

Tax Act for recovering the tax in pursuance of agreements with foreign countries has been initiated.

Securities Scam cases:

The assets of the taxpayers stand attached and are to be dealt with exclusively by the Custodian as per directions of the Special Court created under Special Court (TORTS) Act, 1992. The Custodian has been informed regarding outstanding income tax demand.

Action Plan on black money

69. SHRI M. VENKAIAH NAIDU: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that the Director, CBI has stated recently that around \$ 500 bn. (Rs.24.5 lakh crore approx.) of Indian money is stashed in foreign banks;

(b) if so, the steps taken for unearthing these accounts and bringing back the money to India;

(c) whether it is also a fact that the Prime Minister has promised to initiate action plan within 100 days of his coming to power in 2009; and

(d) if so, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes Sir, 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 money, the estimate of around 500 billion dollars of illegal money was in context of reporting of the matter in the Supreme Court on 4th 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 Government 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.

(b) to (d) CBI deals with the tracing of illegal money/proceeds of crime involved in the CBI cases through sending Letters Rogatory to Competent Authorities in foreign countries.

To bring back the black money to India, a five pronged strategy has been formulated by the Government:

- (a) **Joining the global crusade against 'black money'** (for example our action in G 20, Global Forum on Transparency and Exchange of Information for Tax Purposes, Task Force on Financial Integrity and Economic Development, Financial Action Task Force, UN, OECD, etc.)
- (b) **Creating an appropriate legislative framework:** (Various anti tax evasion measures legislated in existing Act and proposed in the DTC, New DTAA's and TIEAs, amend existing DTAA's)
- (c) **Setting up institutions for dealing with Illicit Funds;** (Income Tax Overseas Units, dedicated computerized Exchange of Information [EOI Unit], FIU)
- (d) **Developing systems for implementation** (new manpower policy): and
- (e) **Imparting skills to the manpower for effective action** (constant training for skill development).

Depreciation of Rupee

†70. Dr. YOGENDRA P. TRIVEDI: Will the Minister of FINANCE be pleased to state:

- (a) the reasons for the depreciation of rupee against U.S. dollar during the last six-seven months;;
- (b) whether the rupee has now been stabilized in the international market; and
- (c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) In the current fiscal 2011-12, the rupee has shown depreciating trend between August and December 2011 as indicated below. The main reasons for rupee depreciation were the supply-demand imbalance in the domestic foreign exchange market on account of slowdown in FII inflows, strengthening of

†Original notice of the question was received in Hindi.