

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
RAJYA SABHA
UNSTARRED QUESTION No. 960

TO BE ANSWERED ON TUESDAY, FEBRUARY 12, 2019/MAGHA 23, 1940 (SAKA)

Amaravathi Capital City construction

960. SHRI G.V.L. NARASIMHA RAO:

Will the Minister of FINANCE be pleased to state:

- (a) the money given to Andhra Pradesh so far for the construction of capital city at Amaravathi;
- (b) the money given by way of Central assistance for establishing new capital cities in Raipur of Chhattisgarh, Ranchi of Jharkhand and Dehradun of Uttarakhand;
- (c) whether it has come to the knowledge of the Ministry and CBDT that a lot of black money has been invested in buying lands in and out of Amaravathi;
- (d) the type of capital gain exemptions given to sellers of land in Amaravathi; and
- (e) whether they have been extended even to the profit motivated investors?

ANSWER

MINISTER OF STATE FOR FINANCE

(SHRI P. RADHAKRISHNAN)

(a): The Central Government has released Central Assistance of Rs.2500 crore for construction of capital city under Section (6) and Section 94 (3&4) of the AP Re-organisation Act, 2014 to the Successor State of Andhra Pradesh. Of which, Rs.1500 crore has been released by Ministry of Finance and Rs.1000 crore has been released by Ministry of Housing and Urban Affairs.

(b): Central Assistance for construction of Capital Cities of the States of Chhattisgarh, Jharkhand and Uttarakhand was not envisaged in their respective Reorganisation Acts. However, the 12th Finance Commission had recommended Rs. 200 crore each for the capital cities of Jharkhand, Chhattisgarh and Uttarakhand post their formation. Further, the 13th Finance Commission had recommended Rs.550 crore for the creation of New Capital City “Naya Raipur” of Chhattisgarh and Rs.88 crore for construction of New Legislative Assembly Building in Uttarakhand.

(c): Complaints regarding black money, containing inter-alia, allegations regarding investments in land etc, are received at different levels including CBDT and the field offices of the Income-tax Department. Such complaints contain information that is subject to verification. However, sector-wise/station-wise details of such complaints received across the country by various offices of the Income-tax Department are not maintained centrally.

(d) & (e): Section 10(37A) of the Income-tax Act, 1961 (the Act), *inter alia*, provides that an individual or Hindu undivided family who was the owner of land as on 2nd June, 2014, and has transferred such land under the land pooling scheme notified under the provisions of Andhra Pradesh Capital Region Development Authority Act, 2014, capital gains arising in respect of said persons from the following transfer shall not be chargeable to tax:

- (i) Transfer of capital asset being land or building or both, under land pooling scheme.
- (ii) Sale of Land Pooling Ownership Certificates by the said persons received in lieu of land transferred under the scheme.
- (iii) Sale of reconstituted plot or land by said persons within two years from the end of the financial year in which the possession of such plot or land was handed over to the said persons.

Further, section 49 of the Income-tax Act, *inter alia*, also provides that where reconstituted plot or land, received under land pooling scheme is transferred after the expiry of two years from the end of the financial year in which the possession of such plot or land was handed over to the said assessee, the cost of acquisition of such plot or land shall be deemed to be its stamp duty value on the last day of the second financial year after the end of financial year in which the possession of such asset was handed over to the assessee.
