

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (d) The year-on-year rate of inflation, based on wholesale price index, in the current financial year has been coming down as per details given below:

	Weights (%)	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
All Commodity	100.00	11.00	10.60	10.28	10.02	8.82	8.62	8.58
Food Articles	14.34	20.49	21.37	20.97	18.48	14.96	15.71	14.13
Manufactured Products	64.97	6.43	5.99	5.65	5.73	5.11	4.59	4.74

Government monitors the price situation regularly as price stability remains high on its agenda. Measures taken to contain prices of essential commodities include selective ban on exports and futures trading in food grains, zero import duty on select food items, permitting import of pulses and sugar by public sector undertakings, distribution of imported pulses and edible oils through PDS and release of higher quota of non-levy sugar. RBI has taken suitable measures to moderate demand levels consistent with capacity of the economy to maintain its growth without provoking price rise. Accordingly, the Repo rate and Reserve Repo rate increased to 6 per cent and 5 per cent respectively on September 16, 2010 from a level of 5.75 per cent and 4.50 per cent respectively. Further during their Second Quarter Policy Review on November 2, 2010 RBI raised the Repo rate and Reverse Repo rate to 6.25 per cent and 5.25 per cent respectively.

#### **Sending capital abroad through illegal means**

†1415. SHRI RAM JETHMALANI :

SHRI RAVI SHANKAR PRASAD :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that huge amount of capital is being sent abroad usually every year through illegal means;

(b) if so, the details thereof and the reaction of Government thereto;

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†Original notice of the question was received in Hindi.

(c) whether certain foreign institutions have also made assessment about the quantity of this amount; and

(d) if so, the details thereof?

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

(a) and (b) There is no verifiable information available about huge amount of capital being sent abroad every year through illegal means. The Capital investments abroad are normally remitted through banking channels. However, as and when instances of unauthorized transfer of funds abroad for any investment or otherwise is noticed, appropriate action is taken by the Directorate of Enforcement.

The Investigation Directorates also gather necessary intelligence regarding individuals and entities who have opened undisclosed foreign bank accounts. Further information is collected from the respective countries/territories under Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs) and accordingly the Investigation Directorates take action on the following lines:-

- (i) Gather intelligence about the agents/officials of foreign banks operating in India who are soliciting opening of foreign bank accounts.
- (ii) Collect information about Indian nationals suspected to have bank accounts in tax havens and also the agents or money changers involved in such work.
- (iii) Obtain information through Central Information Branches (CIB) regarding frequent foreign visits of Indian nationals to tax havens.
- (iv) Keep close watch to collect evidence during Search/Survey operations pertaining to opening of foreign bank accounts or immovable assets outside India.

(c) and (d) Certain studies have reportedly been conducted by private entities, including Foreign Institutions, regarding assessment of total amount of capital being sent abroad through illegal means. The mode and methods adopted in these studies and the assumption and presumptions made therein are not known. Accordingly, these estimates cannot be relied upon by the Government.

#### **Creation of an independent DMO**

1416. SHRI S. THANGAVELU : Will the Minister of FINANCE be pleased to state:

(a) whether Government has proposed to create an independent Debt Management Office (DMO) within two years, relieving RBI from the burden of managing sovereign borrowings and helping it focus on monetary policy;