

Rs. 31,58,878 crore respectively. This includes National Small Savings Fund (NSSF) loans extended to States and external loans at book value. There has been rise in public debt of the Government to finance the developmental expenditure requirements.

(b) The estimated debt to GDP ratio for Central Government is 57 per cent in RE 2009-2010 and 56.9 per cent in BE 2010-2011 respectively.

(c) The Central Government has been following a comprehensive strategy to moderate growth in public debt through a policy of fiscal rectitude including, *inter alia*, recourse to lower cost borrowings, emphasis on raising funds on concessional terms and from less expensive sources with longer maturities, monitoring short term debt and encouraging non-debt creating capital flows. The Central Government has also set up a Middle Office in order to have prudent management of debt and to bring greater focus on carrying cost and secondary market liquidity.

(d) and (e) Increase in the debt, resulting from increased borrowings of the Government to finance its developmental expenditure, may have an adverse impact on the GDP growth, if private sector is crowded out due to Government borrowings. This may in turn impact on the GDP growth, since the private sector is an important driver of economic growth. To ensure that the financing needs of the private sector are fully met, and the public debt is kept at a sustainable level, the Government has embarked on a path of fiscal consolidation to lower fiscal deficit and public debt.

Diversion of black money to Share and realty market

1236. SHRI SHYAMAL CHAKRABORTY: Will the Minister of FINANCE be pleased to state:

(a) the major sources of black money generation and Government's efforts to plug those areas of black money;

(b) the result after imposition of Tax Deducted at Source (TDS) and whether sale of goods and articles have been increased or there is diversion of money to other areas like share market and realty market which remain the den of black money;

(c) whether Government has made any study on the role of ill gotten money which contribute rise in prices; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) It is difficult for the Government to locate the sources of black money generation as most of the transactions generating black money are unrecorded. However, there are several underlying causes of black money generation, including various socio-economic factors, some of which are exogenous to the Direct Tax laws.

The Government takes several punitive and deterrent steps to detect black money. These include scrutiny of returns, surveys, search and seizure action, imposition of penalty and launching of prosecution in appropriate cases. Among other efforts to unearth black money, Tax Information Network (TIN) has been set up as depository of important tax related information which can be accessed by the Department. The Income Tax Department is receiving information in respect of specified category of High Value Transactions through Annual Information Returns (AIRs) and Central Information Branches (CIB). The information collected from various sources are also collated electronically to create a 360 degree profile of the High Net Worth assesseees. Under the provisions of section 206A of the Income Tax Act certain entities responsible for paying to resident any income by way of interest (other than interest on securities) without deduction of tax at source are required to furnish quarterly returns. Information as regards suspicious transactions and large cash transactions, as disseminated by the Financial Intelligence Unit of India (FIU-IND), is also investigated by the Income Tax Department. Appropriate action under the provisions of Direct Tax Laws is taken to bring to tax the amount of undisclosed income detected by the Department.

(b) The applicability of TDS provisions has been extended so as to cover wide range of economic activities all over the country. TDS is an effective method of collection of taxes, as it is collected at source at the time of transaction itself.

There is no authentic information as regards diversion of money to other areas like share market and realty market. However, Securities Transaction Tax (STT) is imposed on share transactions through the recognized Stock Exchanges. As regards real estate sector, the construction contracts for building of houses come under the ambit of TDS. Information on sale of immovable property exceeding rupees thirty lakh is also collected through Annual Information Returns (AIRs) and the undisclosed income detected, if any, is brought to tax.

(c) and (d) At the instance of the Government, the National Institute of Public Finance and Policy (NIPFP) had in 1985 conducted a study "*Aspects of black money in India*" in which the amount of black money in the country in the year 1983-84 was estimated between Rs. 31,584 Crore and Rs. 36,786 Crore. However, the authors of the study had admitted that their estimate was based on numerous assumptions and approximations, each of which could be challenged. Thereafter, the Government has not made any study on black money.

World Bank assistance for Gujarat

1237. SHRI PARIMAL NATHWANI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Government of Gujarat has submitted a proposal for seeking World Bank assistance to the tune of USD 354 million for improving 2,200 kms. of State Highways;