

[30 November, 1999]

RAJYA SABHA

(b) the steps taken or likely to be taken in future to enable the State Governments to reduce their amount of overdraft?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Transactions between a State and the RBI are conducted as per agreement between the two. Since, it is a matter of relationship between the banker -and the client (RBI and State Government) the information about the State's overdrafts on their accounts with the RBI is not published/made public by the Government of India.

(b) In order to reduce the amount of overdraft of the State Governments a ceiling on overdrafts has been implemented by the RBI w.e.f. March 1, 1999 based on the recommendations of its Informal Advisory Committee on Ways and Means Advances to State Governments. Ministry of Finance has also advised State Governments from time to time to undertake steps to improve their overall financial position.

Black Money In the Country

150. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

- (a) the quantum of black money in the country;
- (b) the reasons for not conducting any fresh study to quantify black money in the country; and
- (c) the steps taken to prevent generation of black money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) According to a study made by the National Institute of Public Finance and Policy in 1983-84 the estimated undisclosed money was between Rs. 31584 crores and Rs. 36786 crores. No estimate is available on the amount of black money circulating in the Indian economy at present.

(b) Most of the transactions generating black money are unrecorded making the credibility of any estimate extremely low. Reliance is on indirect methods and circumstantial evidence. Even the authors of the study made in 1983-84 had admitted that their estimate was based on numerous assumptions and approximations, each of which could be challenged. Therefore, no fresh study has been conducted.

(c) The Government have been taking necessary legislative, fiscal and administrative measures from time to time to prevent generation of black money. Rates of taxation have been progressively rationalised. Besides, the Income Tax Act, 1961 contains a number of provisions aimed at preventing generation of black money. These include, inter alia, provisions regarding compulsory maintenance and audit of accounts in appropriate cases under Section 44AA and 44AB, restrictions on cash transactions under Section 40A(3), 269SS and 269T, pre-emptive purchases of properties under chapter XXC and provisions regarding penalties and prosecutions for punishing tax defaulters.

Target for Collection of Direct and Indirect Taxes

151. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) the targets set for the collection of both direct and indirect taxes during 1997-98 and 1998-99;

(b) how far these have been achieved;

(c) what has been the performance during the first half of 1999-2000; and

(d) the details of steps taken to increase collection of indirect taxes?