleaded for an automatic exchange of information. I would like to quote from his observations there: He said:

“G-20 countries should take the lead in agreeing to automatic exchange of tax related information with each other, irrespective of artificial distinctions such as present or past, tax evasion or tax fraud in the spirit of our London Summit that the era of bank secrecy is over.”

There is no lack of initiative from 2010 to November, 2011. Before the Summit, the G-20 Finance Ministers met. It is my recorded speech. In every meeting including on 12<sup>th</sup> February at Paris, I said that we shall have to ensure that we get this information automatically.

What observations were made by the international commentators on the Prime Minister's speech, I am quoting. It is from GFI. Advaniji has quoted very profusely from GFI. The GFI noted in a recent press release:

“While the final declaration mentioned automatic exchange of tax information as a potentially useful tool in tackling non-cooperative jurisdiction, it stopped short of calling for its implementation, instead stating that they would consider it on a voluntary basis or as appropriate.”



**17.00 hrs.**

OECD also is recognising this. In an interview published in today's *Economic Times* in reply to a question as to why we are not getting the information, the OECD spokesperson said:

"I must say that you "Indians" are being very impatient. If you look at other countries, the process to get the Agreement signed, its ratification and implementation itself has taken a lot of time. India started the process 18 months ago and signed 22 agreements already. This is more than the numbers of agreements the United States have. Your Tax Administration is building capacity to make use of these agreements. India has done a good job on this score also highlighting the G-20 issue. It takes time and so you must have some patience."

They have recognized that India is one of the three fast moving countries in this direction. It is true that we started two years ago. Why? It is for the same reason as you mentioned one that during your tenure, during our tenure, all the banks, not merely Swiss Bank, located at tax havens -- tax havens are not located in developing poor countries like India, but all of them are located in industrialized developed countries -- doggedly refused to share banking information in the avoidance of Double Taxation Agreement. Therefore, you could not do anything; we could not do anything. But when the G-20 countries including USA had put pressure, then they started negotiating. I have given the figures. The total number of Double Taxation Agreement we started with were 75. We have completed Double Taxation Avoidance amendment incorporating clause 26 of OECD in our Agreements where sharing of the bank information has been agreed upon. Today including the new Double Taxation Agreement, where we have inserted this clause, along with the main Agreement, Tax Exchange Information Agreement with the sovereign jurisdiction, we have completed 60 which includes renegotiations of 24 DTAA out of 75. The remaining are in the process of negotiation. So, I do hope that it would be possible for us to complete this exercise early.

Even with Switzerland we have completed the agreement. A lot of misinformation have been spread that we will sign the agreement in 2012. I do not know from where this date has come. When the Agreement was signed with Switzerland – I am not to get this information from anybody else because I am the signatory to this Agreement along with the Swiss Federal Ministers – in August 2010, they said that they will give us prospective information and not retrospective information. Please believe me, no country of the world, not even the USA, not even France, not even UK got information from Switzerland, through the legal Treaty, retrospectively. Nobody did get it. Everybody got prospectively. What happened in the case of Switzerland? They said that it will be done on 1<sup>st</sup> of April, 2011. I said: "Why can't you do it earlier?" They said: "Look, Mr. Minister, unlike your country, we have a very elaborate provision of ratification of International Treaty and Agreement. I am not quite sure whether I will be able to complete it in one year. Both the Houses of Parliament of Switzerland will have to pass it. After that, it will go to all the Cantons. They will have to ratify it. The specific period of four to six weeks is to be given to each Canton and ultimately, it was ratified not even on the 1<sup>st</sup> of April, 2011. It was ratified in October, 2011 but it will be effective from 1<sup>st</sup> of April. We will get the information. Whatever information we will get, we will definitely like to act on it."

On our efforts, I would just like to quote from an article of Ann Hollingshead.

"The more important and more effective course of action is to stem the outflow in the first place and in the recent months, India has significantly expanded its efforts in this area to this end. India recently joined the Financial Task Force and the Task Force on Financial Integrity and Economic Development Partnership Panel."

She has also stated:

"India is one of the three countries which has been recognized as doing quite strong and well in operating against the black money."

Surely, self-criticism is good but not self-condemnation. I have no problem if you criticize. The entire exercise started from Pittsburgh Summit and still the process is yet to be completed. It is to be completed in the sense that the automatic exchange information and past information are not yet available.

Shri Advani has raised a number of points. I would like to respond to those points. First of all, he has referred to the act of dirty money. He has discussed about dirty money. I heard Shri Advani with great attention when he spoke on dirty money relating to drug trafficking, etc. We are fully aware of it. To take appropriate action, this Parliament has received the legislation. Narcotics and Psychotropic Substances Bill has been introduced in the last monsoon Session of Lok Sabha. It is currently under the consideration of the Standing Committee and when the Standing Committee will send its Report, surely we will work on that Report.

I have already mentioned about the Swiss Bank. French accounts are there. But your interpretation is not correct. Not once, but twice I had meetings with the French Finance Minister. I said: "Some of our countrymen are saying this information you did not get from legal sources. You had some other sources. I do not want to know what sources you have. But can I disclose this information?" He said: "No, Mr. Minister. You are getting information from me through the legal channel of the Double Taxation Avoidance Agreement. From where I got the information is not your business. With a sovereign country, I am sharing the information with certain conditions." Shri Thakur rightly quoted that for tax purposes, all tax avoidance cases barring, all tax evasion cases and all concealment cases in this country till today are not penal offences, nor are they criminal offences. Neither your Government did anything nor my Government did anything. You considered it proper that the Income Tax Department is not to administer the IPC. Our job is to prevent tax evasion and tax avoidance and if we get the taxes we are satisfied. If you feel strongly that it should have been done,

what prevented you from doing it for six years? It is because we know what job is to be done by whom.

Regarding insisting on getting information, let us think of a situation like this. Suppose I publish the 36,000 pieces of information, and names from different countries, to satisfy the inquisitorial interest of the Members of Parliament. Tomorrow, the same countries will tell: "Mr. Minister, you have violated the international agreement. Sorry, we will not share any information with you." Then, what should we do? We will dry up the sources. I will publicise the names. Please do not forget that these people are not naives. When they operate black money, they know what to do. Once their names are disclosed, immediately they will withdraw the money from their respective banks. You will not be able to trace it. ... *(Interruptions)* This suggestion has come from the former Home Minister and former Deputy-Prime Minister of the country! ... *(Interruptions)* Please listen. ... *(Interruptions)* When you collect information, there should be an element of surprise. When the Income Tax Department gets information that somebody is holding black money, somebody is holding unaccounted money, should I publicise it? Or should I go and search and seize the money? How is the intelligence collected? An element of surprise is there. How is the information collected normally? An element of surprise is there.

I can show you under what conditions these are being given. When there is a case of money laundering or when there is a case of criminal activity, when these persons are prosecuted, definitely their names can be disclosed. So many speculations have been made. Former Deputy Prime Minister, Shri Advani referred to a judgement. It is about Shri Jethmalani's case. The judgement is not yet complete. It was an interim judgement. The Department has challenged that judgement. It has been sent to the larger bench. The judicial process is yet to be completed and we are discussing it in the Parliament! I would have ignored it if it was mentioned by anybody else. But when it comes from the former Deputy

Prime Minister or the Home Minister of the country, I am really a little disturbed over it. The process has not yet been completed.

There is another issue which has been raised is about the actions which we have taken. Yes, we have unearthed Rs. 66,000 crore. Now, we have established a Criminal Wing in the Income Tax Department. What did you achieve? What was your performance when the Transfer Pricing Act was passed during your time? How much money have you received by preventing transfer pricing? I am not blaming anybody because we did not have that expertise. Those who are the tax evaders and who are the tax avoiders are equally clever persons and they know what to do and how to operate. Therefore, this is a constant battle between the tax evaders and those who are implementing the tax laws.

Madam, my respectful submission is that the issue of black money is very serious. We shall have to find out how to prevent it and how to bring it back. Some Hon. Member has suggested that "declare it as a national asset". Yes, I declare it as a national asset and this Parliament declares it as a national asset — money located in Swiss Bank is a national asset. How would you get it? Should I send forces? We can get it only through the tax agreement and through the international agreement. So, that aspect is to be kept in mind.

You have referred to the Swiss Restoration Act which has been passed in 2011. You want to know what action we have taken. What is the content of that Act? The content of that Act is not merely of tax evaders or tax avoiders and those who are politically associated. You have referred to the former President of Philippines. I am not going to take the name of the country where somebody taught us that India is the first among the countries whose citizens have black money in foreign banks. I have got a published list, but for obvious reasons I cannot mention the name of the countries. Nowhere India is there in the first ten countries. But we can easily say that India is on the topmost list. Yes, there are people; there is black money; there is unaccounted money. So, those unaccounted money ought to be brought in. Please analyse the existing Act. Somebody has

demand that you will have to confiscate. We are making the provisions of the Prevention of Money Laundering Act more stringent. I have given a notice to this House to introduce the Bill and in this Session itself, the Bill will be introduced. But mere introduction of the Bill does not help me if this is not passed and it cannot be passed, if half of the Session goes without discussing anything. We are talking of the sovereignty of the Parliament. Yes, we are sovereign. We are talking of the image of the politicians. I can issue instruction to my Income-Tax Department saying that you put a clause saying that while filing the returns, they will have to make a statement whether they hold any unaccounted money or not. Nobody will say "I hold unaccounted money." Nobody will say "I am a black money holder in foreign bank." But, despite that, we can try to squeeze as much information as possible. But the image of the sovereign Parliament will be restored if even in one Session we, from the day of beginning to the day of adjournment function without disruption. This is my view. If we can transact the legislative business, even if we can have this type of a discussion, it will be good.

Normally, the Government does not accept Adjournment Motion. Shri Advani is correct that it is some sort of a censure. But why did I accept it? I accepted it because I felt that at least the House could discuss something. Even if it is not a Government business, even if it is for the condemnation of the Government, I thought let me accept it because some normalcy would come back. What are we doing in the past two weeks? How you disrupted it? The very demand was that it must be an Adjournment Motion both on price rise and black money. Black money is being generated from 1948 till 2008. What is the urgency in it? What suddenness is associated with it? Even, however pernicious it may be, if it does not have any gross failure of the Government in immediate immediacy, how could you link it with the Adjournment Motion? The House could not function. It was disrupted. I thought at least let me concede and agree to it. I am grateful to Shrimati Sushma Swaraj that we agreed on the text. Shri Advani also

agreed to it. Therefore, there is no harm in it. But the short point which I am trying to drive at is that we can do much more if we can simply bring back normalcy.

You have demanded a White Paper. I have already, in response to a question on the floor of the House, stated that I would bring a White Paper. I will give all the information, whatever information you want because there is no conflict of interest here. I do not believe that you are protecting the black money holders. You may accuse me. I know that I do not protect any black money holder. My Party does not protect any black money holder. Therefore, I do not find any conflict of interest between your objective and our objective. If there is no conflict of interest, why can we not work together? You wanted a discussion. The discussion could have been under Rule 193. Two precious days would not have been wasted. What additionality can you have except dividing the House on the motion whether the House would be adjourned or not on this issue? I am, perhaps, a most illiterate man out of the 545 Members of the Lok Sabha! Probably, I do not understand what great benefit we are getting by dividing the House on the Motion whether the House should be adjourned or not on the issue of the black money generation, how to tackle the black money and how to bring back black money. Yes, we shall have to take concrete action. I have given the action plan. You find out and say: "Mr. Minister, there is the deficiency. You do this." I am seriously asking you this. Do you want the Income-Tax Act to be a Penal Act? Is there any dearth of the stringent laws? In 1976, this House itself passed two Acts – either in December 1975 or 1976. One was the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, COFEPOSA. Another Act was the SAFMA - Smugglers and Foreign Exchange Manipulators (Forfeiture of Properties) Act. What is the status of those two Acts? COFEPOSA is still in operation. I was then young man. As the Minister of State in the Ministry of Finance, I piloted these two Bills. After 25 years, I went to North Block in 2009 January. I enquired: "Are these Bills still in the Statute Book?" The reply was: "Yes, they are still in the Statute Book but they are not in operation." There is no

dearth of laws. Many a time, I get the suggestion on amnesty schemes. I got these types of suggestions earlier also. In 1992, when I was the Finance Minister, while entering into extended funding facility arrangement, borrowing arrangement with the IMF, I was told: "Why don't you allow some sort of amnesty to get back the foreign exchange from abroad?"

In 1992, we were forced to do some sort of things like that and received a stringent comment from the Judiciary. Therefore, depending on the economic situation, prevailing at that time, we ought to take certain measures. From hindsight we should not criticize those. To tackle one problem; to be overwhelmed with that problem, we in our anxiety may create many other problems, which will ultimately be harmful to us.

I thank Advaniji, through you, Madam, for his efforts to create awareness amongst the people of this country; don't indulge in generating black money; don't evade taxes; don't avoid taxes fill the Exchequer properly tap the taxes. I wish he achieve in his vision. Thank you very much. ... (Interruptions)

श्री लालू प्रसाद : प्रणब जी, आप इतना बता दीजिए कि उसमें राजनेताओं के नाम हैं या नहीं?  
... (व्यवधान)

अध्यक्ष महोदया : अब आडवाणी जी बोल रहे हैं। ... (व्यवधान)

श्री मुलायम सिंह यादव (मैनपुरी): अध्यक्ष महोदया...

अध्यक्ष महोदया : एक मिनट उन्हें बोलने दीजिए।

... (व्यवधान)

अध्यक्ष महोदया : मंत्री जी, बोल रहे हैं। उन्होंने कम्पलीट नहीं किया है, वे बैठे नहीं हैं।

... (व्यवधान)

श्री मुलायम सिंह यादव (मैनपुरी): अध्यक्ष महोदया, काला धन वापस आयेगा या नहीं ... (व्यवधान) मंत्री जी के जवाब से हम संतुष्ट नहीं हैं, इसलिए समाजवादी पार्टी सदन का बहिष्कार करती है।



14.12.2011

157

17.27 hrs.

*Shri Mulayam Singh Yadav and some other  
hon. members then left the House*

... (व्यवधान)

SHRI PRANAB MUKHERJEE: Please understand. When we get the name.....

(Interruptions)

अध्यक्ष महोदय : कृपया आप सब शांत हो जाइये और सुनिये।

... (व्यवधान)

SHRI PRANAB MUKHERJEE: Only one point I would like to suggest and that is when we get the names, we shall have to work out on them. Suppose I get hundred names, some of them may be the genuine account holders; some of them may be having export businesses; some of them may be investors in that country. A circulation was made that MPs names are there. No MPs name did I find in the documents which I have seen. But I cannot go on saying that this name is there; and this name is not there. That is not the purpose. Therefore, I shall have to ascertain; though many of them may be the genuine account holder with the permission of the Reserve Bank for their business; for their investment purposes. India is emerging as one of the largest investors in Europe. Three consecutive years, Indian investors were second in the U.K. Therefore, we shall have to keep in mind these aspects. There is a demand that we publish the names; give names; and names will get highlighted. But what will happen? It will have its impact on the industry, on the investment, and on the reputation of the people. We shall have to think of these things.

श्री लाल कृष्ण आडवाणी (गांधीनगर): अध्यक्ष महोदया, मैंने अपने भाषण में काले धन के संदर्भ में मुख्य रूप से तीन बातें कही थीं। एक यह कि सरकार का क्या अंदाजा है? कितना काला धन विदेशी बैंकों में है, क्योंकि आप भी कहते हैं कि आपको ग्लोबल फाइनेंशियल इंटीग्रिटी ज्यादा रिलायबल लगती है। आप कभी-कभी हमारे टास्क फोर्स को भी कोट करते थे। मैं समझता हूँ कि रिजर्व बैंक का या गवर्नमेंट की फाइनेंस मिनिस्ट्री का ज्यादा अच्छा एस्टीमेट होगा हम लोगों से या इवेन ग्लोबल फाइनेंशियल इंटीग्रिटी से क्योंकि भारत के साथ सीधा संबंध तो भारत सरकार का ही हो सकता है, अन्य किसी का नहीं हो सकता है। आपने जो जवाब देना था, दिया। उसमें से मुझे उत्तर नहीं मिला। मैं चाहूंगा कि जिस समय आप अपना व्हाइट पेपर दें, उसमें भी इस बात का उल्लेख करें कि हमारा अंदाजा क्या है। आपने खासकर तीन संस्थाओं के बारे में कहा है। जिन तीन संस्थाओं से आपको जो इनपुट्स मिलेंगे, जो जानकारी मिलती है, वह व्हाइट पेपर में आ सकती है, apart from the other steps that the Government has taken in order to find out about the black money and get it back. The second question is this. मैं मानकर चलूँ, आपका बीच में एक जवाब आया कि इतने हजार करोड़ रुपये फायदा हुआ है ... (व्यवधान) या अनर्थ किए हैं। ... (व्यवधान) What does it mean? आपने अनर्थ किया है, उसका मतलब है कि इनकम टैक्स के प्रोब में आपने अनर्थ किया है ... (व्यवधान) या we have been able to get this much money from outside back into the country. मुझे जो बात लगती थी कि it was not merely America or UK or Germany which have actually got back their money from Switzerland or such tax havens, but very many small countries also indicate how much money they have got back from Switzerland or from some other tax havens. मैं जानना चाहता था कि इस सारे प्रोसेस में, आपका कहना यह है कि कोई वर्ष 2003 में, जब उन्होंने कंवेन्शन अगेन्स्ट करप्शन पास किया, तब से स्थिति में बहुत परिवर्तन नहीं आया। तब से परिवर्तन आया केवल टेररिज्म के संबंध में या क्राइम के सन्दर्भ में, लेकिन मैं मानता हूँ कि जिन लोगों ने विदेशों में बैंकों में पैसा रखा है, वे केवल टैक्स इवेडर्स नहीं हैं। अगर किसी ने भ्रष्टाचार से पैसा कमाया है, तो उसने भी उसके कारण विदेश में पैसा रखा है और इसीलिए मुझे आश्चर्य नहीं हुआ जब मैंने यह देखा कि लिब्रलाइजेशन के बाद, वर्ष 1991 के बाद जितना परसेंटेज इलीसिट फ्लो फ्रॉम इंडिया टू फॉरेन बैंक्स हुआ है, that money is much more than before. मैंने स्वयं अपने भाषण में कहा कि अर्लियर मैं यह मानता था कि जितना ब्लैक मनी जेनरेट हुआ है, वह प्रमुख रूप से टैक्सेशन के हमारे हाई लेवल्स के कारण होता है, लेकिन लिब्रलाइजेशन के बाद, जब से आज के हमारे प्रधानमंत्री जी वित्त मंत्री बने थे,

उसके बाद की स्थिति में यह स्थिति आई कि सभी ने, इवेन ग्लोबल फाइनेंशियल इंटीग्रिटी ने लिखा कि उसके बाद का परसेंटेज विदेशों में ब्लैक मनी जाने का बहुत हाई है। यह धिता पैदा करता है कि ऐसा क्यों होता है, अब तो टैक्स लो हो गया है। It is perhaps the lowest among the lowest in the world. दूसरा सवाल मेरा इस संदर्भ में था और तीसरा सवाल उसी से जुड़ा हुआ है कि टैक्स इवेज़न के आधार पर या किसी भी आधार पर किसी ने अगर बिना परमीशन के, आपने जो बात कही है, वह मैं हमेशा कहता हूँ कि अगर किसी का लेजिटिमेट फॉरेन एकाउण्ट है that cannot be regarded as a crime, as an offence. I have always said that those who have legitimately have foreign bank accounts with the permission of the Government of India or the Finance Ministry, I have nothing to say about that. But there would be some who had totally unaccounted money and without any permission, on those cases I would like to know as to whether any case has been penalised for that and whether anybody has been identified and punished for that.

आपकी रिप्लाइ में इन तीनों सवालों का उत्तर नहीं मिला, इसके कारण मैं असंतुष्ट हूँ। बाकी तो मैं इस बात से सहमत हूँ... (व्यवधान)

SHRI PRANAB MUKHERJEE: Madam Speaker, if he yields for a minute, I would like to share some information. He mentioned about Rs. 66,000 crore. That is the prevention of the profit going outside. It is not that we have got Rs.66,000 crore as the tax. Through the application of transfer pricing mechanism, our officers prevented the transfer of the profit of this amount outside. This is one.

Second, through international tax operation in the last two years, the tax which we have collected is Rs.33,784 crore. In addition to that, Investigating Wing of the CBDT domestically have unearthed Rs.18,750 crore concealed income and in the current year Rs.3,887 crore concealed income up to now. What will be the tax will be available to them.

Now, from the foreign sources information which we have given, the scrutiny and other things take some time, but in 98 cases the Department has detected undisclosed amount of Rs.533 crore and we have already realised Rs.166

erore in taxes; the balance are still in the process. This is about the tax realisation and this information I wanted to share with you.

श्री लाल कृष्ण आडवाणी : मेरी जानकारी में, जैसा मैंने कहा कि केवल बड़े देशों ने धन प्राप्त किया है, उन्होंने तो बड़े अमाउंट्स प्राप्त किए हैं इस टैक्स हेवन से, लेकिन पेरू जैसे देश ने 77 मिलियन यूएस डालर्स, मोरक्को केस में भी हैं, फिलिपींस का मैंने उल्लेख किया 683 मिलियन यूएस डालर्स, नाइजीरिया केस में 458 मिलियन यूएस डालर्स, मैक्सिको केस में 74 मिलियन यूएस डालर्स, ऐसा करके छोटे-छोटे देशों ने भी इतने प्राप्त किए हैं।

I do not think that India can be disregarded in this matter. India is in a position today that after this Convention Against Corruption, at least cases where it is a case of not just tax evasion which is not an offence in that country, but there is a case of corruption. जैसे मैं समझ नहीं पाया कि इस हसन अली का क्या प्रभाव है कि हम उसके बारे में कुछ नहीं कर पा रहे। उन्होंने इतना सारा अमाउंट वहां पर रखा। What is really the source of his strength? मैं चाहूंगा कि हसन अली के बारे में विस्तार से जवाब दें।

संसदीय कार्य मंत्री तथा जल संसाधन मंत्री (श्री पवन कुमार बंसल): यह हसन अली वाला मामला कोर्ट में है, क्या आप कोर्ट को डायरेक्ट करेंगे?

श्री लालकृष्ण आडवाणी : मैं कोर्ट को डायरेक्ट नहीं करूंगा। जितनी मुझे जानकारी है, वह मैं दे सकता हूँ। वह सही है या गलत, आप उत्तर दे सकते हैं। It is a case which has been discussed in the media, on the Television, at length and therefore, it is a very mysterious case which I am not able to understand, particularly, when it was questioned: "कहते हैं कि सारा पैसा हवाला का है, जितना पैसा उसने वहां रखवाया।" आपने एक बात स्पष्ट की कि 2012 कहां से आ गया, यह मैं नहीं जानता हूँ, लेकिन आपका कहना यह है कि यह तारीख उन्होंने इंसिस्ट किया कि यह प्रोस्पेक्टिव होगा।

SHRI PRANAB MUKHERJEE: It was 1<sup>st</sup> April 2011. That is in relation to the date of 1-4-2011 because the agreement was signed in August 2010. They said it would take some time for us to ratify this agreement. I am talking of India-Swiss Agreement. Therefore, the date which was mentioned there is 1-4-2011.

SHRI L.K. ADVANI : Maybe, but this will only indicate that those who had without permission opened unauthorized accounts in Swiss banks earlier, we will not be able to do anything about them. I do not know how the other countries have managed it ... (*Interruptions*)

MADAM SPEAKER: Let us have order in the House, please.

SHRI L.K. ADVANI : But it is something that, on the face of it, it would seem to me that we have voluntarily given up our right to enquire about black money abroad.

SHRI PRANAB MUKHERJEE: That was on 3<sup>rd</sup> November. We are insisting — and I am confident that we will succeed — that you have to give us these information. If you just take your seat, I will complete in two minutes.

One information that I want to have from them is about the past. When I find that this information is available, if we get it about the past, we will give you. You give us the past information; that is one. Second information we are insisting on is that you have to cooperate with us to get and realise the money from the assets located in our country. We can realise the money — once it is established — from the assets located in our country. There is no problem. But the assets located in those countries where the tax-evader has deposited his money, to recover from those assets, we require their cooperation. We are insisting on it. What the Prime Minister impressed on the G 20 countries in the Summit is that, at least, if these 20 countries and if we voluntarily agree to make these commitments, then all others will follow, and that accounts for 85 per cent of the world economy. Therefore, in no way we are lagging behind. We are working. But, at the same time, as I will quote the official spokesperson of OECD, we shall have to be a little patient. So far as Switzerland is concerned, as I mentioned, for all countries the

same provisions they have for providing information from "prospective" and from "retrospective" date.

SHRI L.K. ADVANI : You referred also to the LTG Bank and spoke to me about why I should quote from the order. It was an order; it was not a final judgement. But I know that between the two judges, there is a difference and the matter is being referred to a third judge. But this order has not been stayed from which I said. Had it been stayed, I would not have quoted it. It is an order. ... *(Interruptions)* You mentioned it in a manner as if I have done something wrong by quoting it... *(Interruptions)*.

MR. CHAIRMAN: Address the Chair, please.

... *(Interruptions)*

SHRI L.K. ADVANI : I knew that it had not been stayed; therefore I quoted it. So far as the order is concerned, the final operative part was quoted by your colleague, Manish also, and I accept it; I knew about it. ... *(Interruptions)*

श्री लालू प्रसाद : मैडम, प्रणब बाबू को मैं धन्यवाद देता हूँ कि जो लोग सड़कों पर फालतू बातें करते थे, आदरणीय मੈम्बरों के खिलाफ काले धन के मामलों की मांग करते थे, आपने संसद में क्लीयर कर दिया कि किसी भी एमपी का वहाँ पैसा नहीं है। मैं प्रणब बाबू को धन्यवाद देता हूँ।

MADAM SPEAKER: The question is:

"That the House do now adjourn."

*The motion was negatived.*

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
LOK SABHA

UNSTARRED QUESTION NO. †2937

TO BE ANSWERED ON FRIDAY, THE 30<sup>TH</sup> MARCH, 2012  
CHAITRA 10, 1934 (SAKA)

REVELATION OF BLACK MONEY BY CBI

†2937: SHRI BALIRAM JADHAV:  
SHRI VIRENDER KASHYAP:  
SHRI CHAUDHARY LAL SINGH:  
SHRI TARACHAND BHAGORA:

Will the Minister of FINANCE  
be pleased to state:

- (a) whether the Central Bureau of Investigation (CBI) has recently revealed that an estimated amount of 500 billion US dollar of illegal money belonging to Indians is deposited in tax havens abroad;
- (b) if so, the details and basis of such revelation thereof;
- (c) the reaction of the Government thereto;
- (d) whether as per the Global Financial Integrity Washington, black money worth 25 lakh crores was stashed abroad by Indians between 1948 to 2008; and
- (e) if so, the details thereof alongwith the progress made by the Government in seeking information in this regard from the banks in Washington?

ANSWER

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

(a),(b)&(c) :

The CBI, being an investigative agency, organized the First Interpol Global Programme on Anti Corruption and Assets Recovery, whose focus was on tracing the proceeds of crime. The purpose of the speech of Director, CBI, was to highlight the difficulty in recovery of the proceeds of crime stashed abroad. The CBI Director has clarified that as regards the amount of illegal

Contd... 2/-

money, the estimate of around 500 billion dollars of illegal money was in context of reporting of the matter in the Supreme Court on 4<sup>th</sup> July, 2011 where the Supreme Court, inter alia, had observed "There are reports and analysis generated by Government of India itself which place the amount of such unaccounted monies at astronomical levels".

The CBI Director has further clarified that the Reuters in its report on the Hon'ble Supreme Court proceedings then stated that a Govt. Panel in 2009 found illicit funds to the range between 500 billion dollars to 1.4 trillion dollars and he had taken the base figure in his speech as it was meant to be illustrative of the problem. However, in this regard, it is submitted that there is no authentic estimate of quantum of Indian money stashed in foreign banks.

The Government has commissioned a study to estimate the quantum of unaccounted income / wealth inside and outside the country and its ramifications on national security on the basis of the recommendations of the Standing Committee on Finance. The study is being conducted separately by three Government institutes namely, National Institute of Public Finance and Policy (NIPFP), National Institute of Financial Management (NIFM) and the National Council for Applied Economic Research (NCAER). The study is expected to be completed in a period of 18 months i.e., by September, 2012.

(d) & (e) :

Global Financial Integrity, Washington has published a report under the title "The Drivers and Dynamics of Illicit Financial Flows from India: 1948-2008". This study estimated that a total of USD 213.2 billion was shifted out of India over 61 years between 1948 and 2008. Government has not sought any information in this regard from the banks in Washington.

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dt. 08/05/2012

From 1950 to 1968, the general perception was that Indian Parliament can make any amendment to the Constitution. In Golaknath case, the verdict came that Parliament cannot alter Fundamental Rights, and a series of legal enactments, social legislations, were declared null and void by the Supreme Court, including the Banks Nationalisation Act, Privy Purses (Abolition) Act. Then, Lok Sabha was dissolved in 1970. The then Prime Minister, Shrimati Indira Gandhi, went to the electorate saying 'I want to bring social legislations. I want to transform the society. I want the power to amend the Constitution.' She said, "I do not have two-thirds majority, give me two-thirds majority." The Indian electorate gave her two-thirds majority, and there came the Twenty-fourth Amendment to the Constitution where the 'constituent power' was vested in Parliament. If you read the text of the Constitution from 1950, before the Twenty-fourth Amendment made to Article 368, you will not find the word 'constituent power'. 'Constituent power' of Parliament was first invented and put in the text of the Article 368 of the Constitution through that Twenty-fourth Amendment.

Not only in India but everywhere, in all developed societies, Legislature's intention is what matters because we are representing more than 70-crore people of this country. Each constituency has 1.5 million or 1.6 million voters. Therefore, their intention is what matters. Yes, as far as the Supreme Court and the Judiciary is concerned, the Constitution has given them the power to interpret the law. However, the law is to be framed by us. If we find that there is a conflict between the 'intent' of the Legislature and the 'interpretation' of the Constitution, most respectfully I submit that by interpretation of the law, our right of amending it or asserting our right is not taken away. That is the power of the Constitution which is vested in us.

Advani Ji has raised the issues of black money and White Paper. I am bringing the White Paper before the Parliament Session adjourns – not on 22<sup>nd</sup>, but I will try to bring it much earlier. The drafting is in the final stages. I will try to give all the relevant and possible information. He has raised two specific points,

one of which is about the names which we have received. There is one problem. I have shared it with the others. They have stated that I could disclose the names when we prosecute the people. As Shri Yashwant Sinha Ji was correctly pointing out, those names against whom prosecution has been launched by the Income Tax can be divulged. There is no problem in it. However, what we get is raw information. In that raw information, only the names are there. Therefore, the Department has to scrutinize to see whether they have the legal permission, whether they have the authorization from the Reserve Bank and whether they have any other business where they are entitled to have it. We have to first establish that the amount which they are depositing is illegal. For asserting the legality or the illegality, it will have to be scrutinized. After that, where it is found that there is no legal sanction, the prosecution will have to start. When the prosecution starts, then the names can be disclosed. So, when the prosecution will start, we will give you whatever names we have got.

I do not know why it happens at the time of talking about money or finance, but my voice starts cracking at the time of replying to the discussion on the Budget or the Finance Bill!

In respect of estimates of black money, three institutions are studying it independently and they will give their reports at the end of an 18-month period, and that period is coming to a close around July or August. We have not yet received their reports. I will share that information with you, as soon as I get the reports from those three independent Study Groups. But the White Paper containing other relevant information will be made available to the hon. Members and I will lay it on the Table of the House.

Thank you, Mr. Chairman, Sir, for giving me this opportunity. ...*(Interruptions)*

MR. CHAIRMAN: The question is...

... *(Interruptions)*

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION No. 5898  
TO BE ANSWERED ON FRIDAY, THE 11<sup>TH</sup> MAY, 2012  
(VAISAKHA, 21, 1934 SAKA)

ESTIMATION OF BLACK MONEY

5898. SHRI NARENDRA SINGH TOMAR:  
SHRI PRATAPRAO GANPATRAO JADHAO:  
SHRIMATI RAMA DEVI:  
SHRI SURESH KUMAR SHETKAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether there is constant rise in the generation of black money in the country;
- (b) if so, the details thereof indicating the sectors and areas identified from the generation and transaction point of view of black money;
- (c) whether the Government has an estimate or proposes an estimate of quantum of black money existing in the country;
- (d) if so, the details thereof;
- (e) the amount of black money seized by the Government during last three years alongwith its utilisation in the welfare schemes;
- (f) the involvement/connivance of officials/agencies noticed in generation of black money and the action taken/to be taken against them; and
- (g) the concrete measures taken/ proposed to be taken to check constant rise in black money alongwith keeping a strict vigil and strongly enforce/implement the measures being undertaken to trap tax evaders?

ANSWER

TO BE ANSWERED BY THE MINISTER OF STATE IN THE MINISTRY OF  
FINANCE

(Shri S.S.PALANIMANICKAM)

- (a) There is no credible information to suggest that there has been a constant rise in the generation of black money. The increase in direct tax collection of over 6 times in the

last ten years, i.e. FY 2001-02 to FY 2010-11, and growth of nearly 2 times in the Direct Tax to GDP ratio in the same period indicates better tax administration and improved tax compliance.

- (b) Does not arise in view of reply to part (a) above.
  - (c) The Government does not have an estimate of quantum of black money existing in the country. However, on the basis of the recommendations of the Standing Committee on Finance, the Government has commissioned a study by three national-level institutes, namely (i) National Institute of Public Finance and Policy (NIPFP), (ii) National Institute of Financial Management (NIFM), and (iii) National Council for Applied Economic Research (NCAER) to estimate the quantum of unaccounted income / wealth inside and outside the country and its ramifications on national security.
  - (d) The study is expected to be completed by September, 2012.
  - (e) Since April 2009, the Income Tax department has seized undisclosed assets worth Rs.2,644.08 crore domestically. However, unaccounted income detected in the period was over Rs 45,000 crore through invasive actions. The assets seized are adjusted against the tax demand raised consequent to finalization of the assessment proceedings.
  - (f) Whenever credible information about connivance/involvement of officers/agencies in generation of black money is noticed, it is communicated to the relevant authority to take appropriate action in accordance with the law.
  - (g) Drive against tax evasion is a continuous and ongoing process. The Income Tax Department takes several punitive and deterrent steps to unearth unaccounted money and curb tax evasion. These include scrutiny of tax returns; surveys, search and seizure actions; imposition of penalty; and launching of prosecution in appropriate cases. Information technology is used in a systematic way for collection and collation of information to take anti-evasion action against tax evaders.
- The Government has also framed a comprehensive five-pronged strategy in order to bring back the country's money illegally stashed abroad. The strategy comprises of:
- (i) Joining the global crusade against 'black money';
  - (ii) Creating an appropriate legislative framework;
  - (iii) Setting up institutions for dealing with Illicit Funds;
  - (iv) Developing systems for implementation; and
  - (v) Imparting skills to the manpower for effective action.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

Appendix - X

LOK SABHA

UNSTARRED QUESTION NO.881  
TO BE ANSWERED ON FRIDAY, THE 1<sup>ST</sup> MARCH, 2013  
PHALGUNA 10, 1934 (SAKA)

INFORMATION REGARDING BLACK MONEY

881. SHRI INDER SINGH NAMDHARI:  
SHRI SHIVKUMAR UDASI:  
SHRI HANSRAJ G. AHIR:  
SHRI L. RAJA GOPAL:  
SHRIMATI RAMA DEVI:  
SHRI MAHABALI SINGH:  
SHRI RAM SINGH KASWAN:  
SHRI NEERAJ SHEKHAR:  
SHRI BHISMA SHANKER ALIAS KUSHAL TIWARI:  
SHRI VIRENDRA KUMAR:  
SHRI K.P. DHANAPALAN:  
SHRI PRATAPRAO GANPATRAO JADHAO:  
SHRI P.C. GADDIGOUDAR:  
SHRI S.S. RAMASUBBU:

Will the Minister of FINANCE  
be pleased to state :

- (a) whether the Government has identified tax haven countries with regard to Black Money and if so, the details thereof;
- (b) the details of reports/assessments of the Black Money in the country made by various international and national agencies during the last three years and the current year;
- (c) the details of efforts made to bring back black money stashed in various banks abroad along with extent of success achieved thereon during the same period;
- (d) whether the Government has signed any Memorandum of Understanding (MoU) / entered into agreement with any country in this regard during the last three years and the current year; and
- (e) if so, the details thereof?

ANSWER

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

- (a): No, Sir. The Government has not identified any country as tax haven with regard to Black Money.

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(b): The Government has commissioned a study, inter alia, on estimation of unaccounted income and wealth both inside and outside the country. The study is being conducted by three institutes – National Institute of Public Finance and Policy (NIPFP), National Council of Applied Economic Research (NCAER) and National Institute of Financial Management (NIFM) separately. The study reports are still in the process of finalisation by the respective institutes.

(c): The Government has taken various steps in this direction under a multi-pronged strategy which includes creating an appropriate legislative framework; setting up institutions to deal with illicit funds; developing systems for implementation; imparting skills to the manpower for effective action; and joining the Global crusade against black money. Various legislative measures have also been taken by the Finance Act, 2012 in this regard which include reporting of assets (including bank accounts) held outside the country; reopening of assessments upto 16 years for taxing undisclosed assets (including bank accounts) kept outside the country; strengthening of penal provisions in respect of search cases; expansion of the ambit of tax collection at source (TCS) to cover certain more vulnerable items / sectors. India has been renegotiating its Double Taxation Avoidance Agreements (DTAAs) with other countries to bring the Article on Exchange of Information to International standards, and has also been expanding its treaty network by signing new DTAAs with many other countries and by entering into Tax Information Exchange Agreements (TIEAs) with many tax jurisdictions in its effort to facilitate the exchange of information and to bring in tax transparency. It has also become a member of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters in 2012. These steps have equipped the Government better in tackling the menace of black money.

(d) & (e): Yes Sir. India had entered into Double Taxation Avoidance Agreements (DTAAs) with 78 countries till 2009. Thereafter, new DTAAs have been signed with 9 more countries, viz., Colombia, Estonia, Ethiopia, Georgia, Mexico, Mozambique, Lithuania, Taiwan and Uruguay. Out of these, the DTAAs with 3 countries viz., Colombia, Ethiopia and Uruguay will enter into force after completion of internal procedures in these countries.

Since 2009, the Government has also approached 46 priority countries / jurisdictions for negotiation of Tax Information Exchange Agreements (TIEAs). At present, TIEAs with 9 jurisdictions viz. Bahamas, Bermuda, British Virgin Islands, Cayman Islands, Isle of Man, Jersey, Guernsey, Liberia and Macau have entered into force. In addition, Four more TIEAs have been signed with Argentina, Bahrain, Gibraltar and Monaco which will enter into force after completion of internal procedures of these countries.

All these revised and new DTAAs, and TIEAs contain provisions for Exchange of Information under which Tax Authorities can seek Ownership and Banking information, information held in fiduciary capacity as well as information which has no domestic interest for supplying country.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO. 1913  
TO BE ANSWERED ON FRIDAY, THE 08<sup>TH</sup> MARCH, 2013  
PHALGUNA 17, 1934 (SAKA)

PANEL FOR BLACK MONEY

1913. SHRI ABDUL RAHMAN;  
SHRI ANURAG SINGH THAKUR;  
SHRI ASADUDDIN OWAISI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the black money exceeds 10 per cent of the GDP of the country;
- (b) if so, the steps being taken by the Government to recover this money;
- (c) whether this black money is reportedly generated through tax evasion using transfer pricing;
- (d) if so, the steps taken by the Government to address the issue;
- (e) whether the Government has disclosed the reports on black money by National Council for Applied Economic Research (NCAER), National Institute of Financial Management (NIFM) and National Institute of Public Finance and Policy (NIPFP); and
- (f) if so, the details thereof and if not, the reasons therefor along with the time by which the said reports are likely to be disclosed?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(Shri S.S.PALANIMANICKAM)

(a) - There is no official estimate in this regard. However, the Government has commissioned a study, inter alia, on estimation of unaccounted income and wealth both inside and outside the country. The study is being conducted by three institutes - National Institute of Public Finance and Policy (NIPFP), National Council of Applied Economic Research (NCAER) and National Institute of Financial Management (NIFM) separately. The study reports are yet to be submitted by these institutes.

(b) Does not arise in view of reply to part (a) above. However, drive against tax evasion is an ongoing process and appropriate action under Direct Taxes laws including levy of penalty and launching of prosecution are taken on detection of cases of tax evasion. The Government has taken various steps under a multi-pronged strategy which includes creating

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an appropriate legislative framework; setting up institutions to deal with illicit funds; developing systems for implementation; imparting skills to the manpower for effective action; and joining the Global crusade against black money. Legislative measures taken through the Finance Act, 2012 in this regard include introduction of provisions requiring reporting of assets (including bank accounts) held outside the country; reopening of assessments up-to 16 years for taxing undisclosed assets (including bank accounts) kept outside the country; strengthening of penal provisions in respect of search cases; expansion of the ambit of tax collection at source (TCS) to cover certain more vulnerable items / sectors. India has been renegotiating its Double Taxation Avoidance Agreements (DTAAs) with other countries to bring the Article on Exchange of Information to International standards, and has also been expanding its treaty network by signing new DTAAs with many other countries and by entering into Tax Information Exchange Agreements (TIEAs) with many tax jurisdictions in its effort to facilitate the exchange of information and to bring in tax transparency. It has also become a member of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters in 2012. Various steps have also been taken to improve intelligence gathering mechanism of the Department. These steps have equipped the Government better in tackling the menace of tax evasion.

(c) Does not arise in view of reply to part (a) above. However, black money is generated through various means including tax evasion using transfer pricing.

(d) Does not arise in view of reply to part (c) above. However, Government has taken various measures to address the issue of tax evasion as illustrated in reply to part (b) above.

(e) As stated in reply to part (a) above, the final reports in respect of the study being conducted by these institutes are yet to be received in the Ministry.

(f) The study reports are still in the process of finalisation by the respective institutes. These are likely to be received in the Ministry by the end of April, 2013. After submission of the study reports by the three Institutes, the study reports would be examined by the Government for necessary action.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

Appendix - XII

LOK SABHA  
UNSTARRED QUESTION NO. 4306  
TO BE ANSWERED ON FRIDAY, THE 22<sup>TH</sup> MARCH, 2013  
Chaitra 1, 1935 (SAKA)

ILLEGAL FINANCIAL OUTFLOW

†4306. SHRI ANAND PRAKASH PARANJPE :  
SHRI EKNATH M. GAIKWAD:  
SHRI N.S.V. CHITTHAN:  
SHRI B.B. PATIL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken note of the study released by the Global Financial Integrity (GFI) wherein our country has been ranked quite high on the list of countries with illegal financial outflow;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) the details of such outflows from the country during the last three years and the current year, destination-wise;
- (d) whether the Government has identified the reasons for such a large outflow of illegal funds from the country;
- (e) if so, the details thereof; and
- (f) the steps taken/proposed to be taken by the Government to prevent this outflow?

ANSWER  
FINANCE MINISTER  
(SHRI P. CHIDAMBARAM)

(a) The Global Financial Integrity (GFI), a U.S. based non-profit organization, has released a report on 17<sup>th</sup> December, 2012 titled 'Illicit Financial Flows from developing countries: 2001-2010'. The illicit financial flows from developing countries including India, as mentioned in the GFI report, are only estimates based on various assumptions and presumptions. The Government has not made a formal analysis of the said report regarding its correctness.

(b) Does not arise in view of reply to part (a) above.

(c) There is no official estimate of the Government in this regard.

(d) The Government has commissioned a study, inter alia, on estimation of unaccounted income and wealth both inside and outside the country. The study is being conducted by three institutes - National Institute of Public Finance and Policy (NIPFP), National Council of Applied Economic Research (NCAER) and National Institute of Financial Management (NIFM) separately. The study reports are yet to be submitted by these institutes.

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(e) Does not arise in view of reply to part (d) above.

(f) Does not arise in view of reply to parts (d) and (e) above. However, drive against tax evasion is an ongoing process and appropriate action under Direct Taxes laws including levy of penalty and launching of prosecution are taken on detection of cases of tax evasion. The Government has taken various steps under a multi-pronged strategy which includes creating an appropriate legislative framework; setting up institutions to deal with illicit funds; developing systems for implementation; imparting skills to the manpower for effective action; and joining the Global crusade against black money. Legislative measures taken through the Finance Act, 2012 in this regard include introduction of provisions requiring reporting of assets (including bank accounts) held outside the country; reopening of assessments up-to 16 years for taxing undisclosed assets (including bank accounts) kept outside the country; strengthening of penal provisions in respect of search cases; expansion of the ambit of tax collection at source (TCS) to cover certain more vulnerable items / sectors. India has been renegotiating its Double Taxation Avoidance Agreements (DTAAs) with other countries to bring the Article on Exchange of Information to International standards, and has also been expanding its treaty network by signing new DTAAs with many other countries and by entering into Tax Information Exchange Agreements (TIEAs) with many tax jurisdictions in its effort to facilitate the exchange of information and to bring in tax transparency. It has also become a member of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters in 2012. Various steps have also been taken to improve intelligence gathering mechanism of the Department. The above steps have equipped the Government better in tackling the menace of tax evasion.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO. 436  
TO BE ANSWERED ON FRIDAY, THE 6<sup>TH</sup> DECEMBER, 2013  
AGRAHAYANA 15, 1935 (SAKA)

INDIAN ENTITIES' UNACCOUNTED WEALTH

436. SHRI PRABODH PANDA:

Will the Minister of FINANCE be pleased to state:

- (a) whether National Council for Applied Economic Research (NCAER), National Institute of Financial Management (NIFM) and National Institute of Public Finance and Policy (NIPFP) commissioned to undertake a study on estimation of unaccounted income and wealth both inside and outside the country submitted their study reports to the Government;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has disclosed the said reports by NCAER, NIFM and NIPFP;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor along with the time by which the said reports are likely to be disclosed?

ANSWER  
MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI J. D. SEELAM)

- (a) The Government had commissioned a study, inter alia, on estimation of unaccounted income and wealth inside and outside the country. The study is being conducted by National Council of Applied Economic Research (NCAER), National Institute of Financial Management (NIFM) and National Institute of Public Finance and Policy (NIPFP). Final study reports of these Institutes are yet to be received.
- (b) Given the complexities inherent in the subject, timeline for submission of final report was extended on the request of the Institutes.
- (c) Does not arise in view of reply to parts (a) and (b) above.
- (d) Does not arise in view of reply to parts (a), (b) and (c) above.
- (e) Final reports are likely to be received only by the end of December 2013.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO.4443  
TO BE ANSWERED ON FRIDAY, THE 19<sup>th</sup> DECEMBER, 2014  
AGRAHAYANA 28, 1936 (SAKA)

BLACK ECONOMY

4443. SHRI M.B. RAJESH:

Will the Minister of FINANCE be pleased to state:

(a) *whether the Government has any agency to study the issue of black economy in the country and if so, the details thereof;*

(b) *whether the Government has received report of the study and if so, the details thereof and response thereon; and*

(c) *the action taken/proposed to be taken on the basis of the report?*

ANSWER  
MINISTER OF STATE FOR FINANCE  
(SHRI JAYANT SINHA)

(a) The Government has 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). While assigning the study to NIPFP, NCAER and NIFM in March 2011, the frame-work was specified in the form of specific terms of reference.

(b) Study reports of the three Institutes have been received and the same are under examination of the Government.

(c) The study reports along with the Government's response would be taken to the Standing Committee on Finance at whose instance the study was commissioned.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO.866  
TO BE ANSWERED ON FRIDAY, THE 27<sup>th</sup> FEBRUARY, 2015  
PHALGUNA 8, 1936 (SAKA)

BLACK MONEY

866. SHRI BHARTRUHARI MAHTAB:  
SHRI KALIKESH N. SINGH DEO:  
SHRI Y.V. SUBBA REDDY:  
SHRI D.K. SURESH:  
SHRI NANA PATOLE:  
PROF. K.V. THOMAS:  
SHRI SANJAY DHOTRE:  
SHRI S.P. MUDDAHANUME GOWDA:  
SHRI M. RAJA MOHAN REDDY:  
SHRI E.T. MOHAMMED BASHEER:  
SHRI N.K. PREMACHANDRAN:  
SHRI C.R. CHAUDHARY:  
ADV. CHINTAMAN NAVASHA WANGA:

Will the Minister of FINANCE be pleased to state:

- (a) *the estimated amount of black money within and outside the country along with the details of the amount recovered from within and abroad as on date;*
- (b) *whether Special Investigation Team (SIT) to unearth black money stashed abroad has submitted its report, if so, the details of the recommendations made thereof specifying the number of people interrogated by SIT, names of the black money account holders in various foreign banks along with the likely action taken/proposed to be taken by the Government;*
- (c) *whether Government has devised/proposes to devise any multipronged strategy to check the menace of black money within and outside the country including roping in the banks and launching voluntary disclosure scheme, renegotiation of Double Taxation Avoidance Agreement (DTAAs) with various countries to facilitate the exchange of information and bring transparency; and*
- (d) *if so, the details thereof and the success achieved/likely to be achieved along with hurdles faced/likely to be faced in their endeavour?*

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**ANSWER**  
**MINISTER OF STATE FOR FINANCE**

**(SHRI JAYANT SINHA)**

(a) There is no official estimation of amount of black money within and outside the country. The Government has 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). Reports received from these Institutes are under examination of the Government.

The cases involving black money (unreported income/asset) are subjected to appropriate enquiry/investigation, *inter alia*, through searches, surveys or other modes as prescribed in the Income-tax Act, 1961 (the Act). Based upon findings of the enquiry/ investigation, tax, etc. payable by the subject persons are determined and recoveries are made through the process prescribed in the Act. Penalties are levied and prosecutions are launched in appropriate cases. Recoveries of taxes, penalties, etc. made from such cases form part of the overall direct tax collection in the country.

(b) As per the Government's Notification dated 29<sup>th</sup> May 2014, the SIT is responsible to the Hon'ble Supreme Court and it is charged with the duty to keep the Hon'ble Supreme Court informed of all major developments by filing of periodic status reports and following of any special orders that Supreme Court may issue from time to time. The SIT has submitted its first report in August 2014 and second report in November 2014 to the Hon'ble Supreme Court. Directions issued by the SIT are carried out and feedback submitted to the SIT from time to time.

(c) and (d) The Government has taken every possible measure to effectively deal with the menace of black money. Measures taken by the Government in this regard include (i) Constitution of a Special Investigation Team (SIT), in May 2014, with two former judges of the Hon'ble Supreme Court as Chairman and Vice-Chairman, *inter alia*, to deal with issues relating to black money stashed abroad; (ii) Joining the global efforts to combat cross-border global tax evasion and tax fraud and to promote international tax compliance, including supporting the implementation of a uniform global standard on Automatic Exchange of Information on a fully reciprocal basis facilitating exchange of information regarding persons hiding their money in offshore financial centres and tax havens through multilayered entities with non-transparent ownership; (iii) Taking appropriate legislative measures which include amendment to section 285BA of the Income-tax Act, 1961 (the Act) vide Finance (No. 2) Act, 2014 facilitating the Automatic Exchange of Information; amendment to section 139 of the Act and relevant rules requiring reporting of assets (including bank accounts) located outside the country in Income-tax return (ITR) and filing of ITR by every person

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resident in India who has any asset located outside India or signing authority in any account located outside India; introduction of section 94A of the Act providing for counter measures against a non-cooperative jurisdiction once such a jurisdiction is notified, etc.; (iv) Renegotiation of Double Taxation Avoidance Agreements (DTAAs) with other countries to bring the Article on Exchange of Information to International Standards and expanding India's treaty network by signing new DTAAs and by entering into Tax Information Exchange Agreements (TIEAs) with many tax jurisdictions to facilitate the exchange of information and to bring transparency; (v) Joining the Multilateral Convention on Mutual Administrative Assistance in Tax Matters; (vi) Proactively engaging with foreign governments for exchange of information under the provisions of DTAAs/TIEAs/Multilateral Convention; (vii) Exploring non-governmental sources to obtain information regarding undisclosed foreign assets; (viii) Effectively utilizing the information received from treaty partners to combat tax evasion and avoidance; (ix) While focusing upon non-intrusive measures, due emphasis on intrusive enforcement measures in high impact cases with a view to prosecute the offenders at the earliest possible, for credible deterrence against tax evasion; (x) Strengthening and streamlining the information collection and enforcement mechanism, inter alia, through extensive use of information technology, capacity building, etc.

While there are impediments in obtaining information relating to undisclosed assets stashed abroad, pursuant to steps taken by the Government as mentioned above, the flow of information has improved leading to better enforcement action.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO.2852  
TO BE ANSWERED ON FRIDAY, THE 13<sup>th</sup> March, 2015  
PHALGUNA 22, 1936 (SAKA)

OUTFLOW OF ILLICIT MONEY

2852. SHRI BAIJAYANT JAY PANDA:  
SHRI S.P. MUDDAHANUME GOWDA:  
SHRI LALLU SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that the cumulative illicit money moving out of the country from 2003 to 2012 has risen to USD 439.59 billion;
- (b) if so, the details thereof and the number of such cases identified by the Government;
- (c) whether the Government proposes to establish regulatory mechanisms to determine the attributes of these outbound overseas investment to prevent money laundering, corporate frauds etc., if so, the details thereof and if not reasons therefor;
- (d) whether Financial Action Task Force (FATF) has submitted report on money laundering, if so, the details thereof; and
- (e) the action taken by the Government thereon?

ANSWER  
MINISTER OF STATE FOR FINANCE  
(SHRI JAYANT SINHA)

(a) The amount of USD 439.59 billion appears to be based upon a report on 'Illicit Financial Flows from Developing Countries: 2003-2012' released in December 2014 by Global Financial Integrity, a Washington DC based non-profit research and advisory organization. Varying estimations of the amount of illicit money moving out of the country have been reported by different persons/institutions. Such estimations are based upon different sets of facts, data, methods, assumptions, etc. leading to varying inferences. However, there is no official estimation of the amount of black money stashed abroad/illicit money moving out of the country.

The Government has commissioned a study, inter alia, on estimation of unaccounted income and wealth inside and outside the country, to be conducted by National Institute of Public Finance and Policy (NIPFP), National Council of Applied Economic Research (NCAER) and National Institute of Financial Management (NIFM). Reports received from these Institutes are under examination of the Government.

Contd....2/-

(b) Case specific details in respect of illicit money moving out of the country are not given in the above-mentioned report. However, appropriate action against evasion of taxes/duties, including through cross-border transactions, is an on-going process. Such actions include investigation, levy of taxes/duties, imposition of penalties/fines and prosecution of accused persons under relevant laws.

(c) The Government has put in place appropriate regulatory mechanism to check illicit movement of money out of the country. Such mechanism includes regulatory framework for making foreign remittances, taking appropriate action in cases involving misuse of the medium of trade for moving money out of the country illegally including through overvaluation in imports, undervaluation in exports, remitting foreign exchange on forged import documents, payments/remittances for non-genuine purchases of goods/services/technical know-how, etc.

The Government has taken effective measures to deal with the menace of black money within and outside the country. Such measures include (i) Constitution of a Special Investigation Team (SIT), in May 2014, Chaired and Vice-Chaired by two former judges of the Hon'ble Supreme Court, inter alia, to deal with issues relating to black money stashed abroad; (ii) Joining the global efforts to combat cross-border tax evasion and tax fraud and to promote international tax compliance, including supporting the implementation of a uniform global standard on Automatic Exchange of Information on a fully reciprocal basis facilitating exchange of information regarding persons hiding their money in offshore financial centres and tax havens through multilayered entities with non-transparent ownership; (iii) Proactively engaging with foreign governments for exchange of information under available instruments; (iv) Exploring non-governmental sources to obtain information regarding undisclosed foreign assets; (v) While focusing upon non-intrusive measures, due emphasis on enforcement measures in high impact cases with a view to prosecute the offenders at the earliest possible for credible deterrence against tax evasion; (vi) Strengthening and streamlining the information collection and enforcement mechanism, inter alia, through extensive use of information technology, capacity building, etc.

Further, the Government has announced in the Budget speech 2015 features of a comprehensive new law to be enacted specifically to deal with black money stashed abroad.

(d) and (e) The Mutual Evaluation Report of India, prepared and published by Financial Action Task Force (FATF), had made certain recommendations in respect of Prevention of Money Laundering Act, 2002 (PMLA) to make the Act more compliant with the International Anti-Money Laundering standards. PMLA was amended in 2012, inter alia, to strengthen the regulatory and law enforcement system, improving compliance by regulatory entities and enabling them to handle evolving issues in a better manner. FATF recognized that India had made significant progress in addressing the issues identified in the Mutual Evaluation Report and decided to remove it from the regular follow-up process.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO. 2252  
TO BE ANSWERED ON FRIDAY, THE 12<sup>TH</sup> AUGUST, 2011

SRAVANA 21, 1933 (SAKA)

Action on 2G Spectrum Scam

2252. SHRI A.T. NANA PATIL:

Will the Minister of FINANCE be pleased to state:

- (a) whether investigation made by Enforcement Directorate in the 2G Spectrum Scam is fully completed;
- (b) if so, the details thereof and the action taken or proposed to be taken thereon;
- (c) if not, the reasons for delay and time by which investigations are likely to be completed;
- (d) whether there has been any delay in taking action on the guilty; and
- (e) if so, the details thereof, reasons therefrom and reaction of the Government thereto?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI S.S.PALANIMANICKAM)

(a) to (e) : The investigations in the matter by the Directorate of Enforcement under the provisions of Foreign Exchange Management Act, 1999 (FEMA) and the Prevention of Money Laundering Act, 2002 (PMLA) are in progress. The investigation under Prevention of Money Laundering Act for the offence of money laundering is connected with the investigation into the predicate offence being investigated by other agencies, where investigations are still going on. There is no delay in the investigation being conducted by the Directorate of Enforcement.

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THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): Sir, ten hon. Members have participated in the debate. I am thankful to them for taking keen interest in the functioning of the Customs Department. I am also thankful to them for their valuable observations and suggestions. I have taken note of these inputs which will help in improving the operational efficiency of the Customs Department.

Before I respond to the main issues raised by the hon. Members, I would like to state that taxation laws require action to be taken for recovery of duty not paid correctly. In the case of customs duties, this work is entrusted to jurisdictional Customs Officers as well as to others like Officers of Directorate General of Revenue Intelligence (DRI), Commissioners of Customs (Preventive) and others.

On 18<sup>th</sup> February, 2011, hon. Supreme Court in the case of Sayed Ali and Anrs. (C.A. Nos. 4294-4295 of 2002 and C.A. Nos. 4603-4604 of 2005) held that only such a Customs Officer who has been assigned the specific functions of assessment and re-assessment of duty in the jurisdictional area where the import concerned has been affected, by either the Board or the Commissioner of Customs, in terms of Section 2 (34) of the Act is competent to issue notice under Section 28 of the Act.

However, Customs Officers of DRI, etc. were not specifically assigned the assessment powers given to jurisdictional Customs Officers. Hence, on the basis of the Supreme Court order, on this technical ground, a large number of notices would get invalidated thereby adversely impacting huge revenue. For the future, the Government has taken remedial steps with effect from 6<sup>th</sup> July, 2011 by issue of a notification. The Customs (Amendment and Validation) Bill, 2011 will validate notices issued earlier.

Several pertinent questions or queries were raised by hon. Members. I would like to answer some of them. Shri Uday Singh raised an issue about computer network of customs either slow or not working. To some extent, I agree

with the hon. Member and we have upgraded our system. This is largely due to the teething problems that we are having but at the same time, we have round the clock helpline to assist the customers.

The second question that he raised was this. There was a reference to Special Valuation Branch. The SVB checks against under valuation so that correct duty is charged. The questionnaire is a transparent method to get information if importers do not have any information. It is not mandatory. The functioning of SVB is already under review. It is being examined as to whether it can be brought under one Directorate for a more professional approach. He again raised a point that the current baggage allowance of Rs. 25,000 is less. This is reviewed regularly. There was reference to provisional duty bonds. The bond amount covers the duty difference plus the possible penalty. The customs laws are cumbersome and clearance takes too much of time.

In this year's Budget, we have introduced self-assessment of customs duty by importers and exporters. Further, almost 60 per cent goods are cleared without examination, based on self-assessment. At airports, over 98 per cent passengers go through Green Channel without customs intervention.

Shri Shailendra Kumar has raised a question about the revenue implications of this amendment. Roughly, Rs. 7,600 crore is the implication. He also raised the issue that the Supreme Court must have considered all views before giving this decision. 'Yes', the Supreme Court order is based on technical interpretation of law. In the same order, the Supreme Court has allowed the Government to recover duty.

My friend, Shri Vijay Bahadur Singh has raised two or three pertinent questions that too much discretion is with the customs officers. But decision taken according to the Customs Act, 1962 and Rules thereunder and internal administrative vigilance machinery checks the misuse.

He has raised a question about the cases of import of cars without duty. Some people misused the facility given to people transferring their residence to India. Prompt remedial action was taken and cases are under investigation.

He again raised a question that there should be guidelines for determining price/value of imported goods. I would like to say to him that his suggestion is welcome. There is already a valuation data base and all imported goods are cleared after checking with this data base.

Hon. Member, Shri R. Thamaraiselvan has raised a question about stopping dumping of imported goods into India. We appreciate the concern of the hon. Member and we take recourse to anti-dumping measures, when required.

Shri Bhartruhari Mahtab raised three-four pertinent questions. One of them was about the show-cause notices pending since when? This Bill will regularise all notices which are not decided and also those which may be pending at various stages of appeal. The Supreme Court had invalidated the action on technical ground and now that has been removed by this Amendment.

The hon. Member, Shri P. R. Natarajan asked about the vacancies in the Department. 'Yes', there are a few vacancies and the cadre restructuring is under consideration.

Shri Mahtab also raised a question why can we not designate specific officers? We have already designated officers at Airports. The Bill is basically for officers belonging to DRI and Preventive Wing. He also raised a question that this Bill will humiliate international travellers. I would like to inform him that this Bill only validates notices already issued in the past and does not have specific provision for passengers.

Sir, respected Dr. Raghuvansh Prasad Singh has raised the issue about the sweeping powers given to the Customs Officers and the other officers of the Department. The Bill is only for the past period – before 6<sup>th</sup> July, 2011. Now, power has been restricted to the jurisdictional officers, the DRI, the Central Excise Intelligence Officers, Preventive Officers and Central Excise Officers. So, all these are jurisdictional officers.

In the end, I would like to say that this House will appreciate that no one is disputing that proper customs duty must be paid. The Government only wants that those who have not paid duty correctly should not benefit from a technicality.

With these words, I would commend this Bill for the consideration of the House.... (*Interruptions*)

MR. CHAIRMAN : You just put one question.

SHRI UDAY SINGH : Sir, I would seek your protection because the hon. Minister has been able to ignore the questions that I have raised. So, if you restrict me to only one question, it is going to be unfair.

Now, I would like to say that I raised the issue of corruption. He has not said a word about it. I mean, he has not clarified what the correct valuation of an imported consignment would be because he says that the SVB is there to levy the correct duty on the correct valuation. How do you arrive at the correct valuation?

MR. CHAIRMAN: Let the hon. Minister answer.

SHRI UDAY SINGH : There is the penalty on PD Bond. He says it is for the difference in the duty and the penalty amount. If the original dispute was for 5 per cent, how can the penalty be for 100 per cent? This is crazy! ... (*Interruptions*)  
These are some of the points which I raised.

MR. CHAIRMAN: Let the hon. Minister answer to it now.



SHRI NAMO NARAIN MEENA: In the beginning itself, I have told that I have noted all the concerns of the hon. Members, all the inputs, suggestions of the hon. Members including Shri Uday Singh. Valuation is on transaction basis as per the established rules. I assure you that I have noted what you have told. This will benefit the Department and we will take correctional measures.

SHRI UDAY SINGH : I am satisfied.

MR. CHAIRMAN: The question is:

“That the Bill further to amend the Customs Act, 1962, be taken into consideration.”

*The motion was adopted.*

MR. CHAIRMAN: The House will now take up clause by clause consideration of the Bill.

The question is:

“That clause 2 stand part of the Bill.”

*The motion was adopted.*

*Clause 2 was added to the Bill.*

*Clause 1, the Enacting Formula and the Long Title were added to the Bill.*

SHRI NAMO NARAIN MEENA: Sir, I beg to move:

“That the Bill be passed.”

MR. CHAIRMAN: The question is:

“That the Bill be passed.”

*The motion was adopted.*

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO. 4851  
TO BE ANSWERED ON FRIDAY, THE 2<sup>ND</sup> SEPTEMBER, 2011

BHADRA 11, 1933 (SAKA)

FEMA Violation in Commonwealth Games

4851. Shri Syed Shahnawaz Hussain:

Will the Minister of FINANCE be pleased to state:

- (a) whether there have been violations of Foreign Exchange Management Act, 1999 (FEMA) in connection with the organizing of the Commonwealth Games, 2010;
- (b) if so, the details thereof and the number of cases filed in different courts and the number of 'show cause notice' issued during the last two years in this regard; and
- (c) the action taken against the persons found responsible for violation of this law during the last two years?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI S.S.PALANIMANICKAM)

(a) to (c):- The investigations conducted so far in the organizing of Commonwealth Games, 2010 by the Directorate of Enforcement, prima-facie, indicate contravention of provisions of Foreign Exchange Management Act, 1999 (FEMA). Investigations in the matter are in progress.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO. 2334

TO BE ANSWERED ON FRIDAY, THE 7<sup>TH</sup> DECEMBER, 2012

AGRAHAYANA 16, 1934 (SAKA)

FEMA Violation

2334. SHRI RAJENDRA AGRAWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether an agency/body of the Government of India made a payment of Rs. 146 crores to a firm in United Kindom without the Reserve Bank of India's (RBI's) permission, thereby violating the provisions of Foreign Exchange Management Act (FEMA), 1999; and

(b) if so, the details thereof and action taken thereon?

ANSWER

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

(a) & (b) : Investigations conducted by the Enforcement Directorate under the provisions of the Foreign Exchange Management Act (FEMA), 1999 indicate that during the year 2010, Prasar Bharti/Doordarshan had made payment of Rs. 147.60 Crore to M/s SIS Live in India against the contract for production and coverage facility and services for Commonwealth Games. Investigations are under way.

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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

LOK SABHA  
UNSTARRED QUESTION NO. 413

FRIDAY, JULY 11, 2014 / ASHADHA 20, 1936 (SAKA)

ATTACHMENT OF PROPERTY

413. PROF. SAUGATA ROY :

Will the Minister of FINANCE be pleased to state the details of the attached property in connection with the coal scam by the Enforcement Directorate?

ANSWER  
MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRIMATI NIRMALA SITHARAMAN)

Investigations under Prevention of Money Laundering Act, 2002 (PMLA) are underway in certain cases registered against the entities allegedly involved in Coal Scam. Till date, assets worth Rs. 24.50 crores have been attached under PMLA in one case.

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

**LOK SABHA  
UNSTARRED QUESTION NO. †2379  
TO BE ANSWERED ON FRIDAY, THE 25<sup>TH</sup> JULY, 2014  
SHRAVANA 3, 1936 (SAKA)**

**DTAA AMENDMENT**

†2379. SHRI PASHUPATI NATH SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to bring about any amendment in Double Taxation Avoidance Agreement (DTAA) to find out details of black money deposited in the foreign countries;

(b) if so, the details of the said amendments;

(c) whether the said amendments are likely to result in getting complete information regarding black money deposited in the foreign countries as well as the concerned account holders thereof; and

(d) if so, the details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(SHRIMATI NIRMALA SITHARAMAN)**

(a) & (b): During the last three to four years, and as a part of the ongoing process, a number of Double Taxation Avoidance Agreements (DTAAs) have been amended through

*Continued on next page*

amending Protocols or through re-negotiation of the DTAAAs to bring the provisions on Exchange of Information to the International Standards. New DTAAAs and Tax Information Exchange Agreements (TIEAs) with various countries/jurisdictions have also been signed.

Further, the Government of India has joined the Multilateral Convention in Tax Matters (Multilateral Convention) and SAARC Multilateral Agreement. The current status of these Exchange of Information Instruments, including the status of amending Protocols and re-negotiated DTAAAs, as on 30<sup>th</sup> June, 2014, is as per Annexure. In addition, negotiations for entering into new DTAAAs with Azerbaijan, Chile, Hongkong, Iran, Nigeria and Venezuela and negotiations for entering into new TIEAs with Costa Rica, Democratic Republic of Congo, Panama, Maldives, Saint Kitts & Nevis, Seychelles, Andorra, Anguilla, Antigua and Barbuda, Aruba, Barbados, Brunei Darussalam, Cook Islands, Curacao, Dominica, Dominican Republic, Faroe Islands, Greenland, Grenada, Honduras, Jamaica, Montserrat, Peru, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saint Martin, Turks and Caicos and Vanuatu are going on.

(c) & (d): Under the agreements conforming to the International Standards of Exchange of Information, information as is foreseeably relevant for administration or enforcement of the domestic laws concerning taxes in specific cases can be received from our treaty partners, including banking information.

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**Annexure - India's tax treaties as on 30th June, 2014**

No.	Jurisdiction	Type of EOI agreement	Date signed	Date from which in force
1.	Afghanistan	SAARC Multilateral Agreement	13.11.2005	19.5.2010
2.	Albania	Double Taxation Avoidance Agreement ("DTAA")	08.07.2013	4.12.2013
		Multilateral Convention on Mutual Administrative Assistance in Tax Matters ("Multilateral Convention")	1.3.2013	1.12.2013
3.	Andorra	Multilateral Convention	05.11.2013	Not yet in force in Andorra
4.	Anguilla	Multilateral Convention	Extension by the United Kingdom	01.03.2014
5.	Argentina	Taxation Information Exchange Agreement ("TIEA")	21.11.2011	28.01.2013
		Multilateral Convention	03.11.2011	01.01.2013
6.	Armenia	DTAA	31.10.2003	09.09.2004
7.	Aruba	Multilateral Convention	Extension by the Netherlands	01.09.2013
8.	Australia	DTAA	25.07.1991	30.12.1991
		Protocol	16.12.2011	02.04.2013
		Multilateral Convention	03.11.2011	01.12.2012
9.	Austria	DTAA	08.11.1999	05.09.2001
		Multilateral Convention	29.5.2013	Not yet in force in Austria
10.	Bahamas	TIEA	11.02.2011	01.03.2011
11.	Bahrain	TIEA	31.05.2012	11.04.2013
12.	Bangladesh	DTAA	27.08.1991	27.05.1992
		Protocol	16.02.2013	13.06.2013
		SAARC Multilateral Agreement	13.11.2005	19.05.2010
13.	Belarus	DTAA	27.09.1997	17.07.1998



14.	Belgium	DTAA	26.04.1993	01.10.1997
		Multilateral Convention	04.04.2011	Not yet in force in Belgium
15.	Belize	TIEA	18.09.2013	25.11.2013
		Multilateral Convention	29.05.2013	01.09.2013
16.	Bermuda	TIEA	07.10.2010	03.11.2010
		Multilateral Convention	Extension by United Kingdom	01.03.2014
17.	Bhutan	SAARC Multilateral Agreement	13.11.2005	19.05.2010
		DTAA	04.03.2013	Not yet in force
18.	Botswana	DTAA	08.12.2006	30.01.2008
19.	Brazil	DTAA	26.04.1988	11.03.1992
		Protocol	15.10.2013	Not yet in force
		Multilateral Convention	03.11.2011	Not yet in force in Brazil
20.	British Virgin Islands	Multilateral Convention	Extension by United Kingdom	01.03.2014
21.	Bulgaria	DTAA	26.05.1994	23.06.1995
22.	Canada	DTAA	11.01.1996	06.05.1997
		Multilateral Convention	03.11.2011	01.03.2014
23.	Cayman Islands	TIEA	21.03.2011	08.11.2011
		Multilateral Convention	Extension by United Kingdom	01.01.2014
24.	China	DTAA	18.07.1994	21.11.1994
		Multilateral Convention	27.08.2013	Not yet in force in China
25.	Chinese Taipei (Taiwan)	DTAA	12.07.2011	12.08.2011
26.	Chile	Multilateral Convention	24.10.2013	Not yet in force in Chile
27.	Colombia	DTAA	13.05.2011	Not yet in force
		Multilateral Convention	23.05.2012	01.07.2014
28.	Costa Rica	Multilateral Convention	01.03.2012	01.08.2013

29.	Croatia	Multilateral Convention	11.10.2013	01.06.2014
30.	Curacao	Multilateral Convention	Extension by the Netherlands	01.09.2013
31.	Cyprus	DTAA	13.06.1994	21.12.1994
32.	Czech Republic	DTAA	01.10.1998	27.09.1999
		Multilateral Convention	26.10.2012	01.02.2014
33.	Denmark <sup>1</sup>	DTAA	08.03.1989	13.06.1989
		Protocol	10.10.2013	Not yet in force
		Multilateral Convention	27.05.2010	01.06.2011
34.	Egypt (United Arab Republic)	DTAA	20.02.1969	30.09.1969
35.	Estonia	DTAA	19.09.2011	20.06.2012
		Multilateral Convention	29.05.2013	Not yet in force in Estonia
36.	Ethiopia	DTAA	25.05.2011	15.10.2012
37.	Faroe Islands	Multilateral Convention	Extension by Denmark	01.06.2011
38.	Fiji	DTAA	30.01.2014	15.05.2014
39.	Finland	DTAA	15.01.2010	19.04.2010
		Multilateral Convention	27.05.2010	01.06.2011
40.	France	DTAA	29.09.1992	01.08.1994
		Multilateral Convention	27.05.2010	01.04.2012
41.	Georgia	DTAA	24.08.2011	08.12.2011
		Multilateral Convention	03.11.2010	01.06.2011
42.	Germany	DTAA	19.06.1995	26.10.1996
		Multilateral Convention	03.11.2011	Not yet in force in Germany
43.	Ghana	Multilateral Convention	10.07.2012	01.09.2013
44.	Gibraltar	TIEA	01.02.2013	11.03.2013
		Multilateral Convention	Extension by the United Kingdom	01.03.2014

<sup>1</sup> Under a protocol, the DTC with Denmark is extended to apply in its entirety to the territory of the Faroe Islands.

45.	Green Land	Multilateral Convention	Extension by the Denmark	01.06.2011
46.	Greece	DTAA	11.02.1965	17.03.1967
		Multilateral Convention	21.02.2012	01.09.2013
47.	Guatemala	Multilateral Convention	05.12.2012	Not yet in force in Guatemala
48.	Guernsey	TIEA	20.12.2011	11.06.2012
49.	Hungary	DTAA	03.11.2003	04.03.2005
		Multilateral Convention	12.11.2013	Not yet in force in Hungary
50.	Iceland	DTAA	23.11.2007	21.12.2007
		Multilateral Convention	27.05.2010	01.02.2012
51.	Indonesia	DTAA	07.08.1987	19.12.1987
		Revised DTAA	27.07.2012	Not yet in force
		Multilateral Convention	03.11.2011	Not yet in force in Indonesia
52.	Ireland	DTAA	06.11.2000	26.12.2001
		Multilateral Convention	30.06.2011	01.09.2013
53.	Isle of Man	TIEA	04.02.2011	17.03.2011
		Multilateral Convention	Extension by the United Kingdom	01.03.2014
54.	Israel	DTAA	29.01.1996	15.05.1996
55.	Italy	DTAA	19.02.1993	23.11.1995
		Multilateral Convention	27.05.2010	01.05.2012
56.	Japan	DTAA	07.03.1989	29.12.1989
		Multilateral Convention	03.11.2011	01.10.2013
57.	Jersey	TIEA	03.11.2011	08.05.2012
58.	Jordan	DTAA	20.04.1999	16.10.1999
59.	Kazakhstan	DTAA	09.12.1996	02.10.1997
		Multilateral Convention	23.12.2013	Not yet in force in Kazakhstan

60.	Kenya	DTAA	12.04.1985	20.08.1985
61.	Korea (Republic of)	DTAA	19.07.1985	01.08.1986
		Multilateral Convention	27.05.2010	01.07.2012
62.	Kuwait	DTAA	15.06.2006	17.10.2007
63.	Kyrgyz Republic	DTAA	13.04.1999	10.01.2001
64.	Latvia	DTAA	18.09.2013	28.12.2013
		Multilateral Convention	29.05.2013	Not yet in force in Latvia
65.	Liechtenstein	TIEA	28.03.2013	20.01.2014
		Multilateral Convention	21.11.2013	Not yet in force in Liechtenstein
66.	Liberia	TIEA	03.10.2011	30.03.2012
67.	Libya	DTAA	02.03.1981	01.07.1982
68.	Lithuania	DTAA	26.07.2011	10.07.2012
		Multilateral Convention	07.03.2013	01.06.2014
69.	Luxembourg	DTAA	02.06.2008	09.07.2009
		Multilateral Convention	29.05.2013	Not yet in force in Luxembourg
70.	Macau, China.	TIEA	03.01.2012	16.04.2012
71.	Macedonia	DTAA	17.12.2013	Not yet in force
72.	Malaysia	DTAA	14.05.2001	14.08.2003
		Revised DTAA	09.05.2012	26.12.2012
73.	Maldives	SAARC Multilateral Agreement	13.11.2005	19.05.2010
74.	Malta	DTAA	28.09.1994	08.02.1995
		Revised DTAA	08.04.2013	Not yet in force
		Multilateral Convention	26.10.2012	01.09.2013
75.	Mauritius	DTAA	24.08.1982	06.12.1983
76.	Mexico	DTAA	10.09.2007	01.02.2010
		Multilateral Convention	27.05.2010	01.09.2012

	Moldova	Multilateral Convention	27.01.2011	01.03.2012
78.	Monaco	TIEA	31.07.2012	27.03.2013
79.	Mongolia	DTAA	22.02.1994	29.03.1996
80.	Montenegro	DTAA	08.02.2006	23.09.2008
81.	Montserrat	Multilateral Convention	Extension by the United Kingdom	01.10.2013
82.	Morocco	DTAA	30.10.1998	20.02.2000
		Protocol	08.08.2013	Not yet in force
		Multilateral Convention	21.05.2013	Not yet in force in Morocco
83.	Mozambique	DTAA	30.09.2010	28.02.2011
84.	Myanmar	DTAA	02.04.2008	30.01.2009
85.	Namibia	DTAA	15.02.1997	22.01.1999
86.	Nepal	DTAA	18.01.1987	01.11.1988
		Revised DTAA	27.11.2011	16.03.2012
		SAARC Multilateral Agreement	13.11.2005	19.05.2010
87.	Netherlands	DTAA	30.07.1988	21.01.1989
		Protocol	10.05.2012	02.11.2012
		Multilateral Convention	27.05.2010	01.09.2013
88.	New Zealand	DTAA	17.10.1986	03.12.1986
		Multilateral Convention	26.10.2012	01.03.2014
89.	Nigeria	Multilateral Convention	29.05.2013	Not yet in force in Nigeria
90.	Norway	DTAA	02.02.2011	20.12.2011
		Multilateral Convention	27.05.2010	01.06.2011
91.	Oman	DTAA	02.04.1997	03.06.1997
92.	Pakistan	SAARC Multilateral Agreement	13.11.2005	19.05.2010
93.	Philippines	DTAA	12.02.1990	21.03.1994
94.	Poland	DTAA	21.06.1989	26.10.1989
		Protocol	29.01.2013	01.06.2014
		Multilateral Convention	09.07.2010	01.10.2011

95.	Portugal	DTAA	11.09.1998	30.04.2000
		Multilateral Convention	27.05.2010	Not yet in force in Portugal
96.	Qatar	DTAA	07.04.1999	15.01.2000
97.	Romania	DTAA	10.03.1987	14.11.1987
		Revised DTAA	08.03.2013	26.12.2013
		Multilateral Convention	15.10.2012	01.06.2014
98.	Russia	DTAA	25.03.1997	11.04.1998
		Multilateral Convention	03.11.2011	Not yet in force in Russia
99.	San Marino	TIEA	19.12.2013	Not yet in force
		Multilateral Convention	21.11.2013	Not yet in force in San Marino
100.	Saudi Arabia	DTAA	25.01.2006	01.11.2006
		Multilateral Convention	29.05.2013	Not yet in force in Saudi Arabia
101.	Serbia	DTAA	08.02.2006	23.09.2008
102.	Singapore	DTAA	24.01.1994	27.05.1994
		Protocol	29.06.2005	01.08.2005
		Protocol	24.06.2011	01.09.2011
		Multilateral Convention	29.05.2013	Not yet in force in Singapore
103.	Sint Maarten	Multilateral Convention	Extersion by the Netherlands	01.09.2013
104.	Slovak Republic	Multilateral Convention	29.05.2013	01.03.2014
105.	Slovenia	DTAA	13.01.2003	17.02.2005
		Multilateral Convention	27.05.2010	01.06.2011
106.	South Africa	DTAA	04.12.1996	28.11.1997
		Protocol	26.7.2013	Not yet in force
		Multilateral Convention	03.11.2011	01.03.2014

107.	Spain	DTAA	08.02.1993	12.01.1995
		Protocol	26.10.2012	Not yet in force
		Multilateral Convention	11.03.2011	01.01.2013
108.	Sri Lanka	DTAA	27.01.1982	19.04.1983
		Revised DTAA	22.01.2013	22.10.2013
		SAARC Multilateral Agreement	13.11.2005	19.05.2010
109.	Sudan	DTAA	22.10.2003	15.04.2004
110.	Sweden	DTAA	24.06.1997	25.12.1997
		Protocol	07.02.2013	16.08.2013
		Multilateral Convention	27.05.2011	01.09.2011
111.	Switzerland	DTAA	02.11.1994	29.12.1994
		Protocol	30.08.2010	07.10.2011
		Multilateral Convention	15.10.2013	Not yet in force in Switzerland
112.	Syria	DTAA	06.02.1984	25.06.1985
		Revised DTAA	18.06.2008	10.11.2008
113.	Tanzania	DTAA	27.05.2011	12.12.2011
114.	Tajikistan	DTAA	20.11.2008	10.04.2009
115.	Thailand	DTAA	22.03.1985	13.03.1986
116.	Trinidad and Tobago	DTAA	08.02.1999	13.10.1999
117.	Tunisia	Multilateral Convention	16.07.2012	01.02.2014
118.	Turkey	DTAA	31.01.1995	01.02.1997
		Multilateral Convention	03.11.2011	Not yet in force in Turkey
119.	Turkmenistan	DTAA	25.02.1997	07.07.1997
120.	Turks & Caicos	Multilateral Convention	Extension by the United Kingdom	01.12.2013
121.	Uganda	DTAA	30.04.2004	27.08.2004
122.	Ukraine	DTAA	07.04.1999	31.10.2001
		Multilateral Convention	27.05.2010	01.09.2013

123.	United Arab Emirates	DTAA	29.04.1992	22.09.1993
		Protocol	26.03.2007	03.10.2007
		Protocol	16.04.2012	12.03.2013
124.	United Kingdom	DTAA	25.01.1993	26.10.1993
		Protocol	30.10.2012	27.12.2013
		Multilateral Convention	27.05.2010	01.10.2011
125.	United States	DTAA	12.09.1989	18.12.1990
		Multilateral Convention	27.05.2010	Not yet in force in United States
126.	Uruguay	DTAA	08.09.2011	21.6.2013
127.	Uzbekistan	DTAA	29.07.1993	25.01.1994
		Protocol	11.04.2012	20.07.2012
128.	Virgin Islands (British)	TIEA	09.02.2011	22.08.2011
129.	Vietnam	DTAA	07.09.1994	02.02.1995
130.	Zambia	DTAA	05.06.1981	18.01.1984



LOK SABHA  
UNSTARRED QUESTION NO. 1032

FRIDAY, NOVEMBER 28, 2014 / AGRAHAYANA 7, 1936 (SAKA)

**Cases of Money Laundering**

1032. SHRI M.K. RAGHVAN:

Will the Minister of FINANCE be pleased to state:

- (a) the number of cases registered in the country under Prevention of Money Laundering Act in the last three years, State-wise, including the present status of each case; and
- (b) the amount so far attached under this category during this period?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI JAYANT SINHAJI)

(a) : The number of cases registered in the country under Prevention of Money Laundering Act (PMLA) in the last three years, state-wise, is given in the Annexure. These cases are at various stages of investigations.

(b) : Values of properties attached under PMLA during the last three years is as under :

Sr. No.	Year	Value of Properties Attached (Rs. In Crore)
1	2012	2434.29
2	2013	850.80
3	2014 (upto October, 2014)	1910.73

\*\*\*\*\*

**ANNEXURE**

<b>No. of Money Laundering Cases Registered (Year-wise)</b>			
<b>Region/States</b>	<b>2012</b>	<b>2013</b>	<b>2014 (upto 31.10.2014)</b>
Madhya Pradesh	18	11	3
Gujarat	17	9	6
Karnataka	12	9	13
Tamil Nadu	12	14	7
Kerala	0	1	5
Punjab	6	9	3
Haryana	1	2	0
Himachal Pradesh	0	2	0
Jammu & Kashmir	1	0	3
Uttarakhand	4	3	1
Chandigarh	0	7	0
Delhi & NCR	33	11	21
Andhra Pradesh & Telangana	9	4	11
West Bengal	9	5	8
Odisha	2	2	4
Assam & North Eastern States	14	2	2
Uttar Pradesh	30	13	19
Bihar	5	9	4
Jharkhand	17	0	0
Maharashtra	16	18	19
Goa	1	0	4
Chhattisgarh	0	4	1
Rajasthan	5	8	5
<b>Total</b>	<b>212</b>	<b>143</b>	<b>139</b>

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
LOK SABHA

UNSTARRED QUESTION NO: 4101

ANSWERED ON: 20.03.2015

SERVICE TAX EVASION BY CORPORATES

T.G. VENKATESH BABU

PONNUSAMY VENUGOPAL

Will the Minister of

FINANCE

be pleased to state:-

- (a) Whether the Government has taken note of Public Sector Undertakings (PSUs) including Navratna PSUs, Railways and Private Sector companies having outstanding Service Tax dues.
- (b) If so, the details thereof during the last three years, PSUs/Company -wise;
- (c) Whether the Government has initiated any probe against the defaulting PSUs/ Private Companies;
- (d) If so, details thereof and outcome thereon; and
- (e) Other steps taken/being taken by the Government to recover all outstanding dues and also curb such practices?

ANSWER

MINISTER OF STATE FOR FINANCE (SHRI JAYANT SINHA)

- (a) to (e) The information is being collected and will be laid on the Table of the House.

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

**LOK SABHA  
UNSTARRED QUESTION No. 5148**

**TO BE ANSWERED ON FRIDAY 24<sup>TH</sup> APRIL, 2015  
VAISAKHA 4, 1937 [SAKA]**

**OVERVALUATION AND UNDERVALUATION OF IMPORTS**

**5148. SHRI RAJESH RANJAN:  
SHRI NINONG ERING:  
SHRI JYOTIRADITYA M. SCINDIA:**

**Will the Minister of FINANCE be pleased to state:**

- (a) The quantum and value of coal and liquor imported during the last three years;**
- (b) whether Directorate of Revenue Intelligence have unearthed cases of overvaluation of imported coal from Indonesia by Indian companies, undervaluation of liquor imports by liquor companies and siphoning off the accrued money abroad in both the cases;**
- (c) if so, the details thereof and the action taken thereon against the offenders;**
- (d) the estimated revenue loss to the exchequer, company-wise; and**
- (e) the steps taken by the Government to curb such incidence in the future?**

**....CONTD. ON PAGE-2**

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
[SHRI JAYANT SINHA]**

(a) The details of coal and liquor imported into India during the last three years is as under:-

Financial Year	Value of Liquor imported [In Rupees Crore]	Value of Coal imported [In Rupees Crore]
2012-13	1169.28	69387.41
2013-14	1524.82	65407.49
2014-15	1788.00	56121.92

(b), (c) & (d) Yes, Directorate of Revenue Intelligence (DRI) is investigating a case of over-invoicing of coal imported from Indonesia involving a number of Indian companies. The investigation is in preliminary stage and it would be premature to quantify the exact amount involved therein. The details of undervaluation of liquor, imported by liquor companies, detected by DRI during the last three years, is as per Annexure-A.

(e) All Customs field formations including DRI have been sensitized on the issue so that such incidences of overvaluation/undervaluation are prevented.

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**LOK SABHA UNSTARRED QUESTION NO. 5148 FOR ANSWER ON 24.4.2015 REGARDING 'OVERVALUATION AND UNDERVALUATION OF IMPORTS'**

**ANNEXURE-A**

**Details of undervaluation of Liquor imported by liquor companies detected by Directorate of Revenue Intelligence (DRI) during last 03 years.**

<b>Year</b>	<b>Name of the Company</b>	<b>No. of cases detected</b>	<b>Undervaluation (Rs. in Crore)</b>	<b>Duty involved (Rs. in Crore)</b>
<b>2012-13</b>	-	-	-	-
<b>2013-14</b>	<b>William Grant &amp; Sons</b>	<b>1</b>	<b>0.60</b>	<b>1.00</b>
<b>2014-15</b>	<b>Pernod Ricard India Pvt. Limited.</b>	<b>1</b>	<b>140.00</b>	<b>225.00</b>
	<b>Diageo India Pvt. Limited</b>	<b>1</b>	<b>47.00</b>	<b>75.00</b>
	<b>Angus Dundee India Pvt. Limited</b>	<b>1</b>	<b>0.75</b>	<b>1.20</b>

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Extracts from Manual of Parliamentary Procedures in the  
Government of India, Ministry of Parliamentary Affairs, New Delhi

Appendix - ~~XXVI~~

### Chapter 8

## Assurances

**8.1** During the course of reply given to a question or a discussion, if a Minister gives an undertaking which involves further action on the part of the Government in reporting back to the House, it is called an 'assurance'. Standard list of such expressions which normally constitute assurances as approved by the Committee on Government Assurances (CGA) of the respective House, is given at Annex-3. As assurances are required to be implemented within a specified time limit, care should be taken by all concerned while drafting replies to the questions to restrict the use of these expressions only to those occasions when it is clearly intended to give an assurance on the floor of the House.

Definition

**8.2** An assurance given in either House is required to be fulfilled within a period of three months from the date of the assurance. This limit has to be strictly followed.

Time limit for fulfilling an assurance

**8.3** To ensure early fulfillment of assurances, entire process beginning from culling out of assurances from the proceedings of the House to the submission of Implementation Report including extension of time, dropping and transfer of assurances have been automated through a Software Application named "Online Assurances Monitoring System" (OAMS). Requests for extension of time, dropping or transfer of assurances and submission of Implementation Report through any other offline mode shall not be entertained under any circumstances.

Online Assurances Monitoring System (OAMS)

## Culling out of Assurances

**8.4** When an assurance is given by a Minister or when the Presiding Officer, directs the Government to furnish information to the House, it is extracted by the Ministry of Parliamentary Affairs, from the relevant proceedings and communicated to the Department concerned online through 'OAMS' normally within 20 working days of the date on which it is given on the floor of the House.

## Deletion from the list of assurances

**8.5** If the administrative Ministry/Department has any objection to treating such a statement as an assurance or finds that it would not be in the public interest to fulfill it, it may upload its request at 'OAMS' within a week of treating such statement as assurance for getting it deleted from the list of assurances. Such action will require prior approval of the Minister concerned and this fact should be clearly indicated in their communication containing the request. If such a request is made towards the end of stipulated period of three months, then it should invariably be accompanied with a request of extension of time. The department should continue to seek extension of time till the decision of the Committee on Government Assurances is conveyed through 'OAMS'. Requests received through offline mode shall not be entertained by either Rajya Sabha/Lok Sabha Secretariat or Ministry of Parliamentary Affairs.

## Extension of time for fulfilling an assurance

**8.6** If the Department finds that it is not possible to fulfill the assurance within the stipulated period of three months or within the period of extension already granted, it may seek further extension of time as soon as the need for such extension becomes apparent, indicating the reasons for delay and the probable additional time required alongwith details of action taken/progress made in the matter. All such request should be submitted at 'OAMS' for decision by CGA thereon with the approval of the concerned Minister.

## Registers of Assurances

**8.7.1** The particulars of every assurance will be entered by the Parliament Unit of the Ministry/Department concerned in a register as at Annex 4 after which the assurance will be passed on to the concerned section



8.7.2 Even ahead of the receipt of communication from the Ministry of Parliamentary Affairs through 'OAMS' the section concerned should take prompt action to fulfill such assurances and keep a watch thereon in a register as at Annex 5.

8.7.3 The registers referred to in paras 8.7.1 and 8.7.2 will be maintained separately for the Lok Sabha and the Rajya Sabha assurances, entries therein being made session wise.

The Section Officer in charge of the concerned section will;

Role of Section Officer and Branch Officer

- (a) scrutinize the registers once a week;
- (b) ensure that necessary follow-up action is taken without any delay whatsoever;
- (c) submit the registers to the branch officer every fortnight if the House concerned is in session and once a month otherwise, drawing his special attention to assurances which are not likely to be implemented within the period of three months; and
- (d) review of pending assurances should be undertaken periodically at the highest level in order to minimize the delay in implementing the assurances.

8.8 The branch officer will likewise keep his higher officer and Minister informed of the progress made in the implementation of assurances, drawing their special attention to the causes of delay.

8.9.1 Every effort should be made to fulfill the assurance within the prescribed period. In case only part of the information is available and collection of the remaining information would involve considerable time, an Implementation Report(IR) containing the available information should be uploaded at 'OAMS' in part fulfillment of the assurance, within the prescribed time limit. However, efforts should continue to be made for expeditious collection of the remaining information for complete implementation of the assurance at the earliest.

Procedure for fulfillment of an assurance

**8.9.2** Information to be furnished in partial or complete fulfillment of an assurance should be approved by the Minister concerned before it is uploaded at 'OAMS' in both English and Hindi versions in the prescribed pro forma as at Annex-6 , together with its enclosures. After online submission of the Report for fulfillment of the assurance partial or complete as the case may be, four hard copies each in Hindi and English version with one copy of each version duly authenticated by the officer concerned should be sent to the Ministry of Parliamentary Affairs for laying until e-laying is adopted by the concerned House.

**8.9.3** The Implementation Report should be submitted at 'OAMS' only. Implementation Report sent by any other mode or sent to Rajya Sabha/Lok Sabha Secretariat directly, will not be considered for laying.

Laying of the Implementation Report on the Table of the House

**8.10** The Ministry of Parliamentary Affairs, after scrutiny of the Implementation Report, will arrange to lay it on the Table of the House concerned. A copy of the Implementation Report, as laid on the Table, will be forwarded by Ministry of Parliamentary Affairs to the member(s) concerned. Details of laying of Implementation Report submitted by the Ministry/Department concerned would be made available by the Ministry of Parliamentary Affairs at 'OAMS'. The Parliament Unit of the Ministry/Department concerned and the concerned section will, on the basis of information available at 'OAMS', update their records.

Obligation to lay a paper on the Table of the House vis-à-vis assurance on the same subject

**8.11** Where there is an obligation to lay any paper (rule/order/notification, etc.) on the Table of the House and for which an assurance has also been given, it will be laid on the Table, in the first instance, in fulfillment of the obligation, independent of the assurance given. After this, a formal report regarding implementation of the assurance indicating the date on which the paper was laid on the Table will be submitted at 'OAMS' in the prescribed pro forma (Annex-6) in the manner already described in para 8.9.2

**8.12** Each House of Parliament has a Committee on Government Assurances nominated by the Chairman/ Speaker. It scrutinizes the Implementation Reports and the time taken in the fulfillment of Government Assurances and focuses attention on the delays and other significant aspects, if any, pertaining to them. Instructions issued by Ministry of Parliamentary Affairs from time to time as available on 'OAMS' are to be followed strictly.

Committees  
on Government  
Assurances  
RSR 211-A  
LSR 323, 324

**8.13** The Ministries/Departments will, in consultation with the Ministry of Parliamentary Affairs, scrutinize the reports of these two Committees for remedial action wherever called for.

Reports of the  
Committees on  
Government  
Assurances

**8.14** On dissolution of the Lok Sabha, the pending assurances do not lapse. All assurances, promises or undertakings pending implementation are scrutinized by the new Committee on Government Assurances for selection of such of them as are of considerable public importance. The Committee then submits a report to the Lok Sabha with specific recommendations regarding the assurances to be dropped or retained for implementation by the Government.

Effect on assurances  
on dissolution of  
the Lok Sabha



**MINUTES**

COMMITTEE ON GOVERNMENT ASSURANCES  
(2019-2020)  
(SEVENTEENTH LOK SABHA)  
FOURTEENTH SITTING  
(24.08.2020)

The Committee sat from 1530 hours to 1630 hours in Committee Room "C", Parliament House Annexe, New Delhi.

**PRESENT**

Shri Rajendra Agrawal - **Chairperson**

**MEMBERS**

2. Shri Nihal Chand Chauhan
3. Shri Ramesh Chander Kaushik
4. Shri Santosh Pandey
5. Shri Pashupati Kumar Paras

**SECRETARIAT**

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director
3. Shri S.L. Singh - Deputy Secretary

**WITNESSES**

**Ministry of Finance (Department of Revenue)**

1. Shri Ajay Bhushan Prasad Pandey - Finance Secretary
2. Shri Anil Kumar Jha - Additional Secretary
3. Shri P.C. Mody - Chairman, CBDT
4. Shri M. Ajit Kumar - Chairman, CBIC
5. Shri D.K. Gupta - Special Director
6. Shri S.K. Singh - Commissioner (Inv.)

**Ministry of Parliamentary Affairs**

1. Shri Kujur - Assistant Section Officer

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2. Thereafter, the representatives of the Ministry of Finance (Department of Revenue) and the Ministry of Parliamentary Affairs were ushered in. Welcoming the witnesses to the sitting of the

Committee, the Chairperson impressed upon them not to disclose the deliberations of the Committee to any outsider. The Committee then took oral evidence of the representatives of the Ministry of Finance (Department of Revenue) regarding pending Assurances. The Committee were perturbed to note the long pendency of the Assurances of the Ministry. The Chairperson asked the Secretary, Department of Revenue to give an overview of the pending Assurances of the Department and also enquired about the internal mechanism and system of monitoring and reviewing the implementation of pending Assurances in the Department.

3. The Secretary, Ministry of Finance (Department of Revenue) accordingly briefed the Committee on the above issues. The Chairperson asked the representatives of the Ministry to furnish the Minutes of their review meetings for monitoring of pending Assurances.

4. The Chairperson and Members thereafter raised various queries and sought certain clarifications on the 25 pending Assurances (Enclosure) taken up for the day. The witnesses responded to these queries and also provided clarifications. As some queries required detailed reply and inputs from various quarters, the Chairperson asked the witnesses to furnish written replies on the same in due course.

5. The evidence was completed.

6. The Chairperson thanked the witnesses for deposing before the Committee and furnishing the available information on the queries raised and clarifications sought by them.

7. The witnesses, then, withdrew.

8. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

**COMMITTEE ON GOVERNMENT ASSURANCES (2019-2020) LOK SABHA**

**Statement of pending Assurances pertaining to the Ministry of Finance (Department of Revenue) to be discussed during oral evidence to be held on 24.08.2020**

S. No.	SQ/USQ No. dated	Subject
1.	USQ No. 1395 dated 04.03.2011	FEMA Violation
2.	USQ No. 1461 dated 04.03.2011	Raids on CWG and IPL Officials
3.	USQ No. 1482 dated 04.03.2011	Amnesty Scheme for Black Money
4.	SQ No. 85 dated 05.08.2011	Black Money
5.	SQ No. 66 dated 25.11.2011	Black Money
6.	Discussion on Adjournment Motion dated 14.12.2011 (Shri Lal Krishna Advani, M.P.)	Money Deposited Illegally in Foreign Bank and Action Taken
7.	USQ No. 2937 dated 30.03.2012	Revelation of Black Money by CBI
8.	Discussion on the Finance Bill, 2012 dated 08.05.2012	General Discussion on Finance Bill, 2012
9.	USQ No. 5898 dated 11.05.2012	Estimation of Black Money
10.	USQ No. 881 dated 01.03.2013	Information regarding Black Money
11.	USQ No. 1913 dated 08.03.2013	Panel for Black Money
12.	USQ No. 4306 dated 22.03.2013	Illegal Financial Outflow
13.	USQ No. 436 dated 06.12.2013	Indian Entities' Unaccounted Wealth
14.	USQ No. 4443 dated 19.12.2014	Black Economy
15.	USQ No. 866 dated 27.02.2015	Black Money
16.	USQ No. 2852 dated 13.03.2015	Outflow of Illicit Money
17.	USQ No. 2252 dated 12.08.2011	Action on 2G Spectrum Scam

18.	Discussion on the Customs (Amendment and Validation) Bill dated 25.08.2011 (Shri Vijay Bahadur Singh, M.P.)	Discussion on the Customs (Amendment and Validation) Bill
19.	USQ No. 4851 dated 02.09.2011	FEMA Violation in Commonwealth Games
20.	USQ No. 2334 dated 07.12.2012	FEMA Violation
#21.	USQ No. 413 dated 11.07.2014	Attachment of Property
22.	USQ No. 2379 dated 25.07.2014	Double Taxation Avoidance Agreement (DTAA) Amendment
#23.	USQ No. 1032 dated 28.11.2014	Cases of Money Laundering
24.	USQ No. 4101 dated 20.03.2015	Service Tax Evasion by Corporates
25.	USQ No. 5148 dated 24.04.2015	Overvaluation and Undervaluation of Imports

# Implementation Reports laid on 11.02.2021.



**MINUTES**

COMMITTEE ON GOVERNMENT ASSURANCES  
(2020-2021)  
(SEVENTEENTH LOK SABHA)  
SECOND SITTING  
(22.12.2020)

The Committee sat from 1100 hours to 1215 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

**PRESENT**

Shri Rajendra Agrawal - **Chairperson**

**MEMBERS**

2. Shri Ramesh Chander Kaushik
3. Shri Kaushalendra Kumar
4. Shri Santosh Pandey
5. Shri Pashupati Kumar Paras

**SECRETARIAT**

- |    |                            |                    |
|----|----------------------------|--------------------|
| 1. | Shri Pawan Kumar           | - Joint Secretary  |
| 2. | Shri Lovekesh Kumar Sharma | - Director         |
| 3. | Shri S.L. Singh            | - Deputy Secretary |

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At the outset, the Chairperson welcomed the Members to the sitting of the Committee and apprised them that the sitting has been convened to (i) consider Memorandum No. 27 regarding request of the Ministry of Coal on the need for seeking extension of time once Implementation Reports have been furnished/uploaded; (ii) consider and adopt 04 draft Reports; and (iii) take oral evidence of the representatives of the Ministry of Law and Justice (Department of Legal Affairs) regarding pending Assurances. Thereafter, the Committee considered the Memorandum regarding request of the Ministry of Coal on the need for seeking extension of time once Implementation Reports have been furnished/uploaded. The Ministry of Coal had proposed that the extension of time for fulfillment of any Assurance may be deemed as granted once the requisite Implementation Report is submitted and response is awaited. If the Implementation Report is not accepted then, a fresh timeline may begin. The Committee, however, decided not to accede to the request of the Ministry and to continue with the extant practice of treating an Assurance as pending until the Implementation Report of the Assurance

is laid in the House or the Assurance is dropped by the Committee. The Ministries/Departments concerned have to continue to seek extension of time as usual till the relevant Implementation Report is laid in the House.

2. Thereafter, the Committee considered and adopted the following four (04) Draft Reports without any amendments and authorized the Chairperson to present the same:

- (i) Draft Thirty-first Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Acceded to)';
- (ii) Draft Thirty-second Report (17th Lok Sabha) regarding 'Requests for Dropping of Assurances (Not Acceded to)';
- (iii) Draft Thirty-third Report (17th Lok Sabha) regarding 'Review of Pending Assurances Pertaining to the Ministry of Finance (Department of Revenue); and
- (iv) Draft Thirty-fourth Report (17th Lok Sabha) regarding 'Review of Pending Assurances Pertaining to the Ministry of Labour and Employment'.

XXXXX      XXXXX      XXXXX      XXXXX      XXXXX      XXXXX  
XXXXX      XXXXX      XXXXX      XXXXX      XXXXX      XXXXX

*The Committee then adjourned.*

**Appendix – XXIX**

**COMPOSITION OF THE  
COMMITTEE ON GOVERNMENT ASSURANCES\*  
(2019 - 2020)**

**SHRI RAJENDRA AGRAWAL**

Chairperson

**MEMBERS**

2. Shri Sudip Bandyopadhyay
3. Shri Nihal Chand Chauhan
4. Shri Gaurav Gogoi
5. Shri Nalin Kumar Kateel
6. Shri Ramesh Chander Kaushik
7. Shri Kaushalendra Kumar
8. Shri Ashok Mahadeorao Nete
9. Shri Santosh Pandey
10. Shri Pashupati Kumar Paras
11. Shri Parbatbhai Savabhai Patel
12. Shri M.K. Raghavan
13. Shri Chandra Sekhar Sahu
14. Dr. Bharatiben Dhirubhai Shyal
15. Smt. Supriya Sule

**SECRETARIAT**

1. Shri Pawan Kumar - Joint Secretary
2. Shri Lovekesh Kumar Sharma - Director
3. Shri S. L. Singh - Deputy Secretary

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\* The Committee was constituted w.e.f. 09 October, 2019 *vide* Para No. 609 of Lok Sabha Bulletin Part-II dated 09 October, 2019

